

# INTERIM REPORT

KTG AGRAR SE FOR THE PERIOD ENDED 30 JUNE 2015



# GROUP FIGURES

of KTG Agrar SE (HGB)

in EUR million	H1 2015	H1 2014*	Absolute change	Relative change in percent
<b>A. EARNING POSITION</b>				
<b>Sales</b>	<b>113.2</b>	<b>100.0</b>	<b>13.2</b>	<b>13.2</b>
Farming	17.2	17.8	-0.6	-3.3
Energy production / Biogas	36.7	32.1	4.6	14.3
Food	59.3	50.1	9.2	18.4
<b>Total output</b>	<b>160.8</b>	<b>139.0</b>	<b>21.8</b>	<b>15.7</b>
<b>EBITDA</b>	<b>29.8</b>	<b>24.8</b>	<b>5.0</b>	<b>20.2</b>
<b>EBIT</b>	<b>19.9</b>	<b>17.5</b>	<b>2.4</b>	<b>13.7</b>
<b>Result from ordinary activities</b>	<b>8.9</b>	<b>7.0</b>	<b>1.9</b>	<b>27.1</b>
<b>Result for the period</b>	<b>3.0</b>	<b>4.4</b>	<b>-1.4</b>	<b>-31.8</b>

in EUR million	30.06.2015	31.12.2014	Absolute change	Relative change in percent
<b>B. ASSETS SITUATION</b>				
<b>Total assets</b>	<b>768.6</b>	<b>686.0</b>	<b>82.6</b>	<b>12.0</b>
<b>Shareholders' equity</b>	<b>121.8</b>	<b>113.4</b>	<b>8.4</b>	<b>7.4</b>
<b>Equity ratio (in percent)</b>	<b>16.0</b>	<b>16.5</b>	<b>-</b>	<b>-</b>
<b>Non-current assets</b>	<b>342.8</b>	<b>319.1</b>	<b>23.7</b>	<b>7.4</b>
<b>Current assets</b>	<b>422.3</b>	<b>363.7</b>	<b>58.6</b>	<b>16.1</b>
<b>Liabilities</b>	<b>620.9</b>	<b>549.4</b>	<b>71.5</b>	<b>13.0</b>

The accounting methods applied may result in rounding differences of +/- one unit (EUR, percent).

\*Adjusted for special income of EUR 6.2 million.

## SALES GROWTH BY BUSINESS SEGMENTS

H1 2015 compared with H1 2014



**Sowing and cultivation**

**FARMING**



**+14%**

**ENERGY**



**+18%**

**FOOD**

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# 01 The company

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“We are excellently positioned. People will always eat, and our focus on non-GMO production, in both the agricultural and the food segment, goes down very well with our customers.”

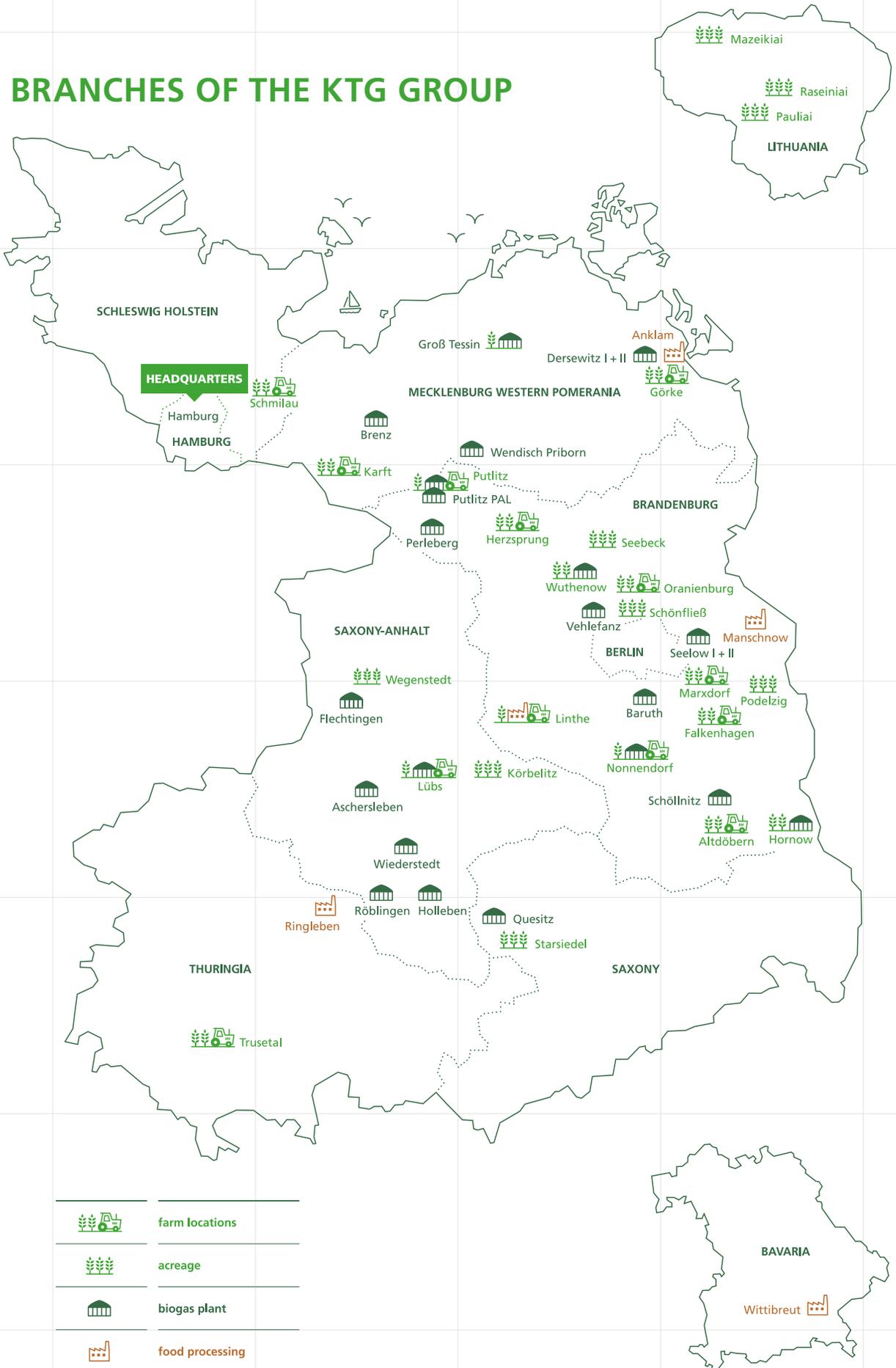
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**SIEGFRIED HOFREITER**

CEO

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# BRANCHES OF THE KTG GROUP



## OUR BUSINESS SEGMENTS



### FARMING

Healthy soil,  
healthy yield



### ENERGY

Clean energy,  
clean growth



### FOOD

Grown, processed and  
marketed by KTG

*Dear shareholders, colleagues and friends of the company,*

In the first half of 2015, we successfully continued the harvesting and optimisation phase initiated last year. Sales revenues rose by 13.2% to EUR 113.2 million. At EUR 29.8 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) were up by 20.2% in the first six months of 2015 on the previous year's adjusted EBITDA. Earnings before interest and taxes (EBIT) amounted to EUR 19.9 million, up 13.7% on the previous year's adjusted EBIT. This performance shows that the massive investments of the past years are bearing fruit. This trend will continue in the second half of the year, which is usually the stronger half-year in the agricultural sector. We will continue to boost our earnings, exploit synergies and pursue our optimisation strategy with determination.

One milestone was reached shortly before the publication of the present report, namely the repayment of our EUR 40 million bond on 15 September 2015. The issue in 2010 was the starting point for the creation of a unique value chain. Over the past five years, we made massive investments in farmland, strong food brands and the corresponding production capacity as well as in biogas plants. During the term of the bond, we increased our farmland by 15,000 hectares to over 45,000 hectares. The agricultural products are processed within the KTG Group at its facilities in Anklam, Wittibreit, Manschnow, Ringleben and Linthe and marketed under the *biozentrale*, *Frenzel Tiefkühlkost* and *Die Landwirte* brands. The result: high-quality food from "field to the plate" from a single source. Consumers can choose from a wide range of regionally produced products from muesli to pan-fried vegetables to soya oil with complete proof of origin.

Started 20 years ago, the agricultural operations are still at the heart of KTG Agrar SE. Besides these activities, the production of energy from renewable resources has become an important revenue and earnings generator. During the term of the bond, the production capacity has increased from 11 megawatts to over 60 megawatts. KTG Energie AG, our biogas subsidiary, is

today the leading biogas producer in Germany with a secured longterm revenue base of over EUR 80 million and an EBITDA base of over EUR 28 million – and rising. Far more than half of the renewable resources are generated from catch crops, agricultural wastes and grasses. The result: healthy food and clean energy from the same field and considerable hidden reserves in our balance sheet; while KTG Energie shares trade at approximately EUR 11 at the stock exchange, our 3.68 million shares are carried in our balance sheet at a price of EUR 1, which adds up to hidden reserves of over EUR 36 million alone.

#### **Establishing and releasing hidden reserves is part of our business model**

Our profitable growth strategy focuses on optimisation. As of 30 June 2015, KTG's equity capital amounted to EUR 121.8 million. The equity ratio of approximately 16% (according to HGB; excl. hidden reserves) will increase sharply as a result of the repayment of the bond and a strong second half-year. In addition, we will continue to selectively release hidden reserves, which is part of our business model. KTG operates in very exciting – but also very capital-intensive – areas. It therefore makes sense to take profits on an opportunistic basis in order to consolidate and to give us the scope we need to seize new opportunities. Besides the investment in KTG Energie, almost 6,000 hectares of own farmland in Germany and Lithuania are carried in our balance sheet for the period ended 30 June 2015. We also own agricultural real estate at attractive locations as well as fields that are suitable for the generation of wind energy. In addition, we have built up a profitably growing company in Romania – together with partners – over the past years.

#### **"From field to plate", a successful growth strategy**

Our "From field to plate" strategy is a unique selling proposition. People will always eat, and our focus on non-GMO production, in both the agricultural and food segments, is very popular with our customers. We will



therefore pursue such long-term trends as GMO-free diets and transparent origin and supply chains at an attractive price-performance ratio.

We now need to leverage synergies and utilise our capacities. After the investment phase, there are significant potential synergies within our Group. Let me give you only one example: every year we handle about 1 million tons of agricultural resources and see considerable potential for efficiency increases in terms of storage and transport. As far as our production activities are concerned, we aim to further increase our output significantly. The existing food production capacity is sufficient to increase our revenues from EUR 100 million in 2014 to EUR 200 million without material investments in the coming years – which would have a notable impact on the margin. To get a good deal closer to this target, we will present the KTG brands at the ANUGA fair in October, the world's leading event of the food industry. Visitors can look forward to many innovative products made from internally produced resources. The main focus will be on servings for single and dual households, mobile

breakfast, superfoods as well as vegan diet. We will also expand our export activities, as food “made in Germany” is in high international demand. Besides meeting with our customers from the German retail sector, we also expect to talk to large retailers from Europe as well as specialist retailers from the Middle and Far East.

As you can see, KTG Agrar is only at the beginning of the investment harvesting phase. For the coming years, we are firmly targeting EUR 500 million in sales revenues. A number of important steps towards this target will be made in 2015, with the food segment (over EUR 120 million in sales revenues) and the energy segment (over EUR 80 million in sales revenues) making the biggest contributions to growth in the current year. The record temperatures of the summer mean that the farming segment will also bring in a good harvest. These contributions demonstrate the diversified structure of KTG Agrar's business model.

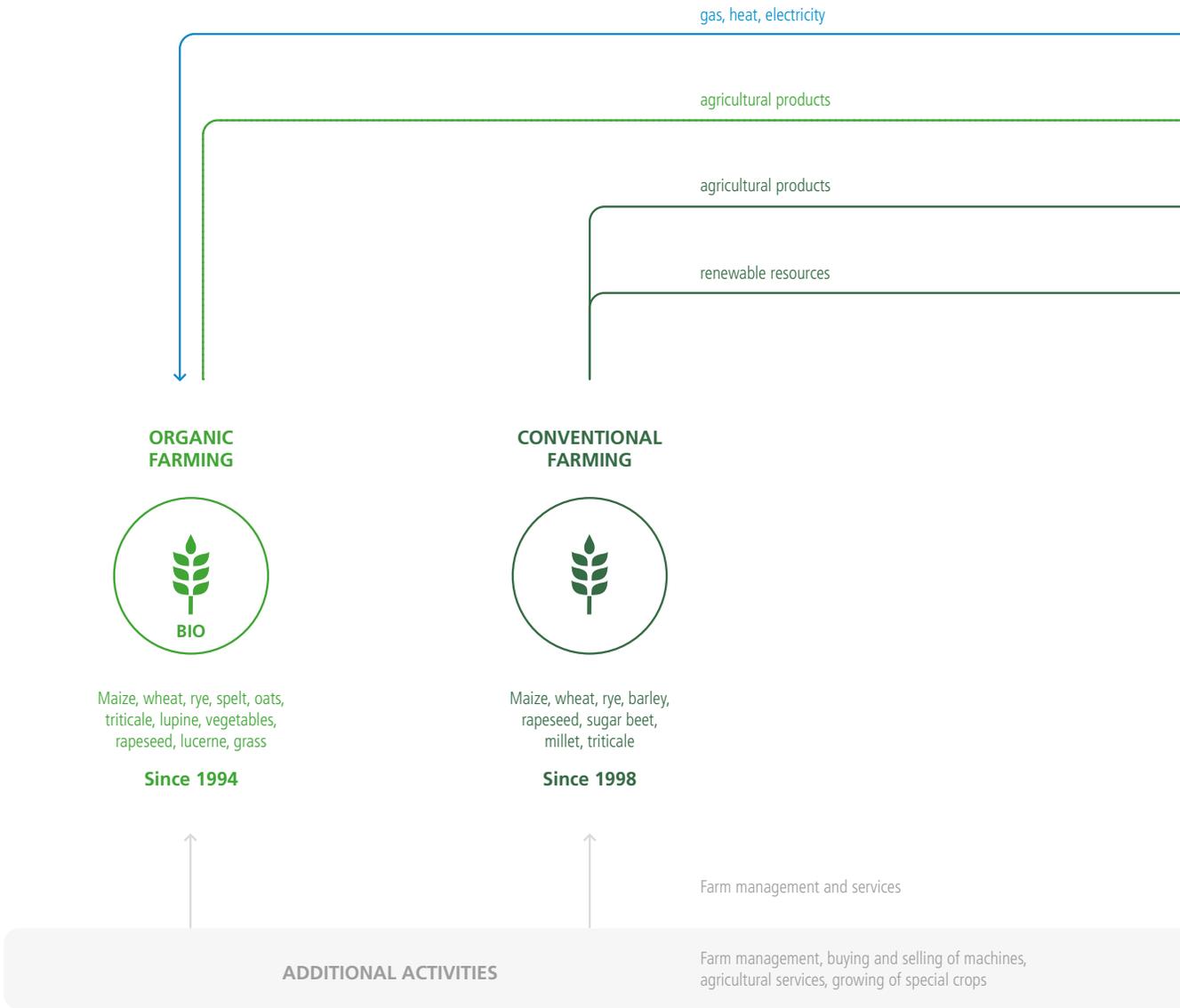
We are convinced of the sustainable success of our strategy and hope that you will share our enthusiasm. We farm for life.

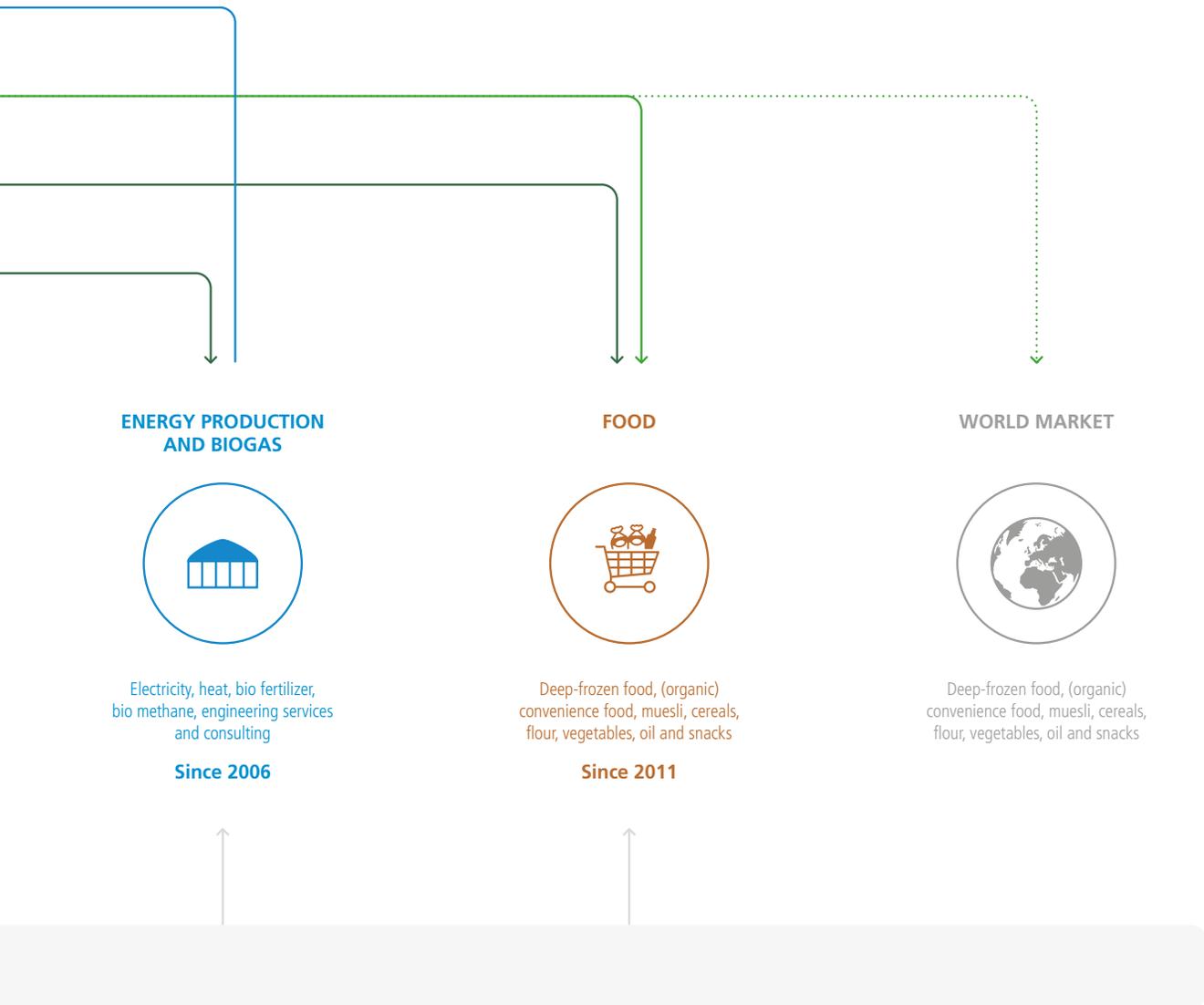
**SIEGFRIED HOFREITER**

CEO

# INTEGRATED BUSINESS MODEL

Farmland is the basis of our business





## “FROM FIELD TO PLATE” – A STRATEGY FOR THE FUTURE

*Cultivation on its own fields, processing in its own facilities, marketing under its own brands – several years ago KTG adopted its proprietary and unique “from field to plate” strategy which has proven that the large-scale production of tasty food from a single source is indeed possible.*

KTG Foods SE is able to produce food for over 1.5 million people and to bring its *biozentrale*, *Die Landwirte* and *Frenzel* brands to our customers.

The organic food sector continued and accelerated its growth in the first half of 2015. According to Germany’s Agrarmarkt Informations-Gesellschaft (AMI), consumer spending on organic fresh produce and selected organic processed food was up by 8.4% on the prior year period in the first half of 2015.

Frozen food products remain a success story in the German home market in 2015. Deutsches Tiefkühlinstitut e.V., the German association of frozen food producers, projects a 2% increase to 3.48 million tons for the full year 2015.

Based on the projected growth of the organic and convenience product market, KTG Foods SE aims to expand its customer base and to further develop and refine its product range. In addition, the company has pushed ahead its expansion into new markets, especially in the Asian region. Some answers by Reinhard Meißner, Divisional Head of KTG Foods SE, on this effort and the general trends and developments are provided below.

### Is the “from field to plate” strategy a USP of KTG Foods SE – after all, some of major food retailers use similar slogans?

**R. Meißner:** We may not be the only ones but we definitely differ from many of our competitors as we can truly say: we have our own fields, we cultivate our own crops, and we have everything under control, from sowing to harvesting to processing. This is what I call “from field to plate”. And this distinguishes us from many, many competitors who cannot do this the same way.

### Large food manufacturers have repeatedly made negative headlines. Are consumers losing confidence in the large corporations?

**R. Meißner:** You may say so. There are surveys about whom consumers trust and whom they don’t trust that



much. It is especially the industrial food manufacturers that rank quite low on the confidence scale, while farmers are taking the top places. And we ARE farmers – and have even named one of our brands accordingly. This gives consumers peace of mind.

### Have consumer requirements changed over the past years?

**R. Meißner:** Consumers are much more interested in what their products contain than this was the case in the past. The list of ingredients is becoming increasingly important. And of course new market niches are emerging, such as vegan food for instance.

### Is KTG-Foods SE part of these trends?

**R. Meißner:** Absolutely. This is why we also offer vegan products, for instance under the Bio-Zentrale brand, to show consumers that we take their wishes seriously.

### How important are the foreign markets, especially the Chinese market?

**R. Meißner:** The German market remains most important to us. At the same time, however, we are systematically analysing foreign markets for their potential and their compatibility with our profile. The Chinese market is a very concrete target. We have travelled to China several times since the beginning of the year and taken a very close look at the local food markets, distribution channels, consumer habits, income classes and spending

on food. In addition, we held many intensive talks. What we learnt and observed in this context has encouraged us to dare making inroads into the Chinese market and we are in the process of doing so.

Health in general and healthy food in particular are a big issue in China, not least because of the local food scandals. There is great uncertainty among Chinese consumers, who are highly sceptical about local food. By contrast, they have great trust in imported products from Europe, especially from Germany, with regard to origin, ingredients, reliability – what you would generally call food safety. Needless to say, this attitude suits us very well, which is why we will use the motto “KTG – The German Food Farmers” and our “from field to plate” claim, translated into Chinese. This way, we emphasise that consumers can trust our value chain. Together with our German origins, this is quite a lot that we can bring to bear.

**What are KTG’s possibilities to expand the food production?**

**R. Meißner:** We are in the middle of a process where we look at various categories offering potential we could use and expand. We will certainly launch one category

or another with new products, and potentially also with new partners – always true to our motto “from field to plate”. This has partly been done already at Bio-Zentrale, which offers new products from own cultivation, e.g. mueslis. And we will address the soya and tofu segment more closely. After all, we are one of the largest producers of non-GMO soya and firmly believe that meat substitutes will become a huge market, especially in the western industrialised world.

**You will again exhibit at ANUGA 2015. What new products will you present?**

**R. Meißner:** We will exhibit our *biozentrale*, *Frenzel* and *Die Landwirte* brands in the popular Fine Foods Hall of this year’s ANUGA, the world’s leading food fair. Our visitors will see almost 40 product innovations – from fruit and breakfast bars to products with chia seeds and pancakes.



~ Products of our “Frenzel” and “biozentrale” brands.



## 02 Interim management report

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“Our massive investments are reflected in good earnings in the 2015 season.”

**ULF HAMMERICH**

MEMBER OF THE MANAGEMENT BOARD

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## HIGHLIGHTS IN THE FIRST HALF OF 2015

### AT A GLANCE

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- › Sales revenues climb 13 % to EUR 113 million
- › Dynamic growth of 18 % in the food segment
- › Earnings before interest and taxes (EBIT) up 14 %
- › Market potential for the cultivation of soya

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SALES

**113,200**

EUR '000

FARMING

**17,200** EUR '000

ENERGY

**36,700** EUR '000

FOOD

**59,300** EUR '000

---

EBITDA

**29,800** EUR '000

EBIT

**19,900** EUR '000

RESULT FROM ORDINARY ACTIVITIES

**8,900**

EUR '000

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SHAREHOLDERS' EQUITY

**121,800**

EUR '000

EQUITY RATIO

**16.0** Percent

TOTAL ASSETS

**769,000** EUR '000

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# INTERIM MANAGEMENT REPORT

of KTG Agrar SE

## 1 General corporate information

### 1.1 Business model of the Group

KTG Agrar SE is a European Company, which, according to Council Regulation No. 2157/2001 of 8 October 2001, is additionally governed by the German Stock Corporation Act. The management structure is based on the dual system comprising a Management Board and a Supervisory Board. The corporate structure has remained largely unchanged from the previous year. The shares of KTG Agrar SE are listed in the Entry Standard of the Regulated Market of the Frankfurt Stock Exchange (Open Market) under WKN A0DN1J. The KTG Group, whose parent company is KTG Agrar SE, Hamburg (hereinafter also referred to as KTG), cultivates over 45,000 hectares of farmland for organic and conventional farming of food crops in east Germany, Lithuania and Romania. Based on our own estimates, this makes us one of the leading agricultural operations in Europe in terms of land under cultivation.

Farming is the core business of KTG. Building on this core activity, we have selectively and successively expanded our value chain since 2006.

The KTG Group covers many stages of the food production value chain – from the cultivation of organic and conventional agricultural resources to direct distribution to renowned food and fodder processors to in-house processing of frozen products and convenience food.

Part of our products are fed into the environmentally friendly production of energy in our own biogas plants. On the one hand, this allows us to leverage synergies; on the other hand, it reduces our exposure to volatile agricultural commodity prices. The result is an integrated business model:

Farming – Energy – Food. We grow a great variety of over 20 crops and cultures on our farmland. Natural crop rotation is an important element of our strategy. In this context, it is important that the farmland is available to us at an adequate price so that we can manage it responsibly and with circumspection in the long term. As of 30 June 2015, roughly 13 % of the land under cultivation was owned by the company.

Being a scarce global resource, farmland has significantly gained in value over the past years in east Germany and Lithuania (and worldwide). The prices per hectare in east Germany and Lithuania are still clearly below the west German level. The increase in land prices means that KTG has established high hidden reserves (land recognised at cost in accordance with HGB accounting rules). We have the necessary agricultural knowledge, state-of-the-art technology for efficient land management, access to an international network thanks to our farm management activities and speak the language of the farmers. These USPs form the basis of our internationalisation strategy and clearly distinguish us from typical investors or project developers.

### 1.2 Business segments

Our three main business segments – organic and conventional farming of food crops, energy production/biogas and food – will focus on consolidating and optimising the investments made. At the same time, the Group will continue to grow dynamically at the operational level.

#### Organic farming of food crops

The organic and conventional cultivation of food crops is our core business. 20 years ago, the KTG Group started as a pioneer especially in the organic segment. Today, KTG produces organic grain such as wheat, rye, grain maize and spelt on over 19,000 hectares of farmland. This makes us the largest producer of organic food crops in Europe. KTG operates organic farming in accordance with the strict regulations of the EU Council Regulation on Organic Agriculture. At some farms, we also comply with the more stringent specifications of renowned associations and institutions such as GMP and USDA organic.

#### Conventional farming of food crops

We use our know-how from organic farming and also produce conventional food crops according to the highest standards of quality. Mainly grains, maize and rape-seed are farmed in regular crop rotations. Moreover, KTG identified the potential of non-GMO soya at an early stage and has made major investments in the cul-

tivation of GMO-free soybeans over the past years. The company grows soybeans on an area totalling over 6,500 hectares, making it the leading producer of soya.

#### Energy production / Biogas

As part of our integrated business model, we have operated our own biogas plants for the production of renewable energy since 2006. The generation of environmentally friendly energy ideally complements the cultivation of food crops, as biogas is produced during the fermentation of biomass. With a total electrical output of over 60 megawatts we are currently able to supply some 500,000 people with energy. Besides renewable resources, we also use residues such as grass and straw. In addition, we are making growing use of catch crops such as millet or special grasses, which are sown after the grain harvest in the summer and harvested in November. Moreover, the digestate can be used or sold as a natural fertiliser and be reapplied to the fields. Besides the sustainable production of food and clean energy, this guarantees stable cash flows and a good margin.

#### Food

Following the motto “from field to plate”, we have made investments in food production since 2011. In doing so, we benefit from our long-established network of food retailers and have been a driving force in the trend towards regional products from the very beginning. Our food segment meanwhile comprises several companies and brands, namely Frenzel Tiefkühlkost, the oil mill in Anklam and Bio-Zentrale. Our factories at the deep-freezing sites in Thuringia and Brandenburg produce potato specialities and convenience meals as well as other food products under the Frenzel brand. In 2014 and 2015, the Frenzel frozen food brand was named as a “Top Brand” in the frozen vegetables segment. NOA Naturoel Anklam AG produces vegetable oils from internally pressed rapeseed and non-GMO soya grown on our own fields according

to the highest quality standards. These activities are complemented by Bio-Zentrale Naturprodukte GmbH, which produces agricultural products, mainly organic dry products, under the *biozentrale*, *BIOKIDS* and *Mühlenbach* brands. Developed and launched in 2013, the “*Die Landwirte*” premium brand markets a wide variety of products directly to food retailers. This brand concept is based on the use of fresh, internally produced high-quality food made from resources grown on our own fields. KTG Foods SE, which was established in 2014, pools the distribution activities of the individual brands and exploits synergies. The value chain of the food segment is rounded off by logistic services provided by the Linthe fresh produce facility, which primarily focuses on potatoes, onions and carrots.

#### Complementary agricultural activities

Complementary agricultural activities are part of the farming segment. These activities mainly serve the purpose of efficiently utilising existing land and resources within the KTG Group. This specifically includes the acquisition and development of agricultural companies, agricultural trade and land management for third parties (farm management), from cultivation planning to the sourcing of raw materials and supplies to the marketing of agricultural products. We also cultivate special crops (berries) in the environs of Berlin as part of our complementary agricultural activities. On a smaller scale, KTG is also active in suckler cow breeding and agricultural trade within this business segment.

### 1.3 Objectives and Group strategy

Three well-matched core business segments make KTG an integrated agricultural corporation. Our Group strategy is geared to optimisation, growth and risk diversification. Our vision is to be the champion of innovative agriculture and a leading agricultural company in Western Europe through

- › modern and sustainable agriculture,
- › modern and sustainable production of energy as well as
- › supplying customers with healthy food specifically for target groups “from field to plate”.

Our corporate activity is oriented towards the long term. The business segments of the KTG Group are continuously analysed and optimised for their growth and earnings potential. The KTG Group already produces grains for over 1,500,000 people and energy for around 500,000 people. Our long-term vision is to significantly increase our part in food production and be able to supply a whole metropolis like Hamburg or Berlin with energy. This vision is reflected in our internationalisation and innovation strategy:

- › to expand and optimise our position as an integrated provider of agricultural products and renewable energies,
- › to continuously and strategically expand the value chain,
- › to grow within the framework of core competences and on high-yield markets and consequently expanding business activities in Europe as well as in selected Asian markets.

## 2 Economic report

### 2.1 The economic environment

#### 2.1.1 The macroeconomy

While economic momentum had slowed down somewhat towards the end of 2014, the world economy picked up moderately at the beginning of 2015. In April of this year, the International Monetary Fund (IMF) confirmed its 2015 GDP growth forecast of 3.5 % (prior year growth:

3.4 %). The German economy continues to exhibit very solid growth. According to the IFO Economic Forecast (June 2015), the gross domestic product grew by 1.4 % in the first half of 2015, driven by private consumption, which increased by 2.3 %.

#### 2.2.2 Industry environment Agriculture / Food

After the record harvest of 2014, lower harvests are projected for the 2015 season in Germany, with the situation varying considerably from region to region. The dry summer led to much lower yields in some regions. According to the Federal Agricultural Ministry, however, the overall grain harvest (including maize) of approx. 48.2 million tons is in line with the multi-year average of 46.8 million.

The organic sector not only continued its growth in the first half of 2015 but gained even more momentum. According to Agrarmarkt Informations-Gesellschaft (AMI), consumer spending on organic fresh produce and selected organic processed food was up by 8.4 % on the prior year period in the first half of 2015. The growth rate for the first half of 2014 was 5.8 %. Food retailers benefit to an above-average extent from the rise in sales, with discount stores and full-range supermarkets posting almost identical growth rates.

#### Frozen food

Frozen food products remain a success story in Germany in 2015. Deutsches Tiefkühlinstitut e.V., the German association of frozen food producers, projects a 2 % increase to 3.48 million tons for the full year 2015 (2014: 3.42 million tons). The forecast covers the quantities of frozen products sold in food retail stores, delivered to customers' homes by direct door-to-door distributors and processed by caterers and restaurants. The sector's sales are expected to grow by approx. 1 %. The positive trend applies to nearly all frozen food product groups. The winners in terms of volumes also include potato

products and vegetables, which are important products for KTG Agrar. Fresh stimulation is provided by current trends such as vegetarian and vegan diets. The association estimates that annual per-capita consumption of frozen products will increase from 42.2 kilograms in 2014 to 43 kilograms in 2015.

#### Energy

The German Biogas Association expects 61 new biogas plants to be built in 2015. This represents yet another decline from the estimated 94 erected in 2014. While the amended German Renewable Energy Sources Act (EEG) aims for a gross capacity expansion of about 100 MW p.a. in the biomass segment, KTG Energie AG considers this target to be unrealistic. Save for certain transitional regulations, the subsidisation of biomass plants remains attractive only for new plants processing residues or wastes. The “Landschaftspflege-Bonus” (landscape conservation bonus) scheme for existing biogas plants has been restricted to certain feedstocks with a view to precluding abuse of the scheme by maize growers. In 2015, the German biogas plants will supply an estimated 27.9 TWh of electricity, approx. 1.2 % more than in the previous year, which covers the requirements of 8.0 million households. The Association estimates that the use of biogas plants will reduce carbon emissions by approx. 17.8 million tons in 2015 (previous year: 17.6 million tons).

### 2.2 Overall statement on the business trend

KTG continued to grow in the first half of 2015. Our energy production capacity was further expanded in the past months. We have meanwhile become the largest producer of clean energy from biogas in Germany. We also boosted our sales revenues and earnings – adjusted for extraordinary income from the sale of real estate in the previous year. The food segment is increasingly becoming a growth driver of the Group.

### 2.3 Business trend

The farming segment generates most of its income after the harvest in the second half of the year. In spite of the record summer, the harvesting season has been good so far. In the first half of 2015, KTG Agrar SE cultivated over 45,000 hectares of land (H1 2014: 43,700 hectares). At roughly 36,000 hectares, most of this land is situated in Germany (H1 2014: 35,400 hectares). In Lithuania, the company cultivates roughly 8,350 hectares of farmland. Some 5,850 hectares of the total land are owned by KTG Agrar (incl. 5,400 hectares in Germany).

#### Energy

The biogas segment, which operates under the umbrella of KTG Energie AG, is a growth driver of KTG Agrar. The production of renewable energy generates a solid margin and continuous cash flows. The KTG Energie Group continuously increased its biogas production capacity to over 60 megawatts, which is equivalent to a growth of almost 25 %. This has made us the largest biogas producer in Germany and Europe.

#### Food

Having been pooled under the umbrella of KTG Foods SE in July 2014, the food activities are also recording notable growth. With the *biozentrale* brand integrated into the Group in 2014, the focus has now been placed on efficiency increases and the utilisation of the existing production capacity. We are confident that the food segment will become a third strong pillar of the KTG Group besides the farming and energy segments also where earnings are concerned.

### 2.4 Total output

Group sales revenues climbed from EUR 100.00 million as of 30 June 2014 to EUR 113.2 million in the first half of 2015, with the main contributions made by the food and energy segments. Total output rose by 15.7 % from EUR 138.9

million in the previous year to EUR 160.8 million. Due to seasonal factors, changes in inventories of finished and unfinished products, which amounted to EUR 30.9 million (H1 2014: EUR 24.6 million), are an important component of total output in the first half of a year. They primarily comprise unharvested crops, which are harvested only in the second half of the year, when they are reflected in income.

Revenues generated from the sale of electricity, biogas and heat rose by 14.3% from EUR 32.1 million to EUR 36.7 million in the first half of 2015. The food segment continued to grow dynamically and reported an 18.4% increase in sales revenues from EUR 50.1 million to EUR 59.3 million. The farming segment also showed a good performance. Sales revenues in the organic farming segment amounted to EUR 4.0 million in the first half of 2015 (H1 2014: EUR 4.3 million), while the conventional farming segment generated EUR 7.0 million in sales revenues (H1 2014: EUR 6.4 million). Total farming revenues thus exceeded the prior year level. Animal production, which is a fringe segment and essentially comprises the sale of milk and cattle, contributed EUR 1.1 million to total Group revenues, which is identical to the contribution made in the previous year. Other operating income amounted to EUR 13.4 million.

As the Group expanded its farmland, its biogas activities and the food segment, costs increased as well. The cost of materials essentially comprises the cost of raw materials and supplies such as silage for the biogas production, goods purchased, fertiliser, seeds and fuels and totalled EUR 75.3 million in the first half of 2015 (H1 2014: EUR 64.3 million). Personnel expenses rose from EUR 14.1 million in the first half of 2014 to EUR 15.6 million as a result of the Group's growth. The increase in depreciation/amortisation from EUR 7.2 million to approx. EUR 9.9 million is primarily attributable to the additional biogas plants. Other operating expenses climbed from EUR 29.7 million to EUR 40.1 million.

## 2.5 Earnings

Earnings increased in line with the company's growth. At EUR 29.8 million, earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first half of 2015 were up by EUR 5.0 million on the adjusted EBITDA of the previous year (H1 2014: EUR 24.8 million), which included income from the sale of real estate. Earnings before interest and taxes (EBIT) amounted to EUR 19.9 million, up by EUR 2.4 million on the EUR 17.5 million posted in the first half of 2014. KTG made massive investments over the past years. The earnings trend shows that these investments are increasingly bearing fruit. Now that the investment phase is largely completed, the financial result of the first half of 2015 amounted to EUR -11.0 million. At EUR 8.9 million, the result from ordinary activities for the first half of 2015 was up by 28.5% on the previous year's adjusted EUR 7.0 million. Tax expenses of EUR 2.8 million exceed the previous year's EUR 2.4 million. It should be noted that an important portion of the farming segment's income is generated only after the harvest in the second half of the year.

## 2.6 Net assets and financial position

The financial and net assets position of KTG Agrar in the first half of 2015 was solid. As of the interim reporting date on 30 June, shareholders' equity was up by EUR 8.4 million on the year-end reporting date on 31 December 2014 to EUR 121.8 million. This is primarily attributable to the capital increase in early June 2015, when the share capital was increased by approx. 8%. The gross proceeds amounted to approx. EUR 7.25 million. Liabilities totalled EUR 620.9 million in the first half of 2015, including EUR 547.6 million in financial liabilities (31 December 2014: EUR 482.8 million). At approx. 16.0%, the equity ratio was 0.7% lower than on the year-end reporting date on 31 December 2014. KTG Agrar expects the equity ratio to improve to the prior year level as the year progresses. The repayment of the EUR 40 million bond 2010/2015

in September 2015 will reduce the financial liabilities. The business-related investments in biogas plants and food production sent property, plant and equipment rising from EUR 267.2 million (31 December 2014) to EUR 291.6 million at the end of the first half of 2015. Due to the seasonality of the agricultural sector, current assets in the form of inventories increased from EUR 86.5 million to EUR 116.3 million in the first half of 2015. Receivables and other assets rose to EUR 422.3 million in the first half of 2015. As of 30 June 2015, KTG Agrar's cash and cash equivalents (incl. securities) totalled EUR 18.0 million.

### 3 Opportunity and risk report

KTG is a dynamically growing company operating in a market characterised by high price volatility. This entails both opportunities and risks which are inextricably linked to the company's activity. Opportunities arise from megatrends such as the growing world population, changing eating habits and the phase-out of nuclear energy. KTG will aim to optimally exploit these opportunities in a dynamic national and international market environment.

In doing so, risks cannot be entirely avoided. However, we endeavour to keep these risks and the consequences for the company as low as possible, and therefore pursue a defensive strategy. For this purpose, we have a risk management system which applies throughout the Group. It makes sure that all risks are analysed and assessed systematically and uniformly throughout the Group. The focus of the risk management system is on the risk inventory. This defines the individual risks, assigns them to risk areas and assesses them.

We only expose ourselves to risk if that risk is counterbalanced by corresponding opportunities to generate growth and profit. At present, there are no discernible risks that could have a negative long-term impact on KTG Agrar's net worth, financial and earnings position.

For further opportunities and risks, please refer to the detailed information in the 2014 Annual Report.

### 4 Post balance sheet events

On 15 September 2015, KTG Agrar repaid its EUR 40.4 million corporate bond 2010/2015 (ISIN: DE000A1ELQU9) punctually upon maturity.

### 5 Outlook

KTG Agrar produces agricultural commodities and healthy food and generates environmentally and climate friendly energy in markets characterised by huge potential. Going forward, we will continue to rely on our integrated concept in order to develop additional markets.

#### Outlook for the farming segment

The cultivation of soya opens up considerable market potential for the farming segment. Products made from soya range from tofu or margarine to animal fodder to cosmetics. Being the largest producer of non-GMO soya in Western Europe, we currently cultivate soya on over 6,500 hectares. Above and beyond the processing of soybeans into vegetable oil and press cake, we see huge potential also in other areas of soybean processing and intend to expand the production of soya.

We project sales revenues in excess of EUR 70 million and earnings before interest and taxes (EBIT) of over EUR 15 million for the farming segment for the financial years 2016/2017.

#### Outlook for the food segment

The growing market for organic and convenience products and consumers' wish for healthy food are having a positive effect which will benefit the KTG Group's food segment. Moreover, the "from field to plate" strategy means that we have a unique USP in the market. Our objectives for the year 2015 are to further expand our customer base and to refine our product range with a

focus on potato specialities and products made from regionally produced grain. To achieve these objectives, the KTG brands will again present numerous product innovations at ANUGA, the world's leading food fair, in October. In addition, we will continue to make inroads into selected new markets, especially in Asia. The food segment is expected to generate sales revenues of over EUR 120 million in 2015, 15 % more than in the previous year and to post an EBIT margin of approximately 1.5 %.

#### Outlook for the energy segment

The business outlook for the energy segment in the second half of 2014 / 15 is positive. The existing biogas plant portfolio alone represents a long-term revenue base in excess of over EUR 80 million and EBITDA in excess of EUR 25 million. In the context of the growth strategy, the segment aims to generate up to EUR 100 million in sales revenues and to improve the EBITDA margin. Such growth may be driven by the acquisition of biogas plants which benefit from government-guaranteed feed-in tariffs under the EEG 2012 act.



**SIEGFRIED HOFREITER**

CEO



## 03 Interim financial statements

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“The Group owes its success  
to a strong and  
highly motivated team.”

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**MICHAEL SCHIRRMACHER**  
MEMBER OF THE MANAGEMENT BOARD

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# GROUP BALANCE SHEET

for the period ended 30 June 2015

	30.06.2015	31.12.2014
Other loans		
<b>A. FIXED ASSETS</b>		
<b>I. Intangible assets</b>	<b>17,393,976.99</b>	<b>18,309,754.98</b>
Concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	10,392,194.22	10,808,827.85
Goodwill	7,001,782.77	7,500,927.13
<b>II. Tangible assets</b>	<b>291,605,490.47</b>	<b>267,243,720.93</b>
Property, rights equivalent to real property and buildings, including buildings on third-party properties	72,171,928.75	68,920,867.99
Technical plants and machinery	158,938,407.29	160,350,334.58
Other plants, operational and business equipment	5,947,219.43	6,341,667.74
Permanent crops	258,289.93	279,810.75
Payments in advance and assets under construction	54,289,645.07	31,351,039.87
<b>III. Financial assets</b>	<b>33,839,954.19</b>	<b>33,547,676.53</b>
Shares in non-consolidated affiliated companies	269,043.50	269,043.50
Shares in affiliated companies	96,700.00	69,200.00
Equity holdings	15,456,449.55	15,443,949.55
Loans to companies in which participations are held	13,419,938.82	13,147,878.66
Fixed asset securities	156,475.04	156,475.04
Other loans	4,352,830.83	4,372,613.33
Cooperative shares	5,174.84	5,174.84
Reinsurance entitlements from life insurance	83,341.61	83,341.61
<b>TOTAL FIXED ASSETS</b>	<b>342,839,421.65</b>	<b>319,101,152.44</b>
<b>B. LIVESTOCK</b>		
<b>TOTAL LIVESTOCK</b>	<b>1,335,650.00</b>	<b>995,165.00</b>

ASSETS in EUR	30.06.2015	31.12.2014
<b>C. CURRENT ASSETS</b>		
<b>I. Inventory</b>	<b>116,320,257.23</b>	<b>86,459,080.81</b>
Raw materials and consumables	44,302,831.91	40,096,287.18
Unfinished products, services	61,241,354.00	36,339,563.01
Finished products and goods, feedstuffs	9,776,171.85	9,218,712.50
Payments in advance	999,899.47	804,518.12
<b>II. Receivables and other assets</b>	<b>287,958,348.64</b>	<b>258,011,009.19</b>
Accounts receivable from supplies and services	126,396,345.74	123,649,056.59
Accounts receivable from consolidated affiliated companies	1,420,674.98	5,722,823.69
Accounts receivable from non-consolidated affiliated companies	4,455,403.91	2,831,665.08
Receivables from companies with shareholding	36,721,049.40	30,387,902.81
Other assets	118,964,874.61	95,419,561.02
<b>III. Securities</b>	<b>367,780.70</b>	<b>514,819.55</b>
<b>IV. Cheques, cash and credit balances at banks</b>	<b>17,661,095.57</b>	<b>18,703,652.03</b>
<b>TOTAL CURRENT ASSETS</b>	<b>422,307,482.14</b>	<b>363,688,561.58</b>
<b>D. PREPAYMENTS AND ACCRUED INCOME</b>		
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	<b>2,151,509.01</b>	<b>2,240,933.47</b>
<b>E. CREDIT DIFFERENCE FROM OFFSETTING</b>		
<b>TOTAL CREDIT DIFFERENCE FROM OFFSETTING</b>	<b>12,441.00</b>	<b>12,441.00</b>
<b>TOTAL ASSETS</b>	<b>768,646,503.80</b>	<b>686,038,253.49</b>

LIABILITIES in EUR	30.06.2015	31.12.2014
<b>A. SHAREHOLDERS' EQUITY</b>		
<b>I. Subscribed capital</b>	<b>6,750,000.00</b>	<b>6,243,600.00</b>
<b>II. Par value of own shares</b>	<b>-11,782.00</b>	<b>-12,782.00</b>
<b>III. Capital reserve</b>	<b>54,966,380.00</b>	<b>48,215,780.00</b>
<b>IV. Revenue reserves</b>	<b>1,292,537.17</b>	<b>1,292,537.17</b>
Statutory reserve	5,000.00	5,000.00
Other retained earnings	1,287,537.17	1,287,537.17
<b>V. Balance of capital consolidation</b>	<b>28,208,798.52</b>	<b>28,570,391.90</b>
<b>VI. Distributable profit</b>	<b>18,456,624.40</b>	<b>16,916,689.91</b>
Profit carried forward	15,355,689.91	11,741,647.12
Consolidated net income/loss for the year	3,032,575.67	6,417,167.96
Shares of other shareholders in net income	68,358.82	-1,242,125.17
<b>VII. Adjustment item for shares of other shareholders</b>	<b>12,126,961.07</b>	<b>12,195,319.89</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>121,789,519.16</b>	<b>113,421,536.87</b>
<b>B. SPECIAL ITEM FOR INVESTMENT SUBSIDIES</b>		
<b>TOTAL SPECIAL ITEM FOR INVESTMENT SUBSIDIES</b>	<b>231,399.06</b>	<b>232,164.33</b>
<b>C. PROVISIONS</b>		
<b>I. Provisions for pensions and similar obligations</b>	<b>127,735.15</b>	<b>127,735.15</b>
<b>II. Provisions for taxes</b>	<b>4,177,309.70</b>	<b>3,969,383.20</b>
<b>III. Other provisions</b>	<b>11,902,598.80</b>	<b>9,753,228.55</b>
<b>TOTAL PROVISIONS</b>	<b>16,207,643.65</b>	<b>13,850,346.90</b>

LIABILITIES in EUR	30.06.2015	31.12.2014
<b>D. LIABILITIES</b>		
<b>I. Bonds, of which convertible: 0.00 Euro (2014: 0.00 Euro)</b>	<b>390,374,000.00</b>	<b>332,424,000.00</b>
<b>II. Amounts owed to credit institutes</b>	<b>154,536,224.71</b>	<b>149,197,698.43</b>
<b>III. Payments received on account of orders</b>	<b>272,856.05</b>	<b>295,432.88</b>
<b>IV. Trade liabilities</b>	<b>46,615,764.07</b>	<b>35,730,162.03</b>
<b>V. Accounts payable for drawn bills and issue of own bills</b>	<b>2,655,325.49</b>	<b>1,165,243.42</b>
<b>VI. Accounts payable to consolidated affiliated companies</b>	<b>1,547,842.96</b>	<b>2,271,858.66</b>
<b>VII. Accounts payable to non-consolidated affiliated companies</b>	<b>80,546.10</b>	<b>90,183.91</b>
<b>VIII. Liabilities to shareholders</b>	<b>0.00</b>	<b>33,867.02</b>
<b>IX. Accounts payable to companies with shareholding</b>	<b>236,166.27</b>	<b>53,036.80</b>
<b>X. Other liabilities, of which from taxes: 893,328.66 Euro (2014: 5.120.607,04 Euro) of which are within the framework of social security: 136,137.65 Euro (2014: 162,097.55 Euro)</b>	<b>24,554,030.29</b>	<b>28,135,750.36</b>
<b>TOTAL LIABILITIES</b>	<b>620,872,755.94</b>	<b>549,397,233.51</b>
<b>E. PREPAYMENTS AND ACCRUED INCOME</b>		
<b>TOTAL PREPAYMENTS AND ACCRUED INCOME</b>	<b>67,225.04</b>	<b>109,010.93</b>
<b>F. DEFERRED TAX LIABILITIES</b>		
<b>TOTAL DEFERRED TAX LIABILITIES</b>	<b>9,477,960.95</b>	<b>9,027,960.95</b>
<b>TOTAL LIABILITIES</b>	<b>768,646,503.80</b>	<b>686,038,253.49</b>

# GROUP INCOME STATEMENT

for the period from 1 January to 30 June 2015

in EUR	30.06.2015	30.06.2014
Sales revenue	113,244,611.59	100,016,863.87
Increase of the finished and unfinished product stock	30,906,645.60	24,574,194.92
Other own work capitalised	3,246,700.00	261,483.19
Other operational income	13,423,021.35	14,131,833.12
<b>OVERALL PERFORMANCE</b>	<b>160,820,978.54</b>	<b>138,984,375.10</b>
Costs of raw, auxiliary and working materials and acquired goods	-69,809,876.54	-60,254,048.49
Costs of acquired services	-5,496,571.84	-4,046,514.31
<b>COST OF MATERIALS</b>	<b>-75,306,448.37</b>	<b>-64,300,562.80</b>
<b>GROSS PROFIT</b>	<b>85,514,530.17</b>	<b>74,683,812.30</b>
Wages and salaries	-13,173,357.16	-11,822,462.27
Social security and pension and benefit expenses	-2,469,116.99	-2,251,774.82
<b>PERSONAL EXPENSES</b>	<b>-15,642,474.15</b>	<b>-14,074,237.09</b>
Depreciation of intangible assets and tangible assets	-9,883,314.86	-7,211,627.90
Other operational costs	-40,058,301.50	-29,658,702.52
<b>OPERATING RESULT</b>	<b>19,930,439.66</b>	<b>23,739,244.79</b>
Income from equity interests	298.81	549,824.50
Income from other securities and loans from financial assets	3,660.30	8,728.95
Other interest and similar income	4,910,444.86	3,278,151.81
Zinsen und ähnliche Aufwendungen	-15,895,062.97	-14,134,230.44
Depreciation of securities of current assets	0.00	-42,865.56
Expenses from interests in affiliated companies	0.00	-233,976.45
<b>FINANCIAL RESULT</b>	<b>-10,980,658.99</b>	<b>-10,574,367.19</b>
<b>RESULT FROM ORDINARY ACTIVITIES</b>	<b>8,949,780.67</b>	<b>13,164,877.60</b>
Extraordinary income	7,944.72	0.00
Extraordinary expenses	-2,962,814.71	-20,030.91
<b>EXTRAORDINARY RESULT</b>	<b>-2,954,869.99</b>	<b>-20,030.91</b>
Taxes on income and profit	-2,775,230.61	-2,357,212.87
Other taxes	-187,104.40	-197,415.11
Cost of partial profit transfer	0.00	9,549.62
<b>DISTRIBUTABLE PROFIT</b>	<b>3,032,575.67</b>	<b>10,599,768.33</b>
Retained profit	16,916,689.91	13,685,826.42
Profit distribution	-1,561,000.00	0.00
Shares of other shareholders in net income	68,358.82	-131,429.37
<b>BALANCE SHEET PROFIT</b>	<b>18,456,624.40</b>	<b>24,154,165.38</b>

# GROUP CASH FLOW STATEMENT

for the consolidated financial statements for the period ended 30 June 2015

in EUR thsd.	30.06.2015	31.12.2014
Net profit/loss for the period (group net income for the year including net income attributable to minority shareholders)	3,033	6,417
+/- Write-downs/write-ups	9,883	17,450
-/+ Gain/loss from fixed-asset disposal	-777	-22,751
+/- Increase (decrease) of provisions	2,149	7,463
-/+ Increase (decrease) of inventories, trade account receivables and services including other assets which are not part of investment and finance activities	-59,913	-36,070
+/- Increase (decrease) of trade liabilities and services including other liabilities which are not part of investment or finance activities	8,836	-7,677
- Other non-cash investment items	-4	-23
+/- Other non-cash cost/income		-767
+/- Cost/income exceptional items	2,955	2,368
+/- Interest payable/interest earned	10,985	22,206
+/- Income tax expenses/revenue	2,775	5,356
- Income tax payments	-715	-1,459
= <b>CASHFLOW FROM OPERATING ACTIVITIES</b>	<b>-20,792</b>	<b>-7,486</b>
- Payments for investments in intangible assets	-109	-213
+ Inflow from disposals of fixed assets	2,920	24,382
- Payments for investments in fixed assets	-32,480	-36,185
- Payments for investments in financial assets	-292	0
+ Paid interest	56	651
= <b>CASHFLOW FROM INVESTMENT ACTIVITIES</b>	<b>-29,905</b>	<b>-11,365</b>
+ Transfer to capital/earning reserves	506	0
+ Payments from capital increases	6,751	0
+ Payment from issued bonds	57,950	39,637
+ Payments from raised financial loans	17,809	41,640
- Payouts from (financial) loan payments	-12,471	-26,969
-/+ Payments of extraordinary items	-2,411	-2,368
- Interest paid	-18,480	-29,450
- Dividends paid to company shareholders	0	-1,374
- Dividends paid to other shareholders		-142
= <b>CASHFLOW FROM FINANCING ACTIVITIES</b>	<b>49,655</b>	<b>20,974</b>
Changes in cash and cash equivalent of the cash reserve	-1,043	2,123
+ Cash reserve at the start of the period	18,704	16,581
= <b>CASH RESERVE AT THE END OF THE PERIOD</b>	<b>17,661</b>	<b>18,704</b>
Rounding difference possible		
<b>FINANCIAL RESOURCES ACCORDING TO THE BALANCE SHEET</b>	<b>17,661</b>	<b>18,704</b>

# STATEMENT OF FIXED ASSETS

for the period ended 30 June 2015

FIXED ASSETS in EUR	01.01.2015	Changes in entities included in consolidation	ACQUISITION AND PRODUCTION COSTS			30.06.2015
			Additions	Reclassifications/ transfers	Disposals	
<b>A. INTANGIBLE ASSETS</b>						
Concessions, industrial property rights and similar rights and assets and licenses in such rights and assets	17,220,814.23	0.00	108,900.79	0.00	0.00	17,329,715.02
Goodwill	13,241,008.76	0.00	0.00	0.00	0.00	13,241,008.76
<b>TOTAL INTANGIBLE ASSETS</b>	<b>30,461,822.99</b>	<b>0.00</b>	<b>108,900.79</b>	<b>0.00</b>	<b>0.00</b>	<b>30,570,723.78</b>
<b>B. TANGIBLE ASSETS</b>						
Property, rights equivalent to real property and buildings, including buildings on third-party properties	87,861,207.20	0.00	4,831,637.58	-46,250.00	414,081.90	92,232,512.88
Technical plants and machinery	199,465,533.69	0.00	4,317,584.46	1,355,917.09	247,132.82	204,891,902.42
Other plants, operational and business equipment	15,333,716.86	0.00	834,759.11	-290,583.31	258,786.40	15,619,106.26
Permanent crops	359,139.04	0.00	0.15	-12,283.74	0.00	346,855.45
Payments in advance and assets under construction	31,499,450.17	0.00	26,765,531.12	-1,006,800.04	2,820,000.00	54,438,181.25
<b>TOTAL TANGIBLE ASSETS</b>	<b>334,519,046.96</b>	<b>0.00</b>	<b>36,749,512.42</b>	<b>0.00</b>	<b>3,740,001.12</b>	<b>367,528,558.26</b>
<b>C. FINANCIAL ASSETS</b>						
Shares in non-consolidated affiliated companies	269,043.50	0.00	0.00	0.00	0.00	269,043.50
Shares in affiliated companies	69,200.00	0.00	27,500.00	0.00	0.00	96,700.00
Equity holdings	15,620,597.86	0.00	12,500.00	0.00	0.00	15,633,097.86
Loans to companies in which participations are held	13,147,878.66	0.00	272,060.16	0.00	0.00	13,419,938.82
Fixed asset securities	156,475.04	0.00	0.00	0.00	0.00	156,475.04
Other loans	4,390,050.64	0.00	0.00	0.00	19,782.50	4,370,268.14
Cooperative shares	5,174.84	0.00	0.00	0.00	0.00	5,174.84
Reinsurance entitlements from life insurance	83,341.61	0.00	0.00	0.00	0.00	83,341.61
<b>TOTAL FINANCIAL ASSETS</b>	<b>33,741,762.15</b>	<b>0.00</b>	<b>312,060.16</b>	<b>0.00</b>	<b>19,782.50</b>	<b>34,034,039.81</b>
<b>TOTAL</b>	<b>398,722,632.10</b>	<b>0.00</b>	<b>37,170,473.37</b>	<b>0.00</b>	<b>3,759,783.62</b>	<b>432,133,321.85</b>

01.01.2015	Changes in entities included in consolidation	CUMULATED DEPRECIATION			Disposals	30.06.2015	BOOK VALUE	
		Planned depreciation	Appreciation				30.06.2015	31.12.2014
6,411,986.38	0.00	525,534.42	0.00	0.00	6,937,520.80	10,392,194.22	10,808,827.85	
5,740,081.63	0.00	499,144.36	0.00	0.00	6,239,225.99	7,001,782.77	7,500,927.13	
<b>12,152,068.01</b>	<b>0.00</b>	<b>1,024,678.78</b>	<b>0.00</b>	<b>0.00</b>	<b>13,176,746.79</b>	<b>17,393,976.99</b>	<b>18,309,754.98</b>	
18,940,339.21	0.00	1,120,244.92	0.00	0.00	20,060,584.13	72,171,928.75	68,920,867.99	
39,115,199.11	0.00	7,037,775.91	0.00	199,479.89	45,953,495.13	158,938,407.29	160,350,334.58	
8,992,049.12	0.00	691,252.14	0.00	11,414.43	9,671,886.83	5,947,219.43	6,341,667.74	
79,328.29	0.00	9,237.23	0.00	0.00	88,565.52	258,289.93	279,810.75	
148,410.30	0.00	125.88	0.00	0.00	148,536.18	54,289,645.07	31,351,039.87	
<b>67,275,326.03</b>	<b>0.00</b>	<b>8,858,636.08</b>	<b>0.00</b>	<b>210,894.32</b>	<b>75,923,067.79</b>	<b>291,605,490.47</b>	<b>267,243,720.93</b>	
0.00	0.00	0.00	0.00	0.00	0.00	269,043.50	269,043.50	
0.00	0.00	0.00	0.00	0.00	0.00	96,700.00	69,200.00	
176,648.31	0.00	0.00	0.00	0.00	176,648.31	15,456,449.55	15,443,949.55	
0.00	0.00	0.00	0.00	0.00	0.00	13,419,938.82	13,147,878.66	
0.00	0.00	0.00	0.00	0.00	0.00	156,475.04	156,475.04	
17,437.31	0.00	0.00	0.00	0.00	17,437.31	4,352,830.83	4,372,613.33	
0.00	0.00	0.00	0.00	0.00	0.00	5,174.84	5,174.84	
0.00	0.00	0.00	0.00	0.00	0.00	83,341.61	83,341.61	
<b>194,085.62</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>194,085.62</b>	<b>33,839,954.19</b>	<b>33,547,676.53</b>	
<b>79,621,479.66</b>	<b>0.00</b>	<b>9,883,314.86</b>	<b>0.00</b>	<b>210,894.32</b>	<b>89,293,900.20</b>	<b>342,839,421.65</b>	<b>319,101,152.44</b>	

# EQUITY STATEMENT

for the period ended 30 June 2015

SHAREHOLDERS' EQUITY in EUR thsd.	Subscribed capital	Par value of own shares	Capital reserve	Legal reserve
<b>As at 01.01.2014</b>	<b>6,244</b>	<b>-12</b>	<b>48,216</b>	<b>5</b>
Contribution to legal reserve	0	0	0	0
Allocation par value of own shares	0	0	0	0
Offsetting of own shares	0	0	0	0
Contribution to retained earnings	0	0	0	0
Capital increase through new shares	0	0	0	0
Dividend distribution	0	0	0	0
Other adjustments	0	-1	0	0
Changes in entities included in consolidation	0	0	0	0
Annual surplus	0	0	0	0
<b>AS AT 31.12.2014</b>	<b>6,244</b>	<b>-13</b>	<b>48,216</b>	<b>5</b>
<b>As at 01.01.2015</b>	<b>6,244</b>	<b>-13</b>	<b>48,216</b>	<b>5</b>
Contribution to legal reserve	0	0	0	0
Allocation par value of own shares	0	0	0	0
Offsetting of own shares	0	0	0	0
Contribution to retained earnings	0	0	0	0
Capital increase through new shares	506	0	6,750	0
Dividend distribution	0	0	0	0
Other adjustments	0	1	0	0
Changes in entities included in consolidation	0	0	0	0
Annual surplus	0	0	0	0
<b>AS AT 30.06.2015</b>	<b>6,750</b>	<b>-12</b>	<b>54,966</b>	<b>5</b>

	Otherreserves	Balance of capital consolidation	Consolidated equity generated	Shareholders' equity	Minority capital	Group equity
	<b>1,288</b>	<b>11,577</b>	<b>13,128</b>	<b>80,446</b>	<b>8,075</b>	<b>88,521</b>
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	-1,373	-1,373	0	-1,373
	0	-1,174	-14	-1,189	2,878	1,689
	0	18,168	0	18,168	0	18,168
	0	0	5,175	5,175	1,242	6,417
	<b>1,288</b>	<b>28,571</b>	<b>16,916</b>	<b>101,227</b>	<b>12,195</b>	<b>113,422</b>
	<b>1,288</b>	<b>28,571</b>	<b>16,916</b>	<b>101,227</b>	<b>12,195</b>	<b>113,422</b>
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	0	0	0
	0	0	0	7,256	0	7,256
	0	0	-1,561	-1,561	0	-1,561
	0	-362	0	-361	0	-361
	0	0	0	0	0	0
	0	0	3,101	3,101	-68	3,033
	<b>1,288</b>	<b>28,209</b>	<b>18,456</b>	<b>109,662</b>	<b>12,127</b>	<b>121,789</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the six-month period ended 30 June 2015

## 1 General information

The information provided here is not meant as notes to annual financial statements. The information below relates to items which have changed compared to the audited financial statements for the period ended 31 December 2014.

## 2 Valuation of unharvested crops

As in the interim financial statements for the period ended 30 June 2014, unharvested crops were valued at actually incurred costs per crop type and hectare.

## 3 Fixed assets

Changes in individual asset items are presented in the consolidated statement of changes in fixed assets on pages 30 and 31.

## 4 Sales revenues

Sales revenues are generated in three divisions and break down as follows: [TABLE A](#)

## 5 Other operating income

Other operating income is composed as follows:

[TABLE B](#)

## TABLE

## A

## SALES REVENUES

in EUR thsd.

	H1 2015	H1 2014
<b>Farming</b>		
Organic farming	3,974	4,292
Conventional farming	6,965	6,371
Complementary agricultural activities	5,239	6,067
Animal production	1,090	1,118
<b>Energy</b>		
Biogas/Energy production	36,650	32,115
<b>Food</b>		
Food production	59,326	50,053
<b>TOTAL</b>	<b>113,244</b>	<b>100,016</b>

## TABLE

## B

## OTHER OPERATING INCOME

in EUR thsd.

	H1 2015	H1 2014
Allowances and subsidies	5,025	4,971
Income from financial investments	0	6,238
Recharges	5,877	
Other income	2,521	2,923
<b>TOTAL</b>	<b>13,423</b>	<b>14,132</b>

TABLE

in EUR thsd.

## C

## OTHER OPERATING EXPENSES

	H1 2015	H1 2014
Spending on machinery, repairs and maintenance	3,608	3,645
Rent, leases and cost of premises	4,538	4,082
Management, legal and consulting expenses	4,160	4,197
Leasing and motor vehicle expenses	6,781	5,352
Other selling expenses	8,915	7,025
Insurance, contributions, duties	2,413	2,641
Sales representatives – food segment	2,116	2,332
Recharges	5,877	
Other expenses	1,650	385
<b>TOTAL</b>	<b>40,058</b>	<b>29,659</b>

## 6 Other operating expenses

Other operating charges include the following:

TABLE C

SIEGFRIED HOFREITER

CEO

# ABOUT US

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## **CONCEPT AND DESIGN**

Sherpa Design, Hamburg  
KTG Agrar SE

## **PICTURE CREDITS**

KTG Agrar SE, Shutterstock

## **FORWARD-LOOKING STATEMENTS**

This annual report contains forward-looking statements based on assumptions and estimates on future developments made by the management of KTG Agrar SE. Such statements are subject to risks and uncertainties which the KTG Agrar SE management for the most part cannot influence or accurately assess. Even if management is of the opinion that these assumptions and estimates are accurate, future actual developments and future actual results of KTG Agrar SE may differ significantly from these assumptions and estimates due to a variety of factors. These factors include changes to the overall economic climate and market environment, the statutory and regulatory conditions in Germany and the EU as well as changes in the industry and other unknown risks and uncertainties. KTG Agrar SE assumes no guarantee or liability that future developments and actual results achieved by KTG Agrar SE in the future will conform to the assumptions and estimations made in this half-year report. KTG Agrar SE neither intends to nor assumes any separate obligation to update any statement concerning the future to reflect events or developments after the date of this report.

This annual report is also available in German. Both versions are available for downloading at [www.ktg-agrar.de](http://www.ktg-agrar.de).

In the event of discrepancies, the German version of the annual report shall take precedence over the English translation.

