

Ekosem-Agrar reports clearly positive result for 2015

- **Consolidated figures at upper end of projections**
- **Sales revenues stable in EUR; up by over 34% in exchange rate adjusted terms**
- **Milk prices at record lows on the world market prevent higher growth of sales revenues**
- **Clearly positive EBIT of EUR 40 million (margin: 28%)**
- **Weaker performance in Q1 due to seasonal factors and market conditions**

Walldorf, 21 June 2016 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, has reached the targets set for 2015 and confirmed the preliminary Group figures published in the spring. At EUR 98.1 million, sales revenues in EUR were on a par with the previous year. In exchange rate adjusted terms, i.e. on the basis of the average rouble exchange rate of the prior year period, sales revenues increased by approx. 34%, primarily because of the much higher milk output. Accounting for a good 64% of total revenues, sales revenues from milk production of over EUR 62 million were also on a par with the previous year in spite of extremely low milk prices. In exchange rate adjusted terms, milk revenues increased by approx. 30%. The company's crop farming activities generated revenues of EUR 25.2 million (previous year: EUR 24.7 million), while sales revenues from meat production amounted to EUR 9.1 million (previous year: EUR 6.6 million). Total output (revenue plus finished goods and unfinished products, biological assets as well as other operating income) stood at close to EUR 145 million, i.e. at the upper end of the company's projections. Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 56.6 million, thus exceeding the preliminary figures of EUR 50 to 55 million. The EBITDA margin stood at 39% (previous year: 42%). Earnings before interest and taxes (EBIT) amounted to EUR 40 million; this is equivalent to an EBIT margin of 28%, which is on a par with the previous year. At EUR 5.7 million, consolidated net income remained below the previous year's record level of EUR 17.2 million due to higher financing expenses.

Says Stefan Dürr, main shareholder and Managing Director of Ekosem-Agrar GmbH: "In view of the extremely low global milk prices and the difficult financing conditions in Russia, we are more than satisfied with our results for 2015. The figures exceed our projected results as well as the figures audited by PwC on the occasion of the extension of our bonds in March 2016."

As a result of its growth, the company further expands its position as Russia's leading raw milk producer. The dairy cow herd increased by 14% to 25,000 animals (previous year: 22,100) and the annual milk output rose sharply by 17% to 180,000 tons (previous year: 154,000 tons). Total assets stood at EUR 417.2 million on 31 December 2015 (previous year: EUR 360.4 million). At EUR 64.7 million, equity was up by EUR 29.5 million on the previous year. As a result, the equity ratio improved to approx. 16% (previous year: 10%). Ekosem-Agrar's operating cash flow before interest and taxes amounted to EUR 15.6 million in the reporting period (previous year: EUR 19.6 million).

Ekosem-Agrar projects sales revenues of roughly EUR 114 million for the full year 2016, which would represent an increase by approx. 16% on the previous year, as well as earnings before interest and taxes (EBIT) of EUR 30 to 35 million. In the first quarter of 2016 the Group generated sales revenues of EUR 22.1 million (previous year: EUR 19.8 million) and EBITDA of EUR 2.3 million (previous year: EUR 5.8 million). EBIT was still slightly negative at EUR -1.3 million (previous year: EUR 2.0 million). The first quarter tends to be weaker because of seasonal effects such as the lack of value creation in the crop farming segment. The continued very low milk price and the relatively high rouble exchange rate in the first quarter additionally weighed on the bottom line. In exchange rate adjusted terms, the company continued to grow, as reflected in the 30% increase in sales revenues.

Managing Director Wolfgang Bläsi to resign in September 2016

After the successful refinancing through extension of the two bonds of Ekosem-Agrar GmbH, Wolfgang Bläsi will resign from his position as Managing Director in September 2016. At the same time, he will become a member of the Advisory Board of Ekosem-Agrar GmbH.

Says Stefan Dürr: "Wolfgang Bläsi has been instrumental in making our company the leading milk producer in Europe. It is to his merit that the Ekosem-Agrar Group became able to operate on the capital market. I would like to thank him for his long-standing great commitment to the company and I am pleased that he will remain available to our company as a consultant on financial and capital market matters and as a member of the Advisory Board. Among other things, he will assist us in strengthening the company's equity base as planned."

Having spent over six years on the management team of Ekosem-Agrar and its sister company, Ekotechnika, Wolfgang Bläsi now wants to use his expertise as a consultant for small and medium-sized enterprises.

The full 2015 consolidated financial statements will be published at <http://www.ekosem-agrar.de/en/investor-relations/financial-publications.html> on 30 June 2016.

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 60,000 head of cattle (thereof more than 28,000 dairy cows) and an average milk production of around 650 tons per day, the company is the largest milk producer in the country. The group has more than 196,100 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 Dürr. 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 3,650 employees at six locations in Russia and achieved a total output of € 145 million and an EBIT of € 40 million in fiscal year 2015. For further information visit: www.ekosem-agrar.de

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