

Ekosem-Agrar continues its expansion in 2015

- **Further increase in milk output**
- **Half-year performance and net income for the period in EUR decline due to negative exchange rate effects**
- **Operational growth on rouble basis stable**
- **Profitability remains good at all levels; operating profit margins stable**
- **Equity doubled compared to end of 2014**

Walldorf, 30 September 2015 – Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, continues to expand its position as the leading European milk producer. The dairy cow herd increased from 21,000 on 30 June 2014 by 14 % to close to 24,000 animals. The milk output in the first half of 2015 totalled approx. 86,700 tons, up approx. 16 % on the previous year (H1 2014: 74,500 tons). The daily milk output as of 30 June amounted to roughly 520 tons – a 16 % increase on the 450 tons reported as of the end of June 2014.

The financial statements for the first half of 2015 (in EUR) were again affected by exchange rate effects related to the volatility of the rouble (average RUB/EUR exchange rate down 25 % on the previous year). As a result, moderately lower sales revenues and slightly lower earnings were posted in the income statement. By contrast, the moderate recovery of the rouble had a positive effect on the first-half balance sheet (as compared to 31 December 2014) which, together with the capital increase, helped the equity to double.

These are the group's key figures of the first half of 2015 in detail: Total output (revenues plus finished goods and unfinished products, biological assets as well as other operating income) dropped by 17 % to EUR 65.2 million. Sales revenues declined by 5 % to roughly EUR 43 million. Milk production is the most important business segment and contributed some 72 % or EUR 31.5 million to total sales revenues. As the marked drop in global milk prices was also felt in the Russian market, the weaker rouble was no longer fully offset by higher milk prices in local currency. While milk prices showed a negative trend throughout the past months, international auctions held since mid-August indicated a first turnaround towards rising milk prices.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) amounted to EUR 23 million (-17 %), with the EBITDA margin remaining stable at 35 %. Earnings before interest and taxes (EBIT) came in at EUR 14.5 million, down by almost 16 % on the previous year. The EBIT margin remained constant at 22 %. Consolidated net income for the period amounted to EUR 4.4 million, compared to EUR 7.8 million in the prior year period; besides the currency effects and the milk price trend, this was mainly attributable to an increase in financing costs.

Stefan Dürr, main shareholder and Managing Director of Ekosem-Agrar GmbH said: “While our operational growth in rouble remained stable in the first half of the year and we continue to increase our milk output, we did not remain unaffected by the dramatic drop in international milk prices, which hit a six-year low in July 2015. Moreover, exchange rate effects of -25 % put a damper on our revenues and earnings in euros. By contrast, our balance sheet ratios improved notably; our equity position even doubled.”

The Ekosem Group’s assets totalled EUR 454.4 million as of 30 June 2015 (31 December 2014: EUR 360.4 million) and the equity ratio improved notably to roughly 16 % (31 December 2014: 10 %). The proceeds from the EUR 38 million capital increase were partly collected only in July 2015, which sent the equity ratio rising to 20 % again.

The half-year report of Ekosem-Agrar is available in German at: <http://www.ekosem-agrar.de/de/investor-relations/dokumente.html>

The English version will shortly be available at: <http://www.ekosem-agrar.de/en?mid=001300300032>

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 55,000 head of cattle (thereof 24,000 dairy cows) and an average milk production of more than 520 tons per day, the company is the largest milk producer in the country. The group has more than 196,000 hectares of farmland and is also one of the leading producers of seed in Russia. 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 3,500 employees at six locations in Russia and achieved a total output of € 156.5 million and an EBIT of € 44.5 million in fiscal year 2014. For further information visit: www.ekosem-agrar.de

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