

**Ekosem-Agrar GmbH: Creditreform confirms CCC (stable) rating**

Walldorf, 3 August 2017 – Creditreform Rating has confirmed the CCC rating with stable outlook of Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group. The Group is generally said to benefit from a good business model, a strong market position and low cyclicity. Moreover, the current good business environment, the revenue growth in 2016 and the operating performance were rated positively. Creditreform is critical about the weak financial figures, the valuation and exchange rate effects of the rouble-denominated business as well as the growth-related increase in liabilities.

The latter is a consequence of the management's deliberate decision to continue growing the company in view of the currently ideal conditions of a significantly higher milk price and the fact that the Russian government focuses its agricultural subsidies on the milk production sector. The expansion is subject to the very good framework conditions remaining unchanged. The company expects the ongoing expansion of its milk production activities to result in roughly 50% revenue growth in the current fiscal year.

Regardless of the economic stabilisation, Creditreform Rating continues to see an increased Russian country risk.

**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 74,000 head of cattle (thereof approx. 33,400 dairy cows) and an average milk production of around 850 tonnes per day, the company is the largest milk producer in the country. The group has approx. 229,000 hectares of farmland and is also one of the leading seed producers in Russia. Stefan Duerr, founder and Managing Director of the company, has been active in Russian agriculture since the 80s and has played a decisive role in its modernisation over the past two decades. In 2009, he was awarded the German Federal Cross of Merit for his contribution within the German-Russian Agricultural and Political Dialogue Project. The corporate group has about 4,100 employees at seven locations in six regions in Russia and achieved a total output of EUR 149.2 million and an EBIT of EUR 31.9 million in fiscal year 2016. For further information visit: <http://www.ekosem-agrar.de/en>

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