

Ekosem-Agrar plans to extend the durations of the corporate bonds 2012/2017 and 2012/2018 by four years each

- **Interest rates of 8.75% p.a. and 8.5% p.a. to remain unchanged**
- **Independent expert opinion from PwC confirms company's plannings and repayment scenario for both bonds**
- **Market conditions remain good due to undersupply of the milk market, high entry barriers and governmental support for farming**
- **Request for voting between 16 and 19 February 2016**

Walldorf, 13 January 2016 –Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, has decided to propose to the bondholders to extend the durations of the bearer notes 2012/2017 (ISIN: DE000A1MLSJ1) and 2012/2018 (ISIN: DE000A1R0RZ5) by four years each. The Ekosem-Agrar bond 2012/2017 is proposed to be repaid on 23 March 2021 and the Ekosem-Agrar bond 2012/2018 on 7 December 2022. The coupon rates of 8.75% p.a. and 8.5% p.a. will remain unchanged. The decision to extend the durations of the bonds is made at such an early stage to maintain the financial flexibility Ekosem-Agrar needs to complete its current investment program for strengthening its market leadership in the Russian milk market and to fully use the capacities of dairy farm facilities built up by the company. The positive cash flows thus generated will be used to reduce the financial debt and to increase the company's liquidity for the repayment of the bonds in 2021 and 2022.

To substantiate these objectives, Ekosem-Agrar has engaged international accounting firm PricewaterhouseCoopers (PwC) to review the company's planning in an independent business review. The report concludes that in view of the favorable market conditions and the management's rather conservative projections, Ekosem-Agrar will generate sufficient cash flow to repay the bonds at the projected maturity dates. According to the PwC experts, the main drivers will be the expected increase in sales and profitability due to full utilisation of the capacities of its dairy farm facilities as of 2018 and the successive reduction of financing costs by repayment of financial debt.

Says Wolfgang Bläsi, Managing Director of Ekosem-Agrar GmbH: "We are convinced that our bondholders will approve the extension of the duration of the bonds by four years at the

attractive interest rates. We maintain a close dialogue with our national and international investors, who have repeatedly expressed their support of our strategy and our operational targets over the past years. We now want to complete what we have built up successfully. To achieve this, we want to align the maturities of our debt with our investment program, which has been delayed due to the difficult financing conditions in Russia caused by the economic crisis.”

The Ekosem Group has grown profitably over the past four years. It has achieved a leading position in the Russian and European milk markets inter alia with the proceeds from the two bonds. Since the issue of the first bond in early 2012, the company has doubled its own farmland from 54,500 to over 110,000 ha, increased the number of dairy cows by 140% from 10,400 to 25,000 by year-end 2015 and more than tripled its annual milk output from 58,500 tons to the approx. 180,000 tons expected for 2015.

Stefan Dürr, main shareholder and Managing Director of Ekosem-Agrar GmbH: “Despite the economic crisis and the currency problems, the prospects for milk production are clearly positive in view of the undersupply of the Russian milk market and the high entry barriers. This has been confirmed by the PwC experts. While milk prices are currently at a very low level both globally and in Russia, we expect them to recover.”

In accordance with the terms and conditions of the bonds, the company requests the bondholders to vote on the extension of the bond 2012/2017 and the bond 2012/2018 between 16 and 19 February 2016 in a vote without meeting. The request for voting for the respective bond can be downloaded together with the necessary documents on the company’s website at www.ekosem-agrar.de/de/investor-relations and will be published in the Federal Gazette today.

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 25,000 dairy cows) and an average milk production of around 500 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 Dürr. 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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