

Ekosem-Agrar continues its expansion in the first nine months of 2017

- **Average daily milk output reaches 780 tons (previous year: 606 tons)**
- **Total output increases to EUR 160.7 million (previous year: EUR 108.6 million)**
- **Sales revenues climb by 58% to EUR 125.2 million (previous year: EUR 79.0 million)**
- **In-house processing capacity increases as a result of takeovers**

Walldorf, 30 November 2017 – According to preliminary figures, Ekosem-Agrar GmbH, the German holding company of Russian milk producer Ekoniva Group, continued to grow in the first nine months of 2017. As of the end of September 2017, the company expanded its dairy cow herd by approx. 31% to 35,440 animals (previous year: 27,100 animals). The milk output rose from 166,000 tons by a good 28% to 213,000 tons in the first nine months of the fiscal year. In addition to the increase in average daily milk output of around 29% to more than 780 tonnes (previous year: 606 tonnes), Ekosem-Agrar also benefited from a significantly higher milk price compared with the previous year, which averaged over 44 euro cents.

In the first nine months total output (revenue plus changes in balances of fallploughed land as well of agricultural produce and biological assets and other operating income) in euros climbed by 48% to EUR 160.7 million (previous year: EUR 108.6 million). Sales revenues rose by 58%, from EUR 79.0 million to EUR 125.2 million. Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 53.8 million, up by a good 44% on the previous year's EUR 37.3 million. This is equivalent to an EBITDA margin of over 33%. Earnings before interest and taxes (EBIT) climbed to EUR 35.7 million (previous year: EUR 24.3 million); the EBIT margin stood at 22%.

The 2017 harvesting season has been satisfactory, with a total of approx. 844,000 tons of fodder harvested to date. This is sufficient to secure the herd's supply until the next harvest. While the cool summer was rather detrimental for heat-loving crops such as soy, sunflowers and maize, the wheat harvest hit record levels in large parts of Russia. At 155,670 tons, Ekosem-Agrar's wheat harvest also exceeded the prior year level (approx. 105,000 tons) by a wide margin.

Stefan Dürr, main shareholder and Managing Director of Ekosem-Agrar GmbH: "We are relatively satisfied with the results of our harvests. But a very large harvest also has its downside, as the oversupply of wheat – not only in Russia but in the world market – has a dampening effect on prices. Overall, we remain confident that we will reach the targets we have set ourselves for the fiscal year 2017."

The Group also continues to expand its milk processing activities. Following the takeover of a dairy in the Kaluga region in October, the Group acquired another dairy in the Voronezh region in late November. The two investments have led the company's processing capacity rise from 40 tons (31 December 2016) to 390 tons per day.

"Having our own milk processing operations means that we can respond more flexibly to fluctuations in the raw milk market and it helps us to further strengthen our position in negotiations with food retailers," Stefan Dürr added.

As of 30 September 2017, the Ekosem-Group's assets totalled EUR 717.5 million (31 December 2016: EUR 615.1 million).

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 89,620 head of cattle (thereof approx. 39,400 dairy cows) and an average milk production of more than 900 tonnes per day, the company is the largest milk producer in the country. The group has approx. 248,000 hectares of farmland and is also one of the leading seed producers in Russia. Stefan Duerr, founder and Managing Director of the company, has been active in Russian agriculture since the 80s and has played a decisive role in its modernisation over the past two decades. In 2009, he was awarded the German Federal Cross of Merit for his contribution within the German-Russian Agricultural and Political Dialogue Project. The corporate group has about 5,000 employees at seven locations in six regions in Russia and achieved a total output of EUR 149.2 million and an EBIT of EUR 31.9 million in fiscal year 2016. For further information visit: <http://www.ekosem-agrar.de/en>

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