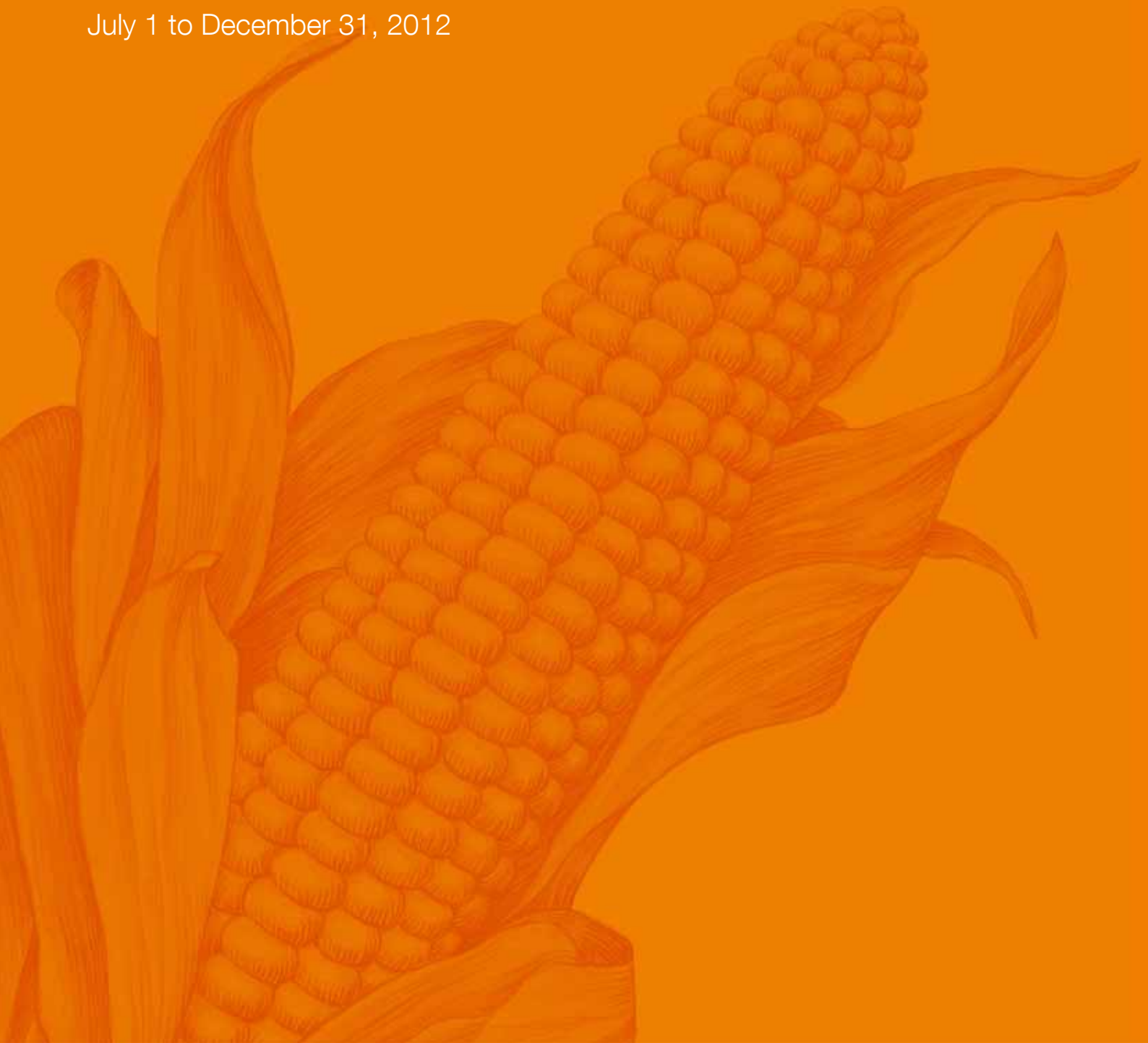


Semiannual Report of the KWS Group

Fiscal year 2012/2013

July 1 to December 31, 2012



Seeding the future
since 1856



Guidance for the 2012/2013 fiscal year (as of June 30, 2013)

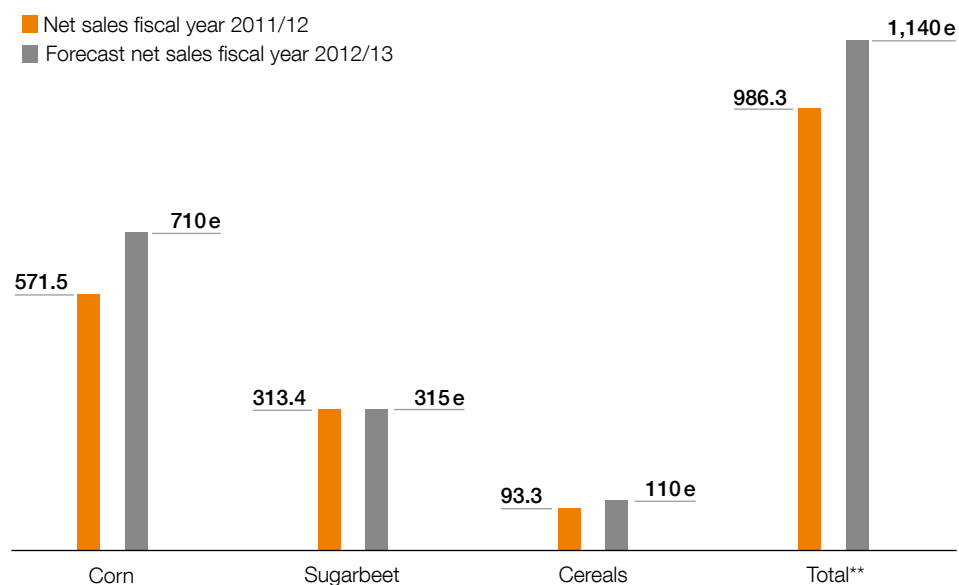
- We currently anticipate that the KWS Group will generate net sales of around €1,140 (986.3)* million.
- Operating income (EBIT) is expected to be at the level of the previous year (€140.9 million).
- The EBIT margin will probably be just over 12% (14.3%).
- The research and development budget has again been increased, this time by just over €13 million (€126.6 million).

Forecast business segments and Group

in € million

■ Net sales fiscal year 2011/12

■ Forecast net sales fiscal year 2012/13



EBIT margin

in %

	Forecast Fiscal year 2012/13	Fiscal year 2011/12
Corn	12 e	13.6
Sugarbeet	22 e	25.5
Cereals	20 e	20.3
Total**	12 e	14.3

* The figures in parentheses are those for the previous year

** Includes Corporate net sales and Corporate EBIT not shown here separately

Overview of the first half of 2012/2013

KWS Group

Lower EBIT due to the planned increase in function costs.

The figure for the same period of the previous year was boosted by special effects.

- Net sales: €206.3 (191.5) million; change: +7.7%
- EBIT: € -59.1 (-31.2) million

Corn Segment

New operations in Brazil off to a good start.

- Net sales: €82.9 (71.5) million; change: +15.9%
- EBIT: € -44.3 (-33.1) million

Sugarbeet Segment

Lower net sales and contribution margins due to shifts between quarters, higher R&D and selling expenses and positive special effects in the same period of the previous year have a negative impact on semiannual results.

- Net sales: €25.5 (37.2) million; change: -31.5%
- EBIT: € -29.1 (-6.7) million

Cereals Segment

Cereals business largely over for the year. Sales and earnings at a record level.

- Net sales: €94.5 (78.1) million; change: +21.0%
- EBIT: €37.2 (28.0) million

Corporate

Planned rise in costs in all central functions.

- Net sales: €3.4 (4.7) million; change: -27.7%
- EBIT: € -22.9 (-19.4) million

KWS Group – at a glance

First half of 2012/2013*

		1 st half 2012/2013	1 st half 2011/2012
Net sales and income			
Net sales	€ million	206.3	191.5
EBIT	€ million	-59.1	-31.2
Net income for the period	€ million	-46.0	-23.3
Capital expenditure			
Capital expenditure on property, plant and equipment	€ million	27.6	26.9
Investments in financial assets	€ million	0.1	0.0
Total capital expenditure	€ million	28.8	28.0
Depreciation, amortization and write-downs	€ million	17.1	13.2
Capital structure			
Total assets	€ million	1,192.8	1,042.4
Equity	€ million	533.7	504.4
Equity ratio	%	44.7	48.4
Net borrowings	€ million	91.8	27.1
Net borrowings as a % of equity (gearing)	%	17.2	5.4
Employees in the KWS Group		4,532	3,885
Share			
Number of shares		6,600,000	6,600,000
Last day of trading in the first half of the year		Dec. 28, 2012	Dec. 30, 2011
Closing price on last day of trading in first half of the year	€	242.50	154.20
Market capitalization on last day of trading in first half of the year	€ million	1,601	1,018
Market capitalization of free float on last day of trading in first half of the year	€ million	482	306

* Since our main products corn and sugarbeet are not sown until the spring, the KWS Group's seed business from June to December is generally characterized by low net sales, normally almost one-fifth of the annual figure. However, many costs are spread evenly over the fiscal year, meaning that our operating income in the first six months is usually negative.

Interim report on the first half of 2012/2013

Business development in the first six months

Income statement

in € million				
	2 nd quarter		1 st half	
	2012/13	Previous year	2012/13	Previous year
Net sales	93.2	98.4	206.3	191.5
Operating income	-36.9	-8.6	-59.1	-31.2
Net financial income/expenses	-1.6	-2.0	-3.0	-3.0
Result of ordinary activities	-38.5	-10.6	-62.1	-34.2
Income taxes	-8.9	-3.4	-16.1	-10.9
Net income for the period	-29.6	-7.2	-46.0	-23.3
of which shareholders of KWS SAAT AG	-31.6	-8.7	-51.1	-27.0
of which minority interest	2.0	1.5	5.1	3.7
Earnings per share (€)	-4.79	-1.31	-7.74	-4.09

KWS Group

Net sales in the first half of fiscal 2012/2013 rose by 7.7% to €206.3 (191.6) million. As stated in the 1st Quarterly Report, this growth is mainly attributable to the extremely positive performance of our cereals business and inclusion of our new operations in Brazil for the first time. However, income (EBIT) in the first six months was € -59.1 (-31.2) million, down significantly year on year. This reflects the planned expansion of our research and development activities and our distribution organization. In addition, there were positive special effects in the first half of the previous year, such as reversals of allowances for receivables and inventories.

The figure for income taxes was obtained by applying the effective tax rate planned for the fiscal year as a whole to the pre-tax profits for the half year.

Statement of comprehensive income

Statement of comprehensive income

in € million				
	2 nd quarter		1 st half	
	2012/13	Previous year	2012/13	Previous year
Net income for the period	-29.6	-7.2	-46.0	-23.3
Gain/loss from financial instruments available for sale	0.1	0.1	0.1	0.1
Currency translation for foreign subsidiaries	-5.2	7.7	-10.1	13.0
Comprehensive income for the period	-34.7	0.6	-56.0	-10.2
of which shareholders of KWS SAAT AG	-36.5	-1.1	-61.0	-14.1
of which minority interest	1.8	1.7	5.0	3.9

The statement of comprehensive income reconciles the income for the period with the change in equity. Currency translations on the reporting date, in particular for the US dollar and Argentinean peso, meant that equity fell by €10.1 million.

Segment report

Segment report

in € million

	2 nd quarter		1 st half	
	2012/13	Previous year	2012/13	Previous year
Net sales	93.2	98.4	206.3	191.5
Corn	50.2	46.1	82.9	71.5
Sugarbeet	16.5	26.6	25.5	37.2
Cereals	25.0	22.6	94.5	78.1
Corporate	1.5	3.1	3.4	4.7
Operating income	-36.9	-8.6	-59.1	-31.2
Corn	-19.9	-9.1	-44.3	-33.1
Sugarbeet	-14.8	0.9	-29.1	-6.7
Cereals	9.6	9.1	37.2	28.0
Corporate	-11.8	-9.5	-22.9	-19.4

Corn Segment

Net sales at the Corn Segment rose in the first half of the year by almost 15.9% to €82.9 (71.5) million. This growth is mainly due to initial revenue from our new subsidiary RIBER KWS S.A. in Brazil. As a result of the favorable conditions there, corn is sown on some of the cultivation area there both in October/November and in January/February/March. The segment's income came to a total of € -44.3 (-33.1) million, a reflection in particular of our efforts to expand our global distribution structures in this rapidly growing segment.

Sugarbeet Segment

Net sales at the Sugarbeet Segment were €25.5 (37.2) million, 31.5% lower year on year. This is due to shifts between quarters, which will balance out by June 30, 2013. The segment's income in the first six months was € -29.1 (-6.7) million, down €22.4 million year on year. The lower contribution margins resulting from the above-mentioned shifts between quarters, the positive special effects of some €10 million in the same period of the previous year and the planned increase in R&D and selling expenses mean that the picture in the period under review is not representative.

Cereals Segment

In contrast to the Sugarbeet Segment, the increase in net sales at the Cereals Segment of 21.0% to €94.5 (78.1) million is indeed representative of the anticipated trend for the fiscal year as a whole, since – as is the nature of our business – we generate around 80% of our revenue from cereals in the first six months of our fiscal year. We only post slight net sales in the spring from royalties for our summer cereal varieties. The gratifying growth in this segment comes from sales of our hybrid rye varieties, as explained in the First Quarterly Report.

The segment's income rose by 32.9 % to €37.2 (28.0) million. While the main contribution margins are generated in the first half of the year, expenses are spread evenly over the fiscal year, meaning the segment's income will fall sharply by the end of the year.

Corporate

Net sales in the Corporate Segment come from revenue from our farms and breeding services for third parties. They remain in the single-digit million range for the year as a whole. Crucial factors here are our cross-segment function costs and research expenditures. Income was € -22.9 (-19.4) million in the first six months and thus in line with our projections.

Capital expenditure

Capital expenditure

in € million

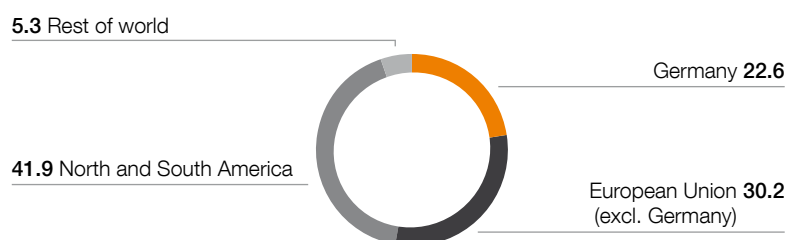
	2 nd quarter		1 st half	
	2012/13	Previous year	2012/13	Previous year
Total	11.1	10.2	28.7	28.0
Corn	3.5	5.2	10.8	7.9
Sugarbeet	4.1	2.0	10.9	11.1
Cereals	1.4	1.0	3.6	2.0
Corporate	2.1	2.0	3.4	7.0

The KWS Group invested €27.6 (26.9) million in property, plant and equipment in the first two quarters of the fiscal year. As in previous years, it is therefore showing capital expenditure well above depreciation at €12.5 (10.9) million.

In the first half of the year, investments were made mainly in North America and include expenditure on modernization of our sugarbeet seed production operations and expansion of corn production capacities.

Capital expenditure by region

in %



Balance sheet of the KWS Group

Assets

in € million

	Dec. 31, 2012	June 30, 2012	Dec. 31, 2011
Intangible assets	107.0	111.7	59.7
Property, plant and equipment	273.5	261.5	244.6
Financial assets	4.4	5.0	4.2
Noncurrent tax assets	5.0	6.1	5.0
Deferred tax assets	52.5	26.0	50.4
Noncurrent assets	442.4	410.3	363.9
Inventories and biological assets	288.3	139.7	259.9
Trade receivables	127.1	309.4	114.5
Marketable securities	47.5	40.4	35.1
Cash and cash equivalents	129.5	142.6	166.6
Current tax assets	37.5	25.9	28.4
Other current assets	120.5	24.0	74.0
Current assets	750.4	682.0	678.5
Total assets	1,192.8	1,092.3	1,042.4

Equity and liabilities

in € million

	Dec. 31, 2012	June 30, 2012	Dec. 31, 2011
Subscribed capital	19.8	19.8	19.8
Capital reserve	5.5	5.5	5.5
Retained earnings	473.9	553.3	454.7
Minority interests	34.5	24.5	24.4
Equity	533.7	603.1	504.4
Long-term provisions	90.6	92.3	61.5
Long-term borrowings	67.0	23.0	17.9
Trade payables	1.6	1.9	2.3
Deferred tax liabilities	34.0	36.0	25.8
Other long-term liabilities	8.0	8.2	8.7
Noncurrent liabilities	201.2	161.4	116.2
Short-term provisions	44.5	134.0	33.4
Short-term borrowings	201.8	52.1	210.9
Trade payables	123.2	74.1	105.1
Current tax payables	22.7	24.1	22.2
Other liabilities	65.7	43.5	50.2
Current liabilities	457.9	327.8	421.8
Liabilities	659.1	489.2	538.0
Total equity and liabilities	1,192.8	1,092.3	1,042.4

Inventories were increased as planned in the first half of the year in anticipation of the increases in net sales in the spring of 2013. The potential risks of realization were reflected by additional adjustments.

The other current assets mainly comprise advance payments made to our license partners for the upcoming sowing season.

The long-term provisions also include our option to purchase further shares in our production and distribution company RIBER KWS S.A.

Our borrower's note loan, which was placed in October 2012 with a volume of €50 million and a term of five years in order to refinance our acquisitions in Brazil, resulted in a rise in long-term liabilities.

Cash flow statement

Cash flow statement

in € million

	1 st half	
	2012/13	Previous year
Net income for the period	-46.0	-23.3
Cash earnings	-74.1	-47.7
Funds tied up in net current assets	-77.8	-52.8
Net cash from operating activities	-151.9	-100.5
Net cash from investing activities	-54.5	-30.0
Net cash from financing activities	203.2	179.7
Change in cash and cash equivalents	-3.2	49.2
Cash and cash equivalents at beginning of period (July 1)	183.0	146.9
Changes in cash and cash equivalents due to exchanging rate, consolidated group and measurement changes	-2.8	5.6
Cash and cash equivalents at end of period (Dec. 31)	177.0	201.7

The net cash from operating activities was impacted by the negative income for the first half of the year and the advance payments already made to our license partners for the upcoming sowing season. It totaled € -151.9 (-100.5) million in the first six months. The net cash from investing activities was € -54.5 (€ -30.0) million and also includes €23 million for the acquisition of our Brazilian production and distribution company RIBER KWS S.A. Together with the net cash from financing activities, cash and cash equivalents at the balance sheet date were €177.0 (201.7) million.

Statements of changes in equity

Statements of changes in equity

in € million

	Group interests	Minority interests	Group equity
Balance as at June 30, 2011	509.3	21.0	530.3
Dividends paid	-15.2	-0.5	-15.7
Consolidated net income for the period	-27.0	3.7	-23.3
Other gains (losses)	12.9	0.2	13.1
Total consolidated gains (losses)	-14.1	3.9	-10.2
Balance as at December 31, 2011	480.0	24.4	504.4
Balance as at June 30, 2012	578.6	24.5	603.1
Dividends paid	-18.5	-0.7	-19.2
Other changes	0.0	5.7	5.7
Consolidated net income for the period	-51.1	5.1	-46.0
Other gains (losses)	-9.8	-0.1	-9.9
Total consolidated gains (losses)	-60.9	5.0	-55.9
Balance as at December 31, 2012	499.2	34.5	533.7

Equity is impacted by the consolidated net income in the first half of the year and currency translation not recognized in the income statement.

The dividend was set at €2.80 for each of the 6.6 million shares pursuant to a resolution adopted by the Annual Shareholders' Meeting on December 13, 2012, in Einbeck, resulting in a total payout of €18.5 (15.2) million. Minority interests increased by €10.0 (3.4) million due to our successful cereals business and the acquisition of RIBER KWS S.A.

Employees

Employees by regions

	1 st half	
	2012/13	Previous year
Germany	1,588	1,511
Europe (excluding Germany)	1,005	932
America	1,808	1,337
Other countries	131	105
Total	4,532	3,885

The number of persons employed by the KWS Group at December 31, 2012, was 4,532 (3,885), with our new Brazilian operations in South America accounting for the biggest increase. The workforce is to be increased by 15% compared with the previous year's level of 3,851 by the end of the fiscal year.

Risks and opportunities

You can find detailed information on the risk management system and the risk situation at the Group in the section “Risks for future development” on page 44–47 of the 2011/2012 Annual Report.

We address the liquidity risk with professional cash management, sufficient long-term, syndicated credit lines and a high equity ratio. Our loan agreements include financial covenants, compliance with which has been ensured at all times to date. KWS uses extensive trade credit insurance to minimize the risk of losing receivables in risky regions and business segments. We also pursue an active receivables management policy so that impending payment defaults can be avoided.

We are continuing to increase our research and development expenditures and expanding our production and distribution structures as planned.

There has been no significant change in the situation as to opportunities and risk at the KWS Group compared with at June 30, 2012. Risks that jeopardize the company's existence are not currently discernible.

Report on events after the balance sheet date

Against the background of excellent cereals business in the first quarter and corn and sugarbeet seed sales that were also above our expectations, we raised our net sales and income guidance for fiscal 2012/2013 in an ad-hoc release on February 11, 2013. You can find details on this in the forecast below.

There were also no events after December 31, 2012, that can be expected to have a significant impact on the KWS Group's earnings, financial position and assets.

Forecast for 2012/2013

KWS Group

We expect net sales to grow by just over 15% to around €1,140 (986.3) million for fiscal year 2012/2013, an increase of some €60 million over the guidance issued on November 29, 2012. This growth will be underpinned in particular by the Corn and Cereals Segments. We now expect that operating income (EBIT) will be able to reach the level of the previous year (€140.9 million). The EBIT margin will thus probably be just over 12% (14.3%). The previous year's result was higher due to special effects such as the reversals of allowances for receivables and inventories.

Corn Segment

Our Corn Segment is currently taking in far more orders than previously forecast. We will likely surpass our original sales expectations in almost all regions. Demand for our corn hybrids continues to grow, especially in North America, France and Eastern Europe. Our new activities in Brazil are developing very nicely. Our earnings situation in China is also gratifying as a result of licensing our varieties to our Chinese partners. Only in Germany and Southeastern Europe will last year's sales volume very likely not be achieved. Corn cultivation areas in parts of Northern Europe surged in the previous year as a result of extensive damage to winter cereals caused by frost. Accordingly, they will fall in the spring 2013 sowing season. Seed production in Southeastern Europe was sharply impaired as a result of the drought in 2012, thus restricting seed availability. Net sales at the Corn Segment are expected to increase by a total of approximately 24% to almost €710 (571.5) million and so probably improve the segment's income (EBIT) by just over 10% to some €86 (77.8) million. Its return would then be around 12%.

Sugarbeet Segment

The further increase in demand for our genetically improved sugarbeet varieties in the U.S. comes as a pleasant surprise. As far as can be seen at present, our North American sugarbeet business will break the €100 million mark for net sales for the first time this fiscal year. The anticipated reduction in sugarbeet cultivation area in the EU 27 and Eastern Europe and the related drop in net sales there will be almost completely offset by business in America. On the back of a slight increase in sales in our seed potato business, we will be able to maintain the very good level of net sales of the previous year in the Sugarbeet Segment of some €315 (313.4) million. Due to positive special effects in the previous year, this year's income for the segment will be €69 million, down around 13% year on year, but still giving a good return of approximately 22%.

Cereals Segment

Following the excellent performance of our cereals business in the first half of the year, we have raised our guidance and now anticipate sales growth of about 18% to €110 (93.3) million by the end of the fiscal year. The segment's income is expected to increase by 19% to €22.5 (18.9) million.

Corporate

Under Corporate we report primarily our cross-segment expenses and costs for long-term research projects. Expenses here will rise to around €39 (35.7) million in fiscal 2012/2013.

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. The semiannual financial statements of the KWS Group were prepared in accordance with IAS 34, and have not been examined by an auditor or undergone a complete statutory audit. Exactly the same accounting methods applied in the preparation of the consolidated financial statements as of June 30, 2012, were used. The Notes appended to the annual financial statements as of June 30, 2012, therefore apply accordingly; intersegment sales are not shown. 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.

Companies consolidated in the KWS Group

The consolidated semiannual financial statements of the KWS Group include the single-entity financial statements of KWS SAAT AG and its subsidiaries in Germany and other countries in which it directly or indirectly controls more than 50% of the voting rights. In addition, joint ventures are proportionately consolidated according to the percentage of equity held in those companies. Subsidiaries and joint ventures that are considered immaterial for the presentation and evaluation of the financial position and performance of the Group are not included.

The number of companies consolidated in the KWS Group did not change in the second quarter of the fiscal year. As a result, a total of 55 companies will be fully consolidated and seven proportionately consolidated in 2012/2013.


Declaration by legal representatives (Responsibility Statement)

We declare to the best of our knowledge that these interim consolidated financial statements give a true and fair view of the assets, financial position and earnings of the KWS Group in compliance with the accounting principles applicable to interim reporting, and that an accurate picture of the course of business, including business results, and the Group's situation is conveyed by the interim group management report, and that it describes the main opportunities and risks of the KWS Group's anticipated development.

Einbeck, February 26, 2013

KWS SAAT AG

The Executive Board



Philipp von dem Bussche



Christoph Amberger



Léon Broers



Hagen Duenbostel

Financial calendar

Financial calendar

May 28, 2013	Report on the 3 rd quarter 2012/2013
October 24, 2013	Publication of the 2012/2013 financial statements; Annual Press Conference and Analysts' Conference in Frankfurt
November 28, 2013	Report on the 1 st quarter 2013/2014
December 19, 2013	Annual Shareholders' Meeting in Einbeck

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 semiannual report 2012/2013 is available at www.kws.de/ir.

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