

Ekosem-Agrar achieves record harvest

- **Third-largest Russian producer of milk and seeds on track for growth**
- **Annual milk output up 70% to 50 million liters**
- **Record yields for sugar beets, maize and feeding crops**
- **Further expansion of existing farms on track**

Walldorf, December 8, 2011 – Ekosem-Agrar GmbH, the German holding company of Ekoniva Group, has reported record results for 2011, generated from its activities in the Russian agriculture business. Ekoniva Group is dedicated to milk production. Severe drought significantly impacted on output in the past year. During the 2011 harvest season however, the Group achieved new record harvests with respect to sugar beets, maize, feed crops and soy beans, using a large part of what was yielded to feed approximately 28,000 cattle, including 10,200 milk cows. In financial year 2010/2011 (ending September 30), milk production stood at approximately 50 million liters. This is an increase of 70% over the previous year.

Ekoniva therefore ranks among the biggest Russian milk producers. Stefan Dürr, the company's founder and managing director, has been working in agriculture in Russia since the late 1980s and has contributed to shaping the modern face of the industry. Russia's dairy market is still significantly undersupplied, with a substantially lower per capita consumption of dairy products than that in Western Europe. Yet the company is not only an active player in the dairy growth market. It is also the third-largest national seed producer and one of the few providers of premium beef in Russia.

Growth was supported by the favorable climate and major land growth, totaling an additional 19,000 hectares. Sugar beets and maize recorded the greatest harvest increases during the 2011 period, with sugar beets rising from 25,500 mt to 117,000 mt, and maize climbing from 2,600 mt to 51,000 mt. The yields improved considerably over the results of the weak previous year, but also exceeding the long-term average by far. Winter wheat, barley and potatoes also recorded much higher outputs, more than tripling in comparison to the previous year. Fresh fodder climbed from 149,000 mt in 2010 to 343,000 mt. Current feed supplies will last until spring 2013.

The Group farms a total area of 170,000 hectares in Russia, approximately 120,000 hectares of which are crop land.

“After having invested more than 100 million euros in our six locations during the past five years, we are now reaping the benefits in the form of significantly improved results.

Agriculture is one of the key sectors of the Russian economy, offering highly favorable political and economic conditions for further growth,” said Stefan Dürr, managing director of Ekosem-Agrar GmbH. “We have the most advanced machines and technologies and pursue a sustainable business concept, based on superior quality standards. This applies to milk production, our largest division, as well as to the production of seeds and the beef segment we are currently setting up.”

Ekosem-Agrar aims to expand the existing agricultural farms of its Russian subsidiary in the coming years and to continue its profitable growth strategy, pursuing an objective to double its crop land and number of milk cows by 2014.

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Ekosem-Agrar

Ekosem-Agrar GmbH, based in Walldorf, Germany, is the holding company of Ekoniva Group, one of the biggest Russian agricultural companies. The company is the third-largest milk producer in Russia, owning 28,000 cattle and generating an average daily milk yield of 180,000 liters. The Group has an overall area of 170,000 hectares at its disposal and ranks among the leading producers of seeds. It is also one of the few providers of premium beef in Russia. Stefan Dürr founded the company in 1993 and holds the position of managing director. He has been working in the Russian agriculture business since the end of the 1980s and made a significant contribution to shaping the sector's modernization during the past two decades. In 2009, Stefan Dürr was awarded the Order of Merit of the Federal Republic of Germany for his commitment to the German-Russian dialog on agriculture. The Group employs approximately 2,800 employees at six sites across Russia, the majority of them in the Black Earth Region, one of the most fertile areas in the world.