

Solid growth of Ekosem-Agrar continues

- **Record harvest of grain and lucerne**
- **June 2014: 49,450 cattle; 20,800 dairy cows; 195,400 hectares of farmland**
- **As a local producer, Ekosem benefits from the sanctions**
- **Creditreform's B+ rating (formerly BB watch) confirms adequate creditworthiness**

Walldorf, 11. August 2014 –Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, continues its solid growth. As of the end of June 2014, Europe's largest raw milk producer increased its dairy cow herd by 23.1% from 16,900 to 20,800 animals. The total cattle herd was expanded by 20.1% from 41,180 to 49,450 animals. The milk output increased at a clearly disproportionate rate. At the end of June 2014, the output amounted to 450 tons per day, compared to 345 tons a year ago. Not only the number of cows increased but also the efficiency as measured by the milk output per cow, which rose by close to 2 litres to 25.3 litres per day.

“The mutual sanctions get us nowhere and are bad for both sides,” said Stefan Dürr, Managing Director and main shareholder of Ekosem-Agrar GmbH. “As a local producer, we clearly benefit from the sanctions but I do hope that all parties will get down to talk soon in order to put an end to the sanctions spiral. Regardless of this, our business situation is very solid. Russia needs more raw milk to cover domestic demand. The current undersupply is equivalent to the output of about one million dairy cows.” Due to the domestic undersupply and high global demand, the Group's raw milk price in Russia remains stable at a very high level of the equivalent of 47 euro cents per litre (June 2013: 41.50 euro cents). The Group will continue to grow. Ekoniva is currently building new, modern milk cow facilities in the regions of Novosibirsk, Kaluga, Tyumen and Voronezh. These will lay the basis on which the company will expand its dairy cow herd to over 25,000 animals by the end of 2015. This growth will primarily be achieved by own breeding but also by selective imports of heifers. Last week saw 1,500 heifers from the USA arrive at the farms.

Best grain harvest in the company's history

Besides the positive development of the milk segment, the Group's crop cultivation operations are also hitting new records in the current harvesting season. The grain and lucerne harvests

have been the best in the history of the company. Prices also remain at an attractive level in spite of the high yields throughout Russia.

Says Wolfgang Bläsi, Managing Director and CFO of Ekosem-Agrar GmbH: "We have a good to very good market positioning in all product segments. This has also been confirmed by Creditreform, even though the rating agency has downgraded our rating from BB (watch) to B+ partly in view of the geopolitical risks. We are fully convinced of our strategy and the opportunities of the market and will seize them with determination. The fact that we have just completed new financings with two leading Russian banks also shows that our business model rests on solid feet." Ekosem-Agrar plans to increase both its sales revenues and operating result (EBITDA) strongly and to achieve a higher net result in 2014.

	31.12.2012	30.06.2013	31.12.2013	30.06.2014
Total area	176,000 ha	186,000 ha	192,500 ha	195,400 ha
- thereof owned	94,000 ha	101,000 ha	106,600 ha	109,000 ha
Number of dairy cows	15,500	16,900	19,300	20,800
Milk output per day	269 tons	345 tons	370 tons	450 tons
Milk output per cow and day	20.9 l	23.5 l	23.0 l	25.3 l

About Ekosem-Agrar

Ekosem-Agrar GmbH Walldorf, Germany is the German holding company in the Ekoniva Group, the largest Russian agricultural companies. With over 49,450 head of cattle (thereof 20,800 dairy cows) and an average milk production of more than 450 tons per day, the company is the largest milk producer in the country. The group has more than 195,000 hectares of farmland 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 3,450 employees at six locations in Russia and achieved a total output of € 139.6 million and an EBIT of € 23.0 million in fiscal year 2013. For further information visit: www.ekosem-agrar.de

Contact

Irina Schwachhofer // Ekosem-Agrar GmbH // Johann-Jakob-Astor-Str. 49 // 69190 Walldorf // T: +49 (0) 6227 8890 300 // E: irina.schwachhofer@ekosem-agrar.de // www.ekosem-agrar.de

Media / Investor Relations

Fabian Lorenz // IR.on AG // T: +49 (0) 221 9140 974 // E: fabian.lorenz@ir-on.com