

Ekosem-Agrar reports strong earnings growth for FY 2010/2011

- **Russia's third largest dairy producer publishes consolidated figures**
- **Total output climbs to EUR 80,8 million (+67%)**
- **Operating result rises from EUR 2.1 million to EUR 13.8 million**
- **Undersupply in the milk market opens up substantial growth opportunities**

Walldorf, 15 February 2012 – Ekosem-Agrar GmbH, the German holding company of the Ekoniva Group, which specialises in dairy production, reported strong growth in both total output and earnings for the fiscal year 2010/2011 (30 September). Adjusted for extraordinary income from the acquisition of two agricultural firms, total output increased by 67% to EUR 81 million. Adjusted earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 192% to EUR 22.8 million, while earnings before interest and taxes (EBIT) soared by 557% to EUR 13.8 million. Including extraordinary income, the company reported a total output of EUR 87,8 million, EBITDA of approx. EUR 30.7 million and EBIT of EUR 20.8 million.

The positive performance is primarily attributable to the strong increase in income from the dairy business. The annual milk output increased by 70% to 50 million litres. The milk output averaged 146 tons per day and has increased to clearly in excess of 200 tons per day in the meantime. The cattle stock increased from approx. 18,700 to 27,500 in the fiscal year, including 10,400 dairy cows. The agricultural land was expanded by 22% to almost 160,000 hectares.

Says Wolfgang Bläsi, CFO and Managing Director of Ekosem-Agrar GmbH: "We are highly satisfied with our performance in the past fiscal year. The investments in farmland and new dairy operations with state-of-the-art plants and technologies are increasingly paying off. Russia continues to offer excellent conditions for agricultural corporations."

The Ekoniva Group, whose founder and CEO Stefan Dürr has been active in the Russian agricultural sector since the late 1980s and has been instrumental in modernising it, is one of the largest dairy producers in Russia. The company is also a leading seed producer in Russia. Due to the record harvest of the year 2011, the stocks of fodder, seeds and food

crops increased by 50% to EUR 34 million. The “premium beef”, which is the company’s third activity, plays only a minor role in the figures for 2010/2011.

Agricultural machinery trading spun off in the fiscal year

Since the fiscal year 2010/2011, Ekosem-Agrar has focused exclusively on dairy, agricultural and meat production. The agricultural machinery trading unit, which generated profits of EUR 3.9 million, was spun off with effect from 31 March 2011. Adjusted for this one-time effect, consolidated net income for the year amounted to EUR 12.4 million, compared to EUR 4.9 million in the same period of the previous year. The net income for the year increased the company’s equity capital to EUR 50.8 million as of the balance sheet date, which represents an equity ratio of approx. 20%.

Outlook: Dairy cow stock to be doubled by 2015

Stefan Dürr, founder and CEO of Ekosem-Agrar GmbH: “We are optimistic about the future. Our dairy production is growing from day to day and our fodder requirements are covered until well into spring 2013 thanks to the good harvest of the year 2011.” The company aims to increase its earnings (EBITDA) at high double-digit rates in each of the next two years. Dairy production will remain the main growth driver and will benefit from the excellent growth opportunities in the undersupplied Russian market. The company intends to increase its dairy cow stock from 10,400 to roughly 21,000 by 2015.

To finance further growth and to optimize its financing structure, Ekosem-Agrar plans to issue a corporate bond in Germany.

Contact About Ekosem-Agrar

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Fabian Lorenz Ekosem-Agrar GmbH, has been working in the Russian agriculture business since the end of the 1980s and made a significant contribution to shaping the sector’s modernization during the past two decades. In 2009, Stefan Dürr was awarded the Order of Merit of the Federal Republic of Germany for his commitment to the German-Russian dialog on IR.on AG agriculture. The Group employs approximately 2,800 employees at six sites across Russia, t: +49 (0) 221 9140-974 e: fabian.lorenz@ir-on.com