

## **Ekosem-Agrar plans to issue bond in Germany in 2012**

- **Russia's third-largest milk producer is on course for growth**
- **EUR 100 million in investments in the past five years is paying off**
- **Corporate bond will finance future growth**

Walldorf, January 23, 2012 – Ekosem-Agrar GmbH, a German holding of milk producer Ekoniva Group, is continuing on its course for growth. The company is one of Russia's leading agricultural groups with 160,000 hectares of agricultural land (corresponding to almost two thirds of the German Federal State of Saarland) and 28,000 cows, of which 10,200 are milk cows. Ekosem-Agrar plans to issue a corporate bond in Germany this year to finance its growth and optimize its financing structure.

Stefan Dürr, founder and managing director of Ekosem-Agrar GmbH explains: "We have invested around EUR 100 million in the latest farm facilities and technology at our six Russian sites in the past five years alone and now we are harvesting the fruits of our efforts."

Right from the start, the Group, which now employs 2,800 people, has always based its agricultural business on a sustainable model with the highest quality standards. This approach has transformed the company into the country's third-largest milk producer in just a few years. Ekosem-Agrar is also one of the leading seed producers and is considerably expanding its Russian business in premium beef at present.

In the past fiscal year 2010/2011 (September 30), the annual milk production volume soared by 70% to 50 million liters. Currently, the company produces around 200 tons of milk per day. In addition, the Group achieved a record harvest of sugar beets, grain maize, feed crops and soybeans in 2011. A large volume of the harvest is used as feed for the company's own cattle. The Group's business figures underline its growth: According to preliminary results, Ekosem-Agrar increased its total output from EUR 50 million in the prior year to EUR 80 million in fiscal year 2010/2011. Operating income (EBIT) increased from EUR 3.9 million to EUR 14.0 million.

As the largest territorial state in the world, Russia provides excellent general conditions for agriculture. The black earth region, Ekosem-Agrar's main area of operations, is one of the most fertile agricultural regions in the world. The Russian milk market is still experiencing significant shortages and large volumes of products such as cheese and butter have to be imported, even though the per capita milk products consumption still falls considerably short of that in Western Europe.

Wolfgang Bläsi, CFO and managing director of Ekosem-Agrar GmbH comments: "We have established a strong market position. We will target our investments to continue our profitable growth." The company aims to double the number of milk cows by 2015. Proceeds from the planned corporate bond will be used to optimize the company's financing structure, purchase new land and construct new dairy units.

Wolfgang Bläsi: "Ekosem-Agrar combines the opportunities provided by agriculture – the industry of the future – with the development potential of one of the fast-growing BRIC economies. This places us in the best possible position to establish ourselves in the capital market in the long term."

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**About 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 200 tons. The Group has an overall area of 160,000 hectares at its disposal and ranks among the leading producers of seeds. As a third area of activity the company currently develops the premium beef business. Stefan Dürr, founder and managing director of the company, 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.