

**Ekosem-Agrar GmbH: Russia's largest milk producer boosts profit significantly in 2012**

- **Total output +22% to EUR 108.2 million**
- **Operating result +42% to EUR 17.2 million**
- **Positive outlook for FY 2013**

**Walldorf, 20 June 2013** – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, continued its profitable growth in 2012. “We are highly satisfied with our performance in 2012,” says Stefan Dürr, Managing Director and majority shareholder of the Group. “Over the past years, we have made significant investments in the expansion of our dairy cattle herd, modern sheds, milking technology and farmland. The sharp rise in earnings in 2012 shows that we are on the right track.” The dairy cattle herd increased from 11,700 to 15,500 cows in 2012, which represents an increase of 33%. The Group's total farmland grew from 159,000 to 176,000 hectares, of which 94,000 hectares were owned by the company as of the balance sheet date.

The growth in the dairy cattle herd and the farmland had a very positive impact on Ekosem-Agrar's revenues and earnings. After the change of the financial year to the calendar year, the following comparative figures refer to the full year 2011. Group revenues were up by an impressive 47% on the previous year to EUR 72.3 million. The total output, which is an important indicator for an agricultural company and includes revenues as well as changes in inventories, biological assets and other operating income, rose by 22% to EUR 108.2 million. Growth was driven by both of the company's business segments: In the milk production segment the daily milk output climbed from 186 tons at the end of 2011 to 269 tons. This means that Ekosem-Agrar produced a total of approx. 84.1 million litres of milk in 2012 (previous year: 52.3 million litres), which were sold at an average price of approx. 39.8 euro cents. Revenues from the sale of milk increased by 41% to EUR 32.2 million. Thanks to the good harvest and the high price level, revenues from the sale of agricultural products soared by 84% to EUR 31.3 million. In addition, the Group generated revenues of approx. EUR 6.3 million from the sale of fattening bulls and cull cows (previous year: EUR 4.9 million).

Earnings also increased at all levels in FY 2012. Earnings before interest, taxes, depreciation and amortisation (EBITDA) rose by 47% to EUR 32.9 million. Earnings before interest and

taxes (EBIT) climbed 42% to EUR 17.2 million, while net income for the year soared from EUR 0.9 million to approx. EUR 6.2 million.

### Further growth planned for 2013

Ekosem-Agrar continues to grow and expand its leading position in the Russian milk market. This is confirmed by the figures as of the end of May 2013. A herd of 16,830 dairy cows produced some 346 tons of milk per day, up 29% on year-end 2012. This means that the milk output has grown at a much higher rate than the cow herd. At 41.5 euro cents, the price of a litre of milk is higher than in the previous year. The Group's arable land also continues to grow and stood at approx. 186,000 hectares - of which 101,000 are owned by the company - at the end of May, which clearly exceeds the year-end 2012 figure.

Says Wolfgang Bläsi, Managing Director and CFO of Ekosem-Agrar GmbH: "Even though the coming months are still important for the agricultural sector, we are confident, judging from the performance in the first five months of the year, that we will be able to continue our profitable growth. Most importantly, our cattle herd has reached a size which enables us to grow organically, i.e. without importing young animals." The company plans to increase the number of dairy cows to over 20,000 by the end of 2013.

The full consolidated financial statements of the Ekosem-Agrar Group will be published at the end of June.

Operating key figures:

	31.12.2011	31.12.2012	31.03.2013	31.05.2013
Arable land	159,000 ha	176,000 ha	182,500 ha	186,000 ha
- thereof owned	72,900 ha	94,000 ha	97,600 ha	101,000 ha
Number of dairy cows	11,700	15,500	16,500	16,800
Daily milk output	186 tons	269 tons	332 tons	346 tons

### About Ekosem-Agrar

Ekosem-Agrar GmbH Walldorf, Germany is the German holding company in the Ekoniva Group, the largest Russian agricultural companies. With over 41,000 head of cattle and an average milk production of more than 346 tons per day, the company is the largest milk producer in the country. The group has more than 186,000 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 3,100 employees at six locations in Russia and achieved a total output of € 108.2 million and an EBIT of € 17.2 in fiscal year 2012. For further information visit: [www.ekosem-agrar.de](http://www.ekosem-agrar.de)

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