

Welcome
to
EUROTIER SEMINAR 2010





Export Director
Martin Rindom



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Programme

Profitability : Profitability - a prerequisite for securing financing!

By Kristian Sejersbøl,
Financial Business Analyst, Graakjaer

Case study : 200.000 grower-finisher pigs in Central Europe.

By Christian Nors, General Manager, Euro Pork Production

Coffee break

EKF : Support for funding international agricultural projects.

By Lars Molte Jakobsen, Head of Project Financing,
Danish Credit Fund, EKF

EU subsidies in Romania :

Legal advice when applying for subsidies from EU funds.

By Darius Georgiu, Head of Legal Department, Imovis

We're "local" all over Europe

Our sales executives are never far away. With offices in northern, central and south of Europe, you'll always be able book a meeting to discuss your building plans.



Facts about Graakjaer



- Founded in 1973 by John Gråkjær
- 163 employees
- Cooperation with numerous of supplies and subcontractors
- 200 construction projects per year
- Design and environmental consultancy on 300,000 m² annually
- More than 2800 agricultural and industrial construction projects

Our value words

Expertise

- we know our trade!

We have the experience and skills to the task, and possess the professional knowledge required to design and to build the optimal construction.

Credibility

- our word is our bond!

Customers can trust that we carry out the task qualitatively correct to the agreed price and time.



Our value – we do turn-key

The farmer can relax - while we make the project!!!



We cooperate with suppliers and customers to obtain common success

One concept covering the entire process

■ Necessary steps

Vision

Strategic planning

Environmental planning

Profitability

Feasibility

Development

Project Design

Construction

Mechanisation

Technology

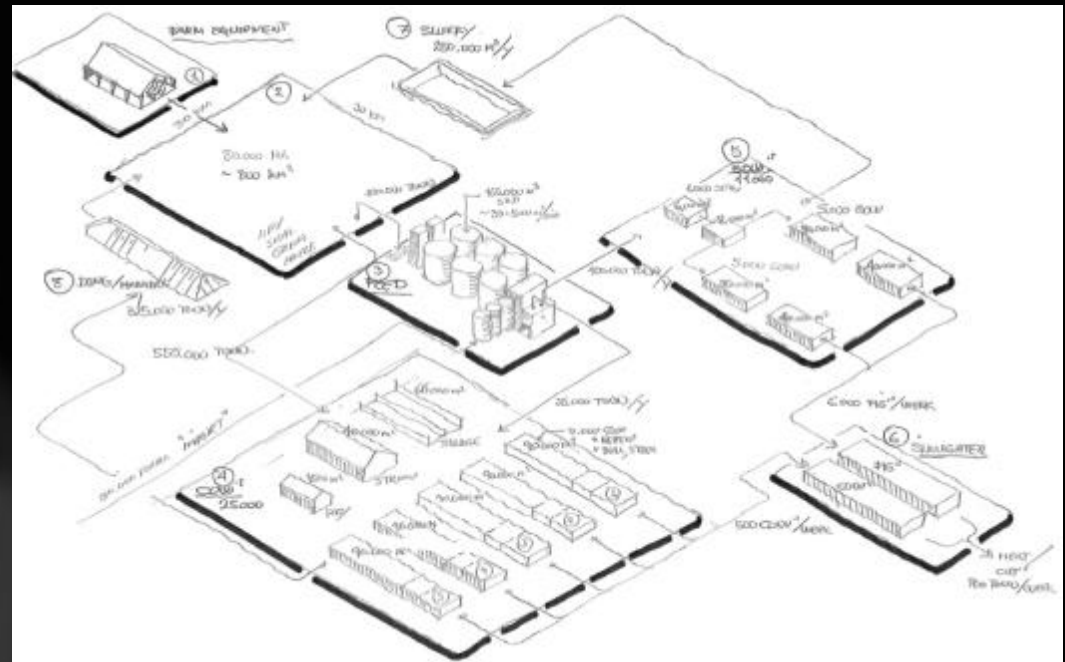
We build

Management



Strategic planning

- Plans and future objectives for the producer
- Visual presentation of existing and future buildings
- Location of construction
- Options for development of the farm
- SWOT analysis
- Timetables



Requirements for international agricultural investments



- Knowledge about local price conditions
- Knowledge about quantity and price sensitivity
- Knowledge about how to get environmental permissions
- Bring along at least 15 to 20 % liquid capital from the shareholders

Profitability

Graakjaers basic economic ideas:

- Strong cash flow
- Future-proof
- Attractive object for investment
- Matching investors structure and ability of capital.



What does it require?.....

Profitability

The financial aspect of your project includes:

- Preparing investment calculation and determining the necessary capital needs
- Researching funding opportunities from the EU
- Profitability analysis
- Cash flow-analysis



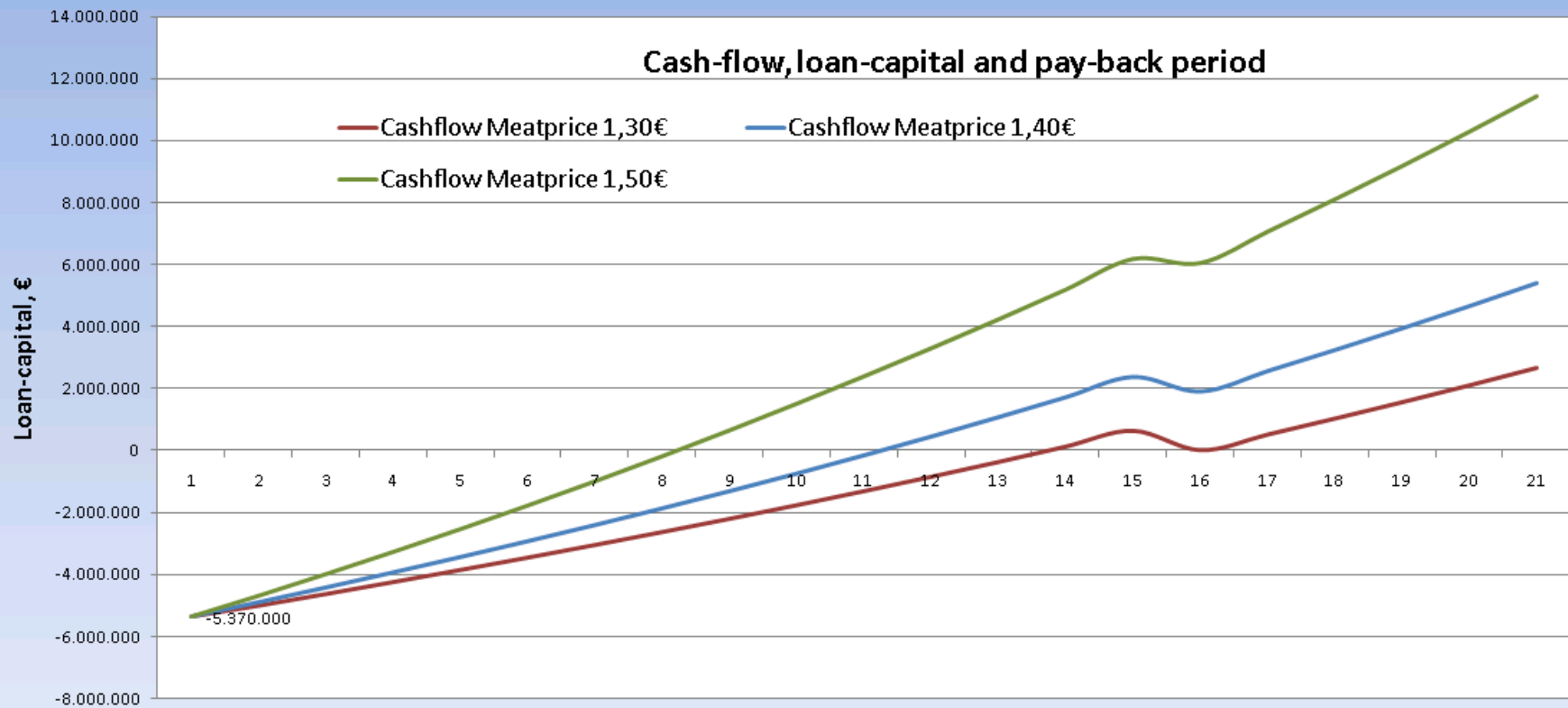
Graakjaer – Key terms operational economics

- Payback time
- NPV = Net Present Value = profitability of the investment
- Call for re-investment before the plant is worn down
- Sensivity-analysis



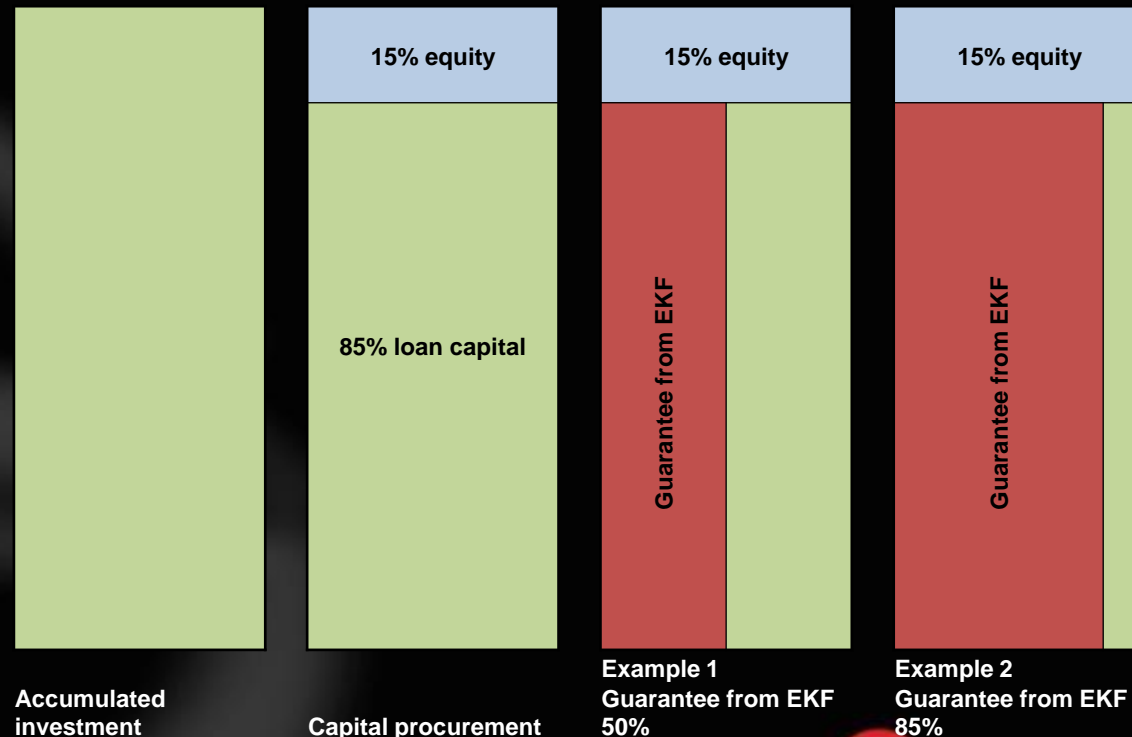
Payback time

- Example



Graakjaer and EKF (Export Credit Foundation)

- EKF wants to advance Danish export of equipment and knowhow.
- EKF is able to provide guarantees up to 14 years if you are buying Danish equipment and knowhow



To get a guarantee from EKF



You have to bring along structured description containing:

- Owner- and legal structure
- The production – What to produce ?
- Mission, vision and key succes factores
- Description of the market (competition, supplier situation)
- Extent of investment
- Financing plan
- Budget 5 years, cash-flow-analysis and pay-back-analysis
- Risk factors
- Details about environment
- etc.

If you are choosing a turnkey solution from Graakjaer we make this description for you and guide you to the partnership with EKF

Summary

Graakjaer..

- Ensure you a realistic project
- Make the necessary feasibility analysis
- Help you making a profitability project
- Help you making your Financing Plan

We build your vision !



A turnkey contract puts a curl in your tail!



Christian Nors

EUROTIER SEMINAR 2010



Introduction of Christian Nors

- Background – 44 year old, farmer in Denmark
- Started in 1996 with 37 hectare and no animals
- Today 1.000 hectare, 5.200 sows and 150.000 30 kgs. Produced piglets in Denmark
- In 1997 one of 4 founders of a farm project in the Czech Republic with 1.000 hectare and 1,8 mio. broilers produced per year – project sold off
- In 2001 founder of 2 projects in Slovakia with a total of 9.000 hectare, 5.300 sows and 150.000 finisher pigs

The turnkey solution for farm projects!



Why central eastern Europe?

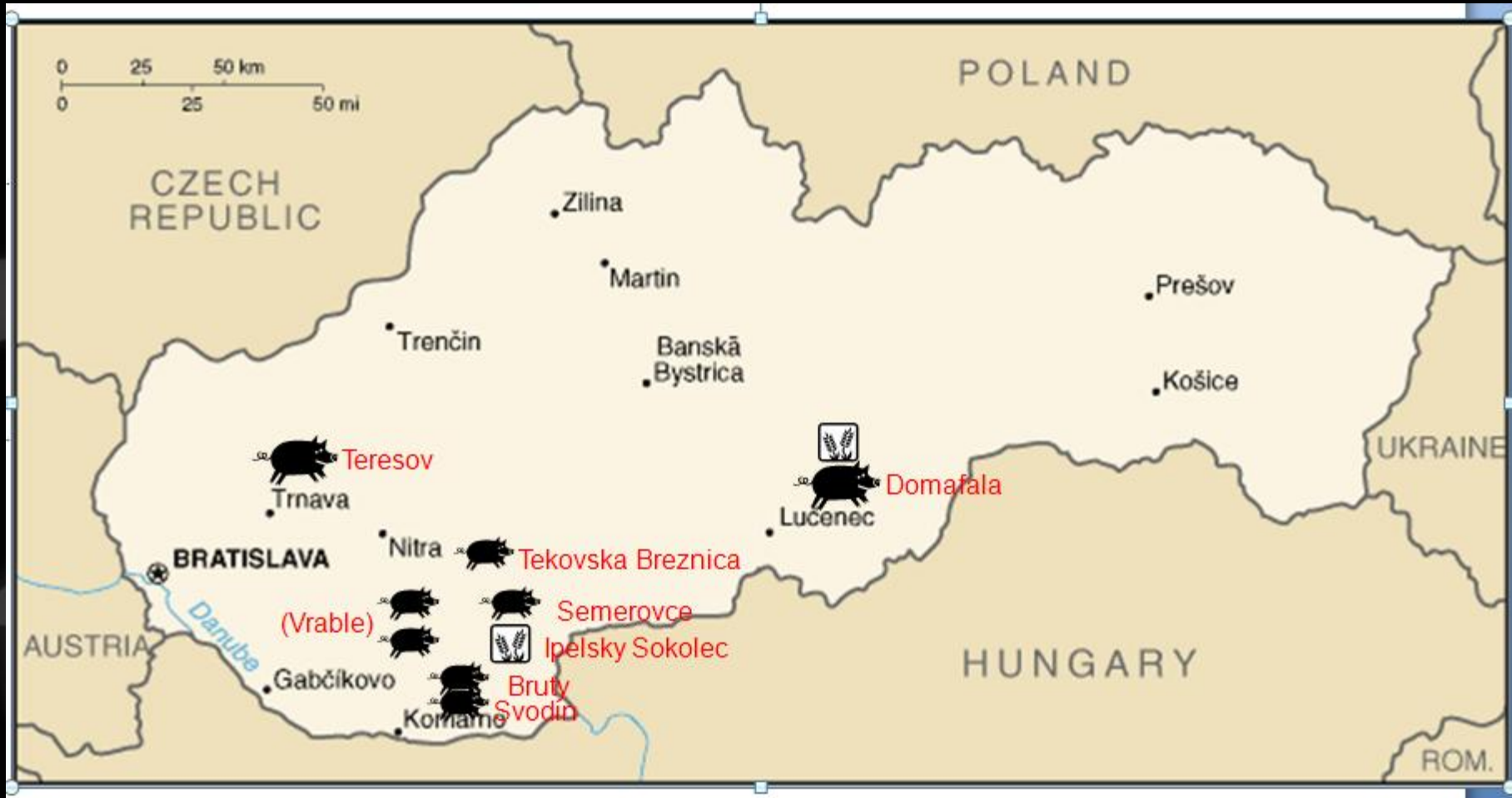
- Importers of pig meat
- Historic tradition for large units – industrial way of thinking
- Lower labor costs
- Lower building costs
- Investments are welcome – tax holiday – subsidies
- Surplus of grain
- Surplus of slaughterhouse capacity

Challenges

- Different culture and traditions
- Difficult language
- Different working moral
- Training of workforce
- Long process to obtain building permissions
- Long process to obtain environmental permissions
- Long building process
- Trading partners
- Different traditions regarding slurry
- Financing
- Big units with requirement of lots of capital
- Fase 1 - 60 mio. EUR
- Fase 2 - 50 mio. EUR

Questions and comments

De 9 farme



The turnkey solution for farm projects!



Semerovce



Domafala



Domafala

