

## **Ekosem-Agrar builds additional dairy cow facility and receives government subsidies**

- **Government-subsidised investment of approx. EUR 20 million in ongoing growth**
- **Funds come from a special anti-crisis programme**

Walldorf, 2 April 2015 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, continues to expand its dairy business. In Ikorets near Voronezh, the main location of the Group, the company is building a dairy cow facility for 2,800 cows. The recently completed first section, in which 900 cows are milked already, was financed from the current cash flow. Now that the government has promised to subsidise the investment, the construction time of the facility can be reduced and the latter be completed by the end of 2015. The corresponding rouble loan has a term of 15 years and is almost interest-free after deduction of the interest rate subsidies; it is backed by a government guarantee for 25% of the total investment amount. In the coming days, the company also expects to receive the first payments under an Euler-Hermes covered buyer loan, which will be used to co-finance dairy cow facilities in Kaluga and Siberia. At the end of March, the Group's herd comprised 23,400 dairy cows, thereof 15,500 at Voronezh.

The dairy cow facility in Ikorets is one of the very first projects to be subsidised under the special anti-crisis programme launched by the Russian Economics Ministry. The inclusion of the project in the programme underlines the importance of milk production and of the company for the stabilisation of the Russian economy and the creation of an independent food industry. In February 2015, the Russian government published a list of 199 strategically important enterprises, which also include the Ekoniva Group.

This will allow the Ekosem-Agrar Group to hold its ground in the difficult economic environment in Russia. According to preliminary figures, the Group recognised corporate bonds in the total amount of EUR 128 million as well as additional financial liabilities totalling approx. EUR 140 million as of the end of 2014. These contrasted with property, plant and equipment – essentially land and buildings – in the amount of EUR 185 million and non-current biological assets – primarily the dairy cow herd – of EUR 90 million. In addition, the company stocked fodder and grains worth roughly EUR 60 million at the end of the year.

**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 52,900 head of cattle (thereof 23,400 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 196,000 hectares of farmland and is also one of the leading producers of seed in Russia. 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 3,375 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](http://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](mailto:irina.schwachhofer@ekosem-agrar.de) // [www.ekosem-agrar.de](http://www.ekosem-agrar.de)

**Media / Investor Relations**

Fabian Kirchmann // IR.on AG // T: +49 (0) 221 9140 970 // E: [presse@ekosem-agrar.de](mailto:presse@ekosem-agrar.de)