

**Ekosem-Agrar issues corporate bond at 8.5% p.a.**

- **Subscription to EUR 60 million issue to start 26 November**
- **Russia's third largest milk producer reports strong growth**
- **Operating profit climbs 174% to EUR 9.7 million in strong first half-year 2012**

Walldorf, 5 November 2012 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, plans to issue a EUR 60 million corporate bond. Subscription is scheduled to start on 26 November 2012, with the bond planned to be listed in the Bondm segment of the Stuttgart Stock Exchange. The proceeds from the issue will be used to optimise the company's financing structure and to finance its future growth. The agricultural bond II (WKN: A1R0RZ / ISIN: DE000A1R0RZ5) offers a fixed annual coupon of 8.5% and has a term of six years. It will be targeted at institutional investors and asset managers as well as private investors. Subscriptions to the bond, which has a nominal value of EUR 1,000, may be made through banks and online brokers by sending a buying order to the Stuttgart Stock Exchange. equinet Bank AG, Frankfurt am Main, will act as the lead manager and bookrunner.

“Our Group is clearly on the growth track. The Russian milk market remains highly dependent on imports and milk prices clearly exceed German price levels. These are ideal conditions to grow our business. In the last six months alone, we expanded our farmland by 12,500 hectares and increased our livestock by roughly 20% to 36,500 cattle, including 13,850 milk cows,” says Stefan Dürr, Managing Director and main shareholder of the Group.

173,000 hectares of agricultural land (equivalent to nearly two thirds of the size of the Saarland) and an annual milk output of over 80,000 tons make Ekosem-Agrar one of the leading agricultural holding companies in Russia. The company plans to increase its farmland by over 238,000 hectares and its dairy cow stock to over 30,000 animals by the year 2015.

The corporate bond is the company's second issue following the successful issue of a 5-year bond maturing in 2017, which is also listed in the Bondm segment.

Says Wolfgang Bläsi, CFO and Managing Director of Ekosem-Agrar GmbH: “Our first corporate bond has outperformed the market throughout its term to date and is selling clearly above par, which underlines its attractiveness to investors. We will use the second bond primarily to improve our financing structure and buy more farmland.”

The company reported very good results for the first six months of 2012. The operating performance (sales revenues including increase in stocks of animals and crops) rose by 34% to EUR 53.8 million, while earnings before interest, taxes, depreciation and amortisation (EBITDA) soared by 108% to EUR 16.8 million. At EUR 9.7 million, earnings before interest and taxes were up by 174% on the same period of the previous year. Earnings after taxes improved from EUR 0.8 million in H1 2011 to EUR 3.8 million.

“We are now reaping the fruit of the investments made in the past years and will continue to increase our profitability. Thanks to the good earnings trend and the fact that we will use a major portion of the issue proceeds to reduce our liabilities to banks, we will continue to have a solid mix of equity and debt capital in future,” adds Wolfgang Bläsi.

Just like the first agricultural bond, the new bond offers investors extensive covenants such as the right to call the bond in the event of a change of control as well as a full limitation on profit distributions during the entire term of the bond.

**Disclaimer:**

This information does not constitute an offer to buy securities of Ekosem-Agrar GmbH and should not be regarded as a substitute for a securities prospectus. Any investment decision regarding the bond issued by Ekosem-Agrar GmbH must be based exclusively on the securities prospectus approved by the Federal Financial Supervisory Authority, which can be found at [www.ekosem-agrar.de](http://www.ekosem-agrar.de).

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**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 36,000 head of cattle and an average milk production of more than 225 tons per day, the company is the third largest milk producer in the country. The group has more than 173,000 hectares of land and is also one of the leading producers of seed in Russia. A third area of business is currently being established with premium beef. 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 2,900 employees at six locations in Russia and achieved revenues from operations of € 81 million in fiscal year 2010/2011. The Ekosem-Agrar bond (ISIN: DE000A1MLSJ1) is listed in the Bondm of the Stuttgart Stock Exchange. For further information visit: [www.ekosem-agrar.de](http://www.ekosem-agrar.de)