

# 1st Quarterly Report of the KWS Group Fiscal year 2014/2015

July 1 to September 30, 2014



**KWS**  
Seeding the future  
since 1856



# KWS Update

## 1st quarter of 2014/2015

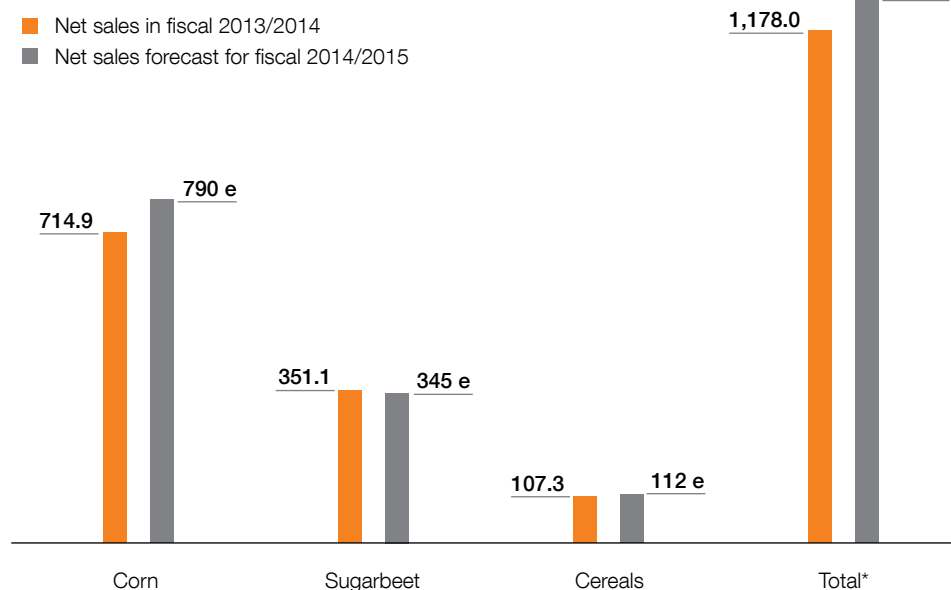
- Net sales grow by 7.8% year on year
- Function costs increased as planned
- French cereals activities acquired in full

## Guidance for 2014/2015

- Guidance for 2014/2015 unchanged, despite a difficult market environment
- Net sales expected to grow at the segment level by just over 5% to around €1.25 billion
- A double-digit EBIT margin still forecast
- R&D intensity of 13% – R&D budget more than €160 million

## Outlook for the segments and the Group

in € millions



## EBIT margins

in %

	Forecast Fiscal year 2014/2015	Fiscal year 2013/2014
Corn	11.8 e	14.1
Sugarbeet	20.4 e	20.0
Cereals	14.2 e	15.9
<b>Total*</b>	<b>10.0 e</b>	<b>11.8</b>

\* Includes net sales and EBIT for the Corporate Segment, which are not explicitly shown in detail here.

# The KWS Group at a glance

1st quarter of 2014/2015\*

		1st quarter 2014/2015	1st quarter 2013/2014
<b>Net sales and income</b>			
Net sales	€ million	105.3	97.7
EBIT	€ million	-35.1	-26.8
Net income for the period	€ million	-35.4	-29.3
<b>Capital expenditure</b>			
Capital expenditure on property, plant and equipment	€ million	20.2	12.6
Capital expenditure on intangible assets	€ million	17.0	0.4
Investments in financial assets	€ million	1.7	0.2
Total capital expenditure	€ million	38.8	13.2
Depreciation, amortization and write-downs	€ million	8.9	8.2
Research and development costs	€ million	42.1	36.5
<b>Capital structure</b>			
Total assets	€ million	1,253.2	1,078.5
Equity	€ million	624.0	611.4
Equity ratio	%	49.8	56.7
Net borrowings	€ million	131.3	23.0
Net borrowings as a % of equity (gearing)	%	21.0	3.8
Employees in the KWS Group		4,544	4,178
<b>Share</b>			
Number of shares		6,600,000	6,600,000
Last day of trading in the first three months		September 30, 2014	September 30, 2013
Closing price on last day of trading in first three months of the year	€	279.30	257.00
Market capitalization on last day of trading in first three months of the year	€ million	1,843	1,696
Market capitalization of free float on last day of trading in first three months of the year	€ million	547	511

\* The first quarter (July to September) contributes a maximum of 10% of the KWS Group's annual net sales due to the strongly seasonal nature of our business. Only our cereal business is largely over by the end of the quarter. In addition, initial net sales from corn and sugarbeet hybrids from our activities in the southern hemisphere can be included in these quarterly financial statements. However, our main markets are in the northern hemisphere, where corn and sugarbeet are not sown until the spring.

# Interim group management report

As already announced, we changed the presentation of the companies consolidated in the KWS Group at the beginning of fiscal 2014/2015 due to an amendment to the International Financial Reporting Standards (IFRS 11). The main change is that we are no longer allowed to recognize net sales and costs of our 50:50 joint ventures in the KWS Group by way of proportionate consolidation. The earnings contributed by these companies are instead included as a sum total under net financial income/expenses. So as to ensure that there is no impairment to the transparency of our operational development, we will continue to present our business activity at the segment level in accordance with our internal corporate controlling structure and include the joint ventures proportionately.

## Business performance

### Overall economic environment

Agricultural products are subject to increasing volatility. This is attributable to the fact that yields are higher or lower as a result of the weather. Given that prices for fossil fuels have fallen at the same time, there is also no demand for alternative uses of agricultural products outside the food and feed market. The large harvests in the 2014 growing season mean that consumer prices in the agricultural sector are low at present. That applies to prices for corn, soybean and wheat, as well as the world market price for sugar.

### Latest developments

In line with our long-term corporate strategy, we will continue to tap our younger sales markets and develop high-yielding new varieties in fiscal 2014/2015. Consequently, we again intend to increase our spending on distribution activities and research and development sharply. That will be accompanied by extensive investments in property, plant and equipment; in particular, we need to expand our seed processing capacities in order to handle our planned growth in the coming years.

KWS acquired a 51% stake in the French seed company SOCIETE DE MARTINVAL S.A. from the Momont family effective September 30, 2014. KWS had already owned the other 49% of the capital since 1999. The company is now named KWS MOMONT and thus retains the brand name, which is well established in France. It intends to intensify its activities in research into as well as production and marketing of cereal seed and rapeseed. By taking this step, KWS aims to expand its wheat breeding activities in its Cereals Segment, in particular in France.

## Earnings, financial position and assets

### Earnings

#### Abridged income statement

in € millions

	1st quarter	
	2014/2015	Previous year
Net sales	105.3	97.7
Operating income	-35.1	-26.8
Net financial income/expenses	-17.0	-14.7
Result of ordinary activities	-52.1	-41.5
Income taxes	-16.7	-12.2
<b>Net income for the period</b>	<b>-35.4</b>	<b>-29.3</b>
<b>Earnings per share (€)</b>	<b>-5.30</b>	<b>-4.85</b>

#### Net sales increase by 7.8%

The KWS Group's net sales in the first quarter of fiscal 2014/2015 were €105.3 (97.7)\* million, a year-on-year increase of 7.8%. The Cereals Segment's net sales in the first quarter were slightly lower year on year, while the Corn Segment posted strong growth in net sales in South America

#### Additional planned expenses reduce income for the period under review

The KWS Group's operating income (EBIT) fell in the first quarter of fiscal 2014/2015 by 31.0% to € -35.1 (-26.8) million. While the drop in net sales in cereals business was more than compensated for by the rise in net sales at the Corn and Sugarbeet Segments, the planned increase in expenditure on research and development, distribution and administration reduced operating income by an additional €12.1 million.

The expenditure planned for the year as a whole is spread roughly evenly over the four quarters of the fiscal year. However, the positive effects of this spending do not materialize until the second half of the fiscal year – in the sales season for corn and sugarbeet, our main revenue drivers. As a consequence, the KWS Group usually posts negative income for the first half of the year and significantly more positive income for the second half.

\* The figures in parentheses are those for the previous year.

Net financial income/expenses fell by €2.3 million from € –14.7 in the same period of the previous year to € –17.0 million. It was impacted in particular by the result from associated companies of € –13.1 (–12.0) million.

### Earnings per share of € –5.30 for the period

Income taxes were € –16.7 (–12.2) million on lower earnings before taxes (EBT) of € –52.1 (–41.5) million. The result is a 20.8% fall in income for the period to € –35.4 (–29.3) million, corresponding to earnings per share for the period of € –5.30 (–4.85).

## Segment report

in € millions	1st quarter	
	2014/2015	Previous year
Corn	47.8	36.2
Sugarbeet	7.5	6.8
Cereals	56.2	58.7
Corporate	1.1	1.4
<b>Net sales</b>	<b>112.6</b>	<b>103.1</b>
<b>Reconciliation</b>	<b>–7.3</b>	<b>–5.4</b>
<b>Net sales according to the statement of comprehensive income</b>	<b>105.3</b>	<b>97.7</b>

in € millions	1st quarter	
	2014/2015	Previous year
Corn	–34.6	–28.1
Sugarbeet	–15.3	–18.0
Cereals	19.6	20.7
Corporate	–17.6	–13.5
<b>Operating income</b>	<b>–47.9</b>	<b>–38.9</b>
<b>Reconciliation</b>	<b>12.8</b>	<b>12.1</b>
<b>Operating income according to the statement of comprehensive income</b>	<b>–35.1</b>	<b>–26.8</b>

### **Corn Segment**

The Corn Segment grew its net sales by 32.0% to €47.8 (36.2) million in the first quarter. We were able to post growth in South America in particular. Our winter rapeseed business performed well. Rapeseed sales volumes rose year on year by just over 15%. The segment's income fell by 23.1% to € -34.6 (-28.1) million, reflecting the planned increase in function costs.

### **Sugarbeet Segment**

Net sales at the Cereals Segment rose overall by 10.3% to €7.5 (6.8) million in the first quarter. However, this development cannot be regarded as a trend for the anticipated performance of the sugarbeet seed product segment. The market situation is strained due to large harvests and sugar stocks and leads us to expect a decline in cultivation area in the 2015 growing season. The segment's income in the first quarter was € -15.3 (-18.0) million.

### **Cereals Segment**

Due to the low level of consumer prices for cereals, net sales at our Cereals Segment in the first quarter were down year on year by 4.3% to €56.2 (58.7) million. The lower contribution margins from hybrid rye business, coupled with additional expenditure on product development and distribution, were reflected in a 5.3% reduction in the segment's income to €19.6 (20.7) million.

### **Corporate**

Cross-segment function costs and basic research expenditure are reported under the Corporate Segment. Net sales in the Corporate Segment, which result from revenue from KWS' farms, were €1.1 (1.4) million in the first quarter. The difference from the previous year can be explained by the fall in revenue from cereals for consumption and rapeseed. Higher cross-segment costs resulted in income of € -17.6 (-13.5) million in the first half of the year.

## Financial situation

### Abridged cash flow statement

in € millions

	1st quarter	
	2014/2015	Previous year
Cash and cash equivalents at September 30, 2014	118.8	98.1
Net cash from operating activities	-54.2	-38.7
Net cash from investing activities	-53.3	-14.2
Net cash from financing activities	96.3	-3.5

The net cash used in operating activities in the first quarter of the current fiscal year was €54.2 (38.7) million. That was 40.1% higher year on year as a result of weaker income for the period and the reduction in short-term provisions.

The price paid for acquisition of the remaining shares in SOCIETE DE MARTINVAL S.A. and purchases of tangible fixed assets mainly impacted the net cash from investing activities. The net cash used in investing activities increased to €53.3 (14.2) million.

While planned repayments of financial borrowings resulted in net cash used in financing activities of €3.7 (3.5) million, the issue of a further borrower's note loan in the period under review resulted in proceeds of €100.0 million.

### Capital expenditure

in € millions

	1st quarter	
	2014/2015	Previous year
<b>Total</b>	<b>37.2</b>	<b>13.0</b>
Corn	12.1	7.7
Sugarbeet	3.4	2.9
Cereals	18.5	1.0
Corporate	3.2	1.4

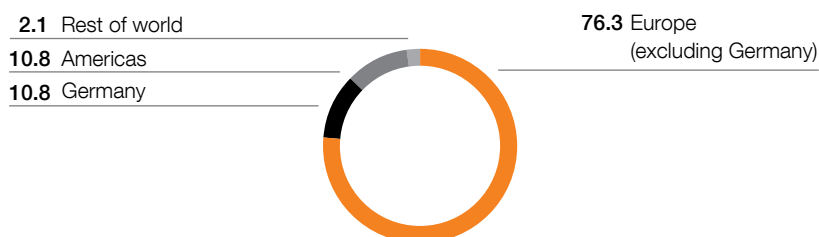


In the first quarter, KWS invested €37.2 (13.0) million in property, plant and equipment and intangible assets. As a result, capital spending more than doubled year on year. Depreciation, amortization and write-downs were €8.9 million compared with €8.2 million in the previous year and thus well below capital expenditure. The main single investments related to a corn processing plant in Serbia, the expansion of cereals business in France and further expansion of the Einbeck location.

Of the total capital expenditure at the KWS Group, 49.7% was in the Cereals Segment, 32.5% in the Corn Segment, 9.1% in the Sugarbeet Segment and 8.6% in the Corporate Segment.

### Capital expenditure by region

in %



## Assets

### Abridged balance sheet

in € millions

	September 30, 2014	June 30, 2014
<b>Assets</b>		
Noncurrent assets	589.7	538.7
Current assets	663.5	626.3
<b>Equity and liabilities</b>		
Equity	624.0	637.8
Long-term borrowings	353.2	253.0
Short-term borrowings	276.0	274.2
<b>Total assets</b>	<b>1,253.2</b>	<b>1,165.0</b>

The KWS Group's total assets rose from €1,165.0 million to €1,253.2 million at September 30, 2014, in particular due to capital spending on property, plant and equipment and the acquisition of SOCIETE DE MARTINVAL S.A.

Inventories have increased by €51.4 million to €184.1 (151.5) million since the end of the last fiscal year 2013/2014. This increase is due to the absorption of the new harvest.

Net financial debt rose from €31.6 (–31.2) million at June 30, 2014, to €131.3 (23.0) million on September 30, 2014. Due to the seasonally related negative income for the period, the equity ratio at September 30, 2014, was 49.8% compared with 54.7% at June 30, 2014.

## Employees

### Employees by regions

	1st quarter	
	2014/2015	Previous year
Germany	1,774	1,818
Europe (excluding Germany)	1,553	1,210
Americas	998	1,017
Other countries	219	133
<b>Total</b>	<b>4,544</b>	<b>4,178</b>

At September 30, 2014, we had 4,544 employees worldwide. Application of IFRS 11 means the employees of the associated companies that used to be included proportionately in the consolidated financial statements are no longer included in the above table.

### Report on events after the balance sheet date

There were no events after September 30, 2014, that can be expected to have a significant impact on the KWS Group's earnings, financial position and assets.

### Opportunity and risk report

There has been no significant change in the situation as to opportunities and risks at the KWS Group compared with at June 30, 2014. Risks that jeopardize the company's existence are not currently discernible.

You can find detailed information on the risk management system and the risk situation at the Group in the Management Report in the section "Opportunity and risk report" on pages 50 to 56 of the 2013/2014 Annual Report.

## Forecast report

### **KWS Group**

Our corporate planning and controlling comprises all operating business units and thus also the joint ventures AGRELIANT and GENEACTIVE, which up to now had been included proportionately in the consolidated financial statements. As a total for all segments, we expect net sales to increase by just over 5% in fiscal 2014/2015 (previous year: €1,178 million) and an EBIT margin of at least 10%. As far as can be seen at present, research and development expenditure will result in an R&D intensity of approximately 13%. The selling expense ratio is expected to be around 18%. We intend to continue our dividend policy, which is based on a payout ratio of 20% to 25% of KWS Group's net income for the year.

### **Corn Segment**

We expect the Corn Segment to grow its net sales by around 10% in fiscal 2014/2015 (previous year: €714.9 million). Oil and field seed will contribute to that, as the gratifying performance of our winter rapeseed business has already shown. Regionally, we aim to grow net sales primarily in North and South America and South, Southeastern and Eastern Europe. We also see good growth opportunities in France. The Corn Segment's anticipated income will be impacted by the high up-front costs for ensuring our future growth. As far as can be seen at present, we nevertheless expect an EBIT margin of up to 12%.

### **Sugarbeet Segment**

We have no new indication of how the Sugarbeet Segment will perform at present. We are therefore sticking by our forecast from the 2013/2014 Annual Report and expect at best stable net sales for the Sugarbeet Segment (previous year: €351.1 million) and an EBIT margin of 20%.

### **Cereals Segment**

Around 50% of cereal business is transacted by September 30. We also have a good overview of how the winter sowing season will go by then. With that in mind, we anticipate net sales of approximately €112.0 (107.3) million for the current fiscal year, i.e. at the level of the previous year. The cost of sales will be lower, but this will be more than offset by the planned increase in function costs and non-recurring costs in connection with acquisition of the shares in MOMONT, with the result that the segment's income is expected to be down slightly from the level of the previous year.

### **Corporate**

The cross-segment function costs and research expenditures reported under the Corporate Segment are currently expected to be approximately 9% above the previous year (Corporate's EBIT: € -49.7 million).

# Abridged interim consolidated financial statements

## Statement of comprehensive income of the KWS Group

in € millions	1st quarter	
	2014/2015	Previous year
Net sales	105.3	97.7
Operating income	-35.1	-26.8
Net financial income/expenses	-17.0	-14.7
Result of ordinary activities	-52.1	-41.5
Income taxes	-16.7	-12.2
<b>Net income for the period</b>	<b>-35.4</b>	<b>-29.3</b>
of which shareholders of KWS SAAT AG	-35.0	-32.0
of which minority interest	-0.4	2.7
Earnings per share (€)	-5.30	-4.85
<b>Net income for the period</b>	<b>-35.4</b>	<b>-29.3</b>
Revaluation of available-for-sale financial assets	0.0	0.0
Currency translation difference of economically independent foreign entities	15.6	-9.0
Items to be reclassified as profit or loss in subsequent periods	15.6	-9.0
Revaluation of net liabilities/assets from defined benefit pension plans	0.0	0.0
Items not to be reclassified as profit or loss	0.0	0.0
Other comprehensive income after taxes	15.6	-9.0
<b>Comprehensive income for the period</b>	<b>-19.8</b>	<b>-38.3</b>
of which shareholders of KWS SAAT AG	-19.3	-40.1
of which minority interest	-0.5	1.8

## Balance sheet of the KWS Group

### Assets

in € millions	September 30, 2014	June 30, 2014	September 30, 2013
Intangible assets	88.9	73.9	79.8
Property, plant and equipment	309.8	283.9	259.6
Shares in associated companies	94.1	112.5	80.4
Financial assets	16.2	16.4	16.0
Noncurrent tax assets	3.3	4.2	5.6
Deferred tax assets	77.4	47.8	63.7
<b>Noncurrent assets</b>	<b>589.7</b>	<b>538.7</b>	<b>505.1</b>
Inventories and biological assets	184.1	132.7	151.5
Trade receivables	255.1	297.8	240.8
Marketable securities	25.3	69.2	42.0
Cash and cash equivalents	93.6	53.1	56.2
Current tax assets	48.5	45.3	28.4
Other current assets	56.9	28.2	54.5
<b>Current assets</b>	<b>663.5</b>	<b>626.3</b>	<b>573.4</b>
<b>Total assets</b>	<b>1,253.2</b>	<b>1,165.0</b>	<b>1,078.5</b>

### Equity and Liabilities

in € millions	September 30, 2014	June 30, 2014	September 30, 2013
Subscribed capital	19.8	19.8	19.8
Capital reserve	5.5	5.5	5.5
Retained earnings	591.1	604.4	552.5
Minority interests	7.6	8.1	33.6
<b>Equity</b>	<b>624.0</b>	<b>637.8</b>	<b>611.4</b>
Long-term provisions	98.7	99.0	89.5
Long-term borrowings	214.3	113.8	96.3
Trade payables	1.4	1.5	1.7
Deferred tax liabilities	26.1	26.2	28.9
Other long-term liabilities	12.7	12.5	8.7
<b>Noncurrent liabilities</b>	<b>353.2</b>	<b>253.0</b>	<b>225.1</b>
Short-term provisions	68.4	74.8	65.7
Short-term borrowings	35.8	40.1	24.9
Trade payables	87.1	56.8	76.2
Current tax payables	29.2	35.4	26.0
Other liabilities	55.5	67.0	49.2
<b>Current liabilities</b>	<b>276.0</b>	<b>274.2</b>	<b>242.0</b>
<b>Liabilities</b>	<b>629.2</b>	<b>527.2</b>	<b>467.1</b>
<b>Total equity and liabilities</b>	<b>1,253.2</b>	<b>1,165.0</b>	<b>1,078.5</b>

## Statement of changes in equity of the KWS Group

in € millions			
	Group interests	Minority interests	Group equity
<b>Balance as at June 30, 2013</b>	<b>618.0</b>	<b>31.8</b>	<b>649.7</b>
Dividends paid	0.0	0.0	0.0
Net income for the period	-32.0	2.7	-29.3
Other comprehensive income after taxes	-8.1	-0.9	-9.0
Total consolidated income	-40.1	1.8	-38.3
Changes in minority interests	0.0	0.0	0.0
Other changes	0.0	0.0	0.0
<b>Balance as at September 30, 2013</b>	<b>577.8</b>	<b>33.6</b>	<b>611.4</b>
<b>Balance as at June 30, 2014</b>	<b>629.7</b>	<b>8.1</b>	<b>637.8</b>
Dividends paid	0.0	0.0	0.0
Net income for the period	-35.0	-0.4	-35.4
Other comprehensive income after taxes	15.7	-0.1	15.6
Total consolidated income	-19.3	-0.5	-19.8
Changes in minority interests	0.0	0.0	0.0
Other changes	6.0	0.0	6.0
<b>Balance as at September 30, 2014</b>	<b>616.4</b>	<b>7.6</b>	<b>624.0</b>

## Cash flow statement of the KWS Group

in € millions		
	1st quarter	
	2014/2015	Previous year
<b>Net income for the period</b>	<b>-35.4</b>	<b>-29.3</b>
<b>Cash earnings</b>	<b>-43.7</b>	<b>-38.1</b>
Funds tied up in net current assets	-10.5	-0.6
<b>Net cash from operating activities</b>	<b>-54.2</b>	<b>-38.7</b>
<b>Net cash from investing activities</b>	<b>-53.3</b>	<b>-14.2</b>
<b>Net cash from financing activities</b>	<b>96.3</b>	<b>-3.5</b>
Change in cash and cash equivalents	-11.2	-56.4
Cash and cash equivalents at beginning of period (July 1)	122.3	155.8
Changes in cash and cash equivalents due to exchanging rate, consolidated group and measurement changes	7.7	-1.3
<b>Cash and cash equivalents at end of period (September 30)</b>	<b>118.8</b>	<b>98.1</b>

# Abridged notes to the interim financial statements

## Basis of accounting and reporting

The KWS Group is a consolidated group as defined in the International Financial Reporting Standards (IFRSs) published by the International Accounting Standards Board (IASB), London, taking into account the interpretations of the International Financial Reporting Interpretations Committee (IFRIC). All disclosures on KWS are therefore disclosures on the Group within the meaning of these regulations.

As presented in the Notes on pages 72 to 74 of the 2013/2014 Annual Report, new and amended standards and interpretations had to be applied for the first time in preparation of the interim financial statements.

Income taxes were calculated on the basis of the individual country-specific income tax rates, taking account of the planning for the fiscal year as a whole.

The abridged interim financial statements of the KWS Group as of September 30, 2014, were prepared in accordance with IAS 34, and exactly the same accounting methods applied in the preparation of the consolidated financial statements as of June 30, 2014, were used, with the exception of the new IFRS 11. The explanations in the Notes to the annual financial statements as of June 30, 2014, on pages 76 to 80 of the Annual Report therefore apply accordingly.

The 2013/2014 Annual Report of the KWS Group can be read and downloaded at the following address:

*[www.kws.com](http://www.kws.com) > Company > Investor Relations > Financial Reports*

## Changes in the consolidated companies

As of the start of fiscal 2014/2015, mandatory application of IFRS 11 (Joint Arrangements) means that all joint ventures that have been consolidated proportionately up to now are now carried using the equity method. That results in effects on the balance sheet, statement of comprehensive income and other parts of the financial statements. Retrospective application of IFRS 11 resulted in adjustments to the interim financial statements in the comparison periods presented.

The result from associated companies is carried in net financial income/expenses. In line with internal company controlling, the joint ventures are still included proportionately in the segments. The fact that the joint ventures are all included proportionately in segment reporting results in an increase in the segments' net sales and operating income. However, the ratio of operating income to net sales is retained, so that these key figures are still comparable with previous periods.

Eight joint ventures were proportionately consolidated in the financial statements of the KWS Group as of June 30, 2014, and have to be included in the consolidated financial statements using the equity method as of July 1, 2014. They are the joint ventures AGRELIANT GENETICS LLC. (USA), AGRELIANT GENETICS INC. (Canada), GENECTIVE S.A. (France) and the companies of the SOCIETE DE MARTINVAL Group (France).

Acquisition of the remaining shares in SOCIETE DE MARTINVAL S.A. and the simultaneous sale of the shares in the subsidiary HAMET SCA effective September 30, 2014, mean that the remaining companies of the SOCIETE DE MARTINVAL Group must be fully consolidated in the KWS Group's consolidated financial statements as of the time of acquisition. In the quarterly financial statement, the SOCIETE DE MARTINVAL Group is now fully consolidated at the balance sheet date and its contributions to income were included using the at-equity method. With purchased net assets of around €15.1 million, the purchase price is distributed over the intangible assets, such as approved varieties, gene pool and customer base, as part of purchase price allocation. Any remaining goodwill is not expected at present.

As of July 1, 2014, the French service company KWS SERVICES MEDITERRANEAN S.A.S. was merged with KWS FRANCE S.A.R.L. In Brazil the Brazilian company KWS SEMENTES BRASIL PARTICIPACOES LTDA. was renamed KWS SERVICOS E PARTICIPACOES SOUTH AMERICA LTDA. on July 1, 2014. In addition, KWS BRASIL PARTICIPACOES LTDA. was split up and merged with RIBER KWS SEMENTES S.A. and KWS MELHORAMENTO E SEMENTES LTDA. On July 17, 2014, the service company KWS SERVICES NORTH AMERICA LLC. was established in the United States.



## Consequences of the first-time use of IFRS 11

### Reconciliation of the statement of comprehensive income to the 1st quarter of 2013/2014

in € millions

	1st quarter		Previous year As reported (proportionate consolidation)
	Previous year adjusted at equity	Adjustment	
Net sales	97.7	-5.4	103.1
Operating income	-26.8	12.0	-38.8
Net financial income/expenses	-14.7	-12.0	-2.7
Result of ordinary activities	-41.5	0.0	-41.5
Income taxes	-12.2	0.0	-12.2
<b>Net income for the period</b>	<b>-29.3</b>	<b>0.0</b>	<b>-29.3</b>
of which shareholders of KWS SAAT AG	-32.0	0.0	-32.0
of which minority interest	2.7	0.0	2.7
Earnings per share (€)	-4.85	0.0	-4.85
<b>Net income for the period</b>	<b>-29.3</b>	<b>0.0</b>	<b>-29.3</b>
Other comprehensive income after taxes	-9.0	0.0	-9.0
<b>Comprehensive income for the period</b>	<b>-38.3</b>	<b>0.0</b>	<b>-38.3</b>
of which shareholders of KWS SAAT AG	-40.1	0.6	-40.7
of which minority interest	1.8	-0.6	2.4

**Reconciliation of the balance sheet as of September 30, 2013, and the balance sheet as of June 30, 2014**

<b>Assets</b>						
in € millions						
	June 30, 2014 adjusted at equity	Adjustment	June 30, 2014 As reported (proportionate consolidation)	September 30, 2013 adjusted at equity	Adjustment	September 30, 2013 As reported (proportionate consolidation)
Intangible assets	73.9	-25.9	99.8	79.8	-24.7	104.5
Property, plant and equipment	283.9	-38.0	321.9	259.6	-35.7	295.3
Shares in associa- ted companies	112.5	112.5	0.0	80.4	80.4	0.0
Financial assets	16.4	13.6	2.8	16.0	14.4	1.6
Noncurrent tax assets	4.2	0.0	4.2	5.6	0.0	5.6
Deferred tax assets	47.8	-0.3	48.1	63.7	-0.1	63.8
<b>Noncurrent assets</b>	<b>538.7</b>	<b>61.9</b>	<b>476.8</b>	<b>505.1</b>	<b>34.3</b>	<b>470.8</b>
Inventories and biological assets	132.7	-60.3	193.0	151.5	-56.4	207.9
Trade receivables	297.8	-63.8	361.6	240.8	-30.3	271.1
Marketable securities	69.2	-7.5	76.7	42.0	-2.5	44.5
Cash and cash equivalents	53.1	-25.1	78.2	56.2	-17.1	73.3
Current tax assets	45.3	-0.3	45.6	28.4	-0.1	28.5
Other current assets	28.2	-2.7	30.9	54.5	3.5	51.0
<b>Current assets</b>	<b>626.3</b>	<b>-159.7</b>	<b>786.0</b>	<b>573.4</b>	<b>-102.9</b>	<b>676.3</b>
<b>Total assets</b>	<b>1,165.0</b>	<b>-97.8</b>	<b>1,262.8</b>	<b>1,078.5</b>	<b>-68.6</b>	<b>1,147.1</b>

## Equity and Liabilities

in € millions						
	June 30, 2014 adjusted at equity	Adjustment	June 30, 2014 As reported (proportio- nate conso- lidation)	September 30, 2013 adjusted at equity	Adjustment	September 30, 2013 As reported (proportio- nate conso- lidation)
Subscribed capital	19.8	0.0	19.8	19.8	0.0	19.8
Capital reserve	5.5	0.0	5.5	5.5	0.0	5.5
Retained earnings	604.4	0.0	604.4	552.5	0.0	552.5
Minority interests	8.1	0.0	8.1	33.6	-0.6	34.2
<b>Equity</b>	<b>637.8</b>	<b>0.0</b>	<b>637.8</b>	<b>611.4</b>	<b>-0.6</b>	<b>612.0</b>
Long-term provisions	99.0	-0.6	99.6	89.5	-0.7	90.2
Long-term borrowings	113.8	0.0	113.8	96.3	0.1	96.2
Trade payables	1.5	0.0	1.5	1.7	0.0	1.7
Deferred tax liabilities	26.2	-0.1	26.3	28.9	-0.1	29.0
Other long-term liabilities	12.5	-0.5	13.0	8.7	-1.8	10.5
<b>Noncurrent liabilities</b>	<b>253.0</b>	<b>-1.2</b>	<b>254.2</b>	<b>225.1</b>	<b>-2.5</b>	<b>227.6</b>
Short-term provisions	74.8	-57.0	131.8	65.7	-14.6	80.3
Short-term borrowings	40.1	-13.3	53.4	24.9	-39.1	64.0
Trade payables	56.8	-24.3	81.1	76.2	-8.0	84.2
Current tax payables	35.4	-0.1	35.5	26.0	-0.1	26.1
Other liabilities	67.0	-2.0	69.0	49.2	-3.7	52.9
<b>Current liabilities</b>	<b>274.2</b>	<b>-96.6</b>	<b>370.8</b>	<b>242.0</b>	<b>-65.5</b>	<b>307.5</b>
<b>Liabilities</b>	<b>527.2</b>	<b>-97.8</b>	<b>625.0</b>	<b>467.1</b>	<b>-68.0</b>	<b>535.1</b>
<b>Total equity and liabilities</b>	<b>1,165.0</b>	<b>-97.8</b>	<b>1,262.8</b>	<b>1,078.5</b>	<b>-68.6</b>	<b>1,147.1</b>

### Reconciliation with the cash flow statement for the 1st quarter of 2013/2014

in € millions

	1st quarter		Previous year As reported (proportionate consolidation)
	Previous year adjusted at equity	Adjustment	
<b>Net income for the period</b>	<b>-29.3</b>	<b>0.0</b>	<b>-29.3</b>
<b>Cash earnings</b>	<b>-38.1</b>	<b>12.2</b>	<b>-50.3</b>
Funds tied up in net current assets	-0.6	42.1	-42.7
<b>Net cash from operating activities</b>	<b>-38.7</b>	<b>54.3</b>	<b>-93.0</b>
<b>Net cash from investing activities</b>	<b>-14.2</b>	<b>4.1</b>	<b>-18.3</b>
<b>Net cash from financing activities</b>	<b>-3.5</b>	<b>-32.2</b>	<b>28.7</b>
Change in cash and cash equivalents	-56.4	26.2	-82.6
Cash and cash equivalents at beginning of period (July 1)	155.8	-46.6	202.4
Changes in cash and cash equivalents due to exchanging rate, consolidated group and measurement changes	-1.3	0.7	-2.0
<b>Cash and cash equivalents at end of period (September 30)</b>	<b>98.1</b>	<b>-19.7</b>	<b>117.8</b>

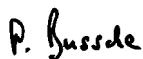
### Related party disclosures

The related party disclosures under "Other notes" in the section "Notes for the KWS Group" in the 2013/2014 Annual Report are essentially the same.

Einbeck, November 26, 2014

**KWS SAAT AG**

The Executive Board



Philip von dem Bussche



Léon Broers



Hagen Duenbostel



Peter Hofmann



Eva Kienle

## Financial calendar

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December 18, 2014	Annual Shareholders' Meeting in Einbeck
February 25, 2015	Report on the 2nd quarter 2014/2015
May 27, 2015	Report on the 3rd quarter 2014/2015
October 15, 2015	Publication of the 2014/2015 financial statements, Annual press and analyst conference in Frankfurt
November 24, 2015	Report on the 1st quarter 2015/2016
December 17, 2015	Annual Shareholders' Meeting

## Safe Harbor Statement

This document contains forward-looking statements about future developments based on the current assessments of management. These forward-looking statements may be identified by words such as "forecast," "assume," "believe," "assess," "expect," "intend," "can/may/might," "plan," "should" or similar expressions.

These statements are subject to certain elements of uncertainty, risks and other factors that may result in significant deviations between expectations and actual circumstances. Examples of such risks and factors are market risks (such as changes in the competitive environment or risks of changes in interest or exchange rates), product-related risks (such as production losses as a result of bad weather, failure of production plants or quality-related risks), political risks (such as changes in the regulatory environment, including those with regard to the general regulatory framework for the cultivation of energy plants, or violations of existing laws and regulations, for example those regarding genetically modified organisms in corn seed) and general economic risks. Forward-looking statements must therefore not be regarded as a guarantee or pledge that the developments or events they describe will actually occur. We do not intend, nor do we assume any obligation, to update or revise these forward-looking statements, since they are based solely on circumstances on the day they were published.

A German version of the 1st Quarterly Report 2014/2015 is available at [www.kws.de/ir](http://www.kws.de/ir).

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This translation of the original German version of the 1st Quarterly Report has been prepared for the convenience of our English-speaking shareholders. The German version is legally binding.