

Very positive harvest in progress for Ekosem-Agrar

- **Partially record yields in grain and forage harvests**
- **5000 young animals imported for milk production**
- **Agricultural subsidy program until 2020 decided with an emphasis on milk production**

Walldorf, Germany, September 12, 2012 – Ekosem-Agrar GmbH, the German holding company of the Ekoniva corporate group, which is focused on milk production, has achieved very positive yields in its harvests. The grain harvest has achieved new records in certain areas in the fertile Black Earth region, where the majority of the company's more than 160,000 ha of agricultural lands are located. The forage harvest also continues at high levels. Considering that the harvest of corn silage is not yet complete, the supply of feed is already insured far beyond the 2013 harvest season. "In our main cultivation area in the Black Earth region, harvest yields are in some cases significantly higher than the previous years, despite the dry spring," said Stefan Duerr, managing director and majority shareholder of the corporate group. "Since the widespread shortfall of rain has resulted in yields below average throughout Russia, we are in the unusual position of enjoying both high yields and higher market prices for our products."

The harvest of winter grain at Ekoniva locations in the central Black Earth region ended with record results. The average harvests of winter wheat were nearly 4 tons per hectare, compared to about 3 tons in previous years. The three cuts for forage harvest (alfalfa and grass silage, for example) also showed very high yields.

Developments in milk production and the expansion of dairy herds were likewise favorable. Milk yields for companies in the Group were about 245 tons per day on 30 June 2012 compared to 237 tons per day on 31 March 2012. High temperatures in the summer resulted as usual in lower values for July and August. Average milk production per cow was approximately 19.65 liters per day in June compared to 18.5 liters in March 2012. The number of dairy cows on 30 June was 12,430, the same level as on 31 March 2012. The head count will increase further by the end of the year. As part of this effort, 5000 pregnant

heifers were imported in recent weeks. By the end of the year about 2400 cows will be added to the dairy herds after calving. In conjunction with growth in the existing herds, executive management expects about 15,300 dairy cows in inventory by the end of the year, compared to about 11,700 on 31 December 2011. This represents a growth of more than 30% in 2012.

Russia continues to produce significantly less milk than it consumes. Thus at the beginning of July, the state subsidy program for agriculture for 2013 through 2020 was approved, now worth a RUB 1.5 trillion (EUR 37.5 billion) and funded from the federal budget. A key emphasis of these subsidies is continued support for milk production.

At the end of September, the company will publish the annual financial statement for the short fiscal year from 1 October to 31 December 2011 as well as information on the figures for the first half of 2012.

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About Ekosem-Agrar

Ekosem-Agrar GmbH Walldorf, Germany is the German holding company in the Ekoniva Group, one of the largest Russian agricultural companies. With over 30,000 head of cattle and an average milk production of more than 240 tons per day, the company is the third largest milk producer in the country. The group has more than 160,000 hectares of land and is also one of the leading producers of seed in Russia. A third area of business is currently being established with premium beef. The founder and managing director of the company is Stefan Duerr. He has been active in Russian agriculture since the 1980s and has played a decisive role in its modernization over the past two decades. In 2009, he was awarded the German Federal Cross of Merit for his contributions to the agricultural policy dialog between Germany and Russia. The corporate group has about 3,000 employees at six locations in Russia and achieved revenues from operations of € 81 million in fiscal year 2010/2011.

For further information visit: www.ekosem-agrar.de