



Deyu Agriculture Corp. (OTCBB: DEYU)

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About us

Deyu Agriculture Corp. is a vertically integrated agricultural value chain from farmland to consumer market, which produces, processes, markets and distributes organic and other agricultural products made from corn and grains operating in Shanxi Province in China. The Company has access to over 109,000 acres of farmland in Shanxi Province for breeding, cultivating, processing, warehousing and distributing grain and corn products. **Deyu Agriculture Corp.** has an extensive wholesale network in over 15 provinces and a retail distribution network of approximately 20,000 supermarkets and convenience stores in 29 provinces across China. **Deyu Agriculture Corp.**'s facilities include sophisticated production lines and modern warehouses with a total production capacity of over 105,000 tons for grain products, storage capacity of over 100,000 tons and annual turnover of 700,000 tons for corn products.

[Deyu Official Website »](#)

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INDUSTRY HIGHLIGHTS

Chinese Premier Li Keqiang underlines developing modern agriculture, scale farming;

Chinese senior leaders stress agricultural work; Ministry of Agriculture Vice Minister Niu Dun meets with Swiss Re Group's Chairman Walter Kielholz; Urbanization to lift machinery sector, executives predict.

[March 30] - Premier Li Keqiang has stressed the importance of developing modern agriculture and scale farming in his recent research tour to the Yangtze River Delta region.

While visiting a family farm in Changshu in eastern China's Jiangsu Province, Li was pleased to see that local farmers have experienced a boost in grain output and income as they merged their fragmented land to develop scale farming, which enables the implementation of more advanced technologies (the central government provides incentives to bring economies of scale to the fragmented countryside). "To develop modern agriculture through the forms of joint partnership, family farms and farmer cooperatives is the big direction for China," Li said. Li's remarks came amid China's growing efforts to speed up the defragmentation of rural land to improve efficiency and promote large-scale commercial farming.

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[March 26] - Chinese Premier Li Keqiang has called for increased efforts to ensure grain output as the country enters the season of spring farming.

In a written instruction to a State Council work conference on Tuesday, March 26th, Li asked local authorities to step up policy support, secure supplies of agricultural materials and stabilize prices.

In the face of a complicated economic landscape, ensuring the sustainable development of agriculture and securing supplies of grain and major agricultural produce are of great importance in stabilizing economic growth and inflation, Li noted.

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[March 22] - On March 21st, Ministry of Agriculture Vice Minister Niu Dun met with Walter Kielholz, Chairman of the Board of Directors of Swiss Re Group in Beijing. Niu introduced the related policy and information of new government on promoting and accelerating modern agriculture development, and both sides exchanged their views on carrying out bilateral cooperation.

Niu pointed out that at present and in the near future, "Sannong" ("agricultural") issues are and will always be a top priority. China will adhere to the strategy of harmonized development of industrialization, IT application, urbanization and agricultural modernization as well as integration of urban and rural development. China will insist on the path of development with Chinese characteristics, strengthen scientific development, further deepen reform and opening up, and make all efforts to achieve the goal of building a comprehensive well-off society and modernization drive.

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[March 19] - China's rapid urbanization will bring more opportunities for the development of the agricultural machinery industry, according to the chairman of the nation's leading tractor maker.

Zhao Yanshui, chairman of YTO Group Corp, said that demand for new types of tractors will surge along with the process of urbanization. Zhao said that he was impressed while visiting a showcase of urbanization where 10 villages were merged into one big residential community in Xinzheng, Henan Province.

The local residents were moved from their traditional single-story homes to five- or six-story buildings, making a large amount of land available for agricultural and commercial development, Zhao said. "The previous scattered farmland became a large area after the borders of villages were removed, creating an area that is now suitable for large agricultural machinery to operate in."

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SPOTLIGHT ON DEYU

Deyu Agriculture Corp. Announces Fiscal Year 2012 Results.

[March 28] - Deyu Agriculture Corp. announced its financial results for the fiscal year ended December 31, 2012.

Fiscal Year 2012 Results:

Net revenue was \$254.0 million in 2012 compared to \$261.6 million in 2011;

Gross profit was \$44.7 million in 2012, increasing \$1.6 million or 3.8% from \$43.1 million in 2011;

Gross margin increased to 17.6% for 2012 from 16.5% in 2011;

Net income available to common stockholders was \$16.0 million in 2012 compared to \$17.3 million in 2011;

Earnings per diluted share were \$1.30 on 12.6 million shares in 2012, compared to \$1.42 on 12.5 million shares in 2011.

"In 2012, in order to move to a more sustainable growth approach, we reduced our reliance on bank loans to supplement our working capital for fast growth by decreasing our overall borrowings from \$14.4 million to \$8.3 million," said Jianming Hao, Chief Executive Officer of Deyu. "Even with a slight decrease of revenue and net income, we are still very pleased with our performance this year. We believe this strategic move significantly reduced our financial risks and can benefit the Company and our shareholders in the long term".

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This press release contains forward-looking statements made under the "safe harbor" provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward looking statements are based upon the current plans, estimates and projections of Deyu Agriculture Corp.'s management and are subject to risks and uncertainties, which could cause actual results to differ from the forward looking statements. Such statements include, among others, those concerning market and industry segment growth and demand and acceptance of new and existing products; any projections of sales, earnings, revenue, margins or other financial items; any statements of the plans, strategies and objectives of management for future operations; any statements regarding future economic conditions or performance; uncertainties related to conducting business in China, as well as all assumptions, expectations, predictions, intentions or beliefs about future events. Therefore, you should not place undue reliance on these forward-looking statements. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: business conditions in China, general economic conditions; geopolitical events and regulatory changes, availability of capital, changes in the agricultural industry, the Company's ability to maintain its competitive position. Additional Information regarding risks can be found in the Company's quarterly and annual reports filed with the U.S. Securities and Exchange Commission at www.sec.gov.

