

Ekotechnika GmbH reports sales and earnings growth for financial year 2012/2013

- Largest distributor of international agricultural machines in Russia reports healthy growth
- Total sales up 24%, earnings before interest and taxes (EBIT) up 8%
- Net result slightly negative at EUR -0.7 million

Walldorf, 28 February 2014 – Ekotechnika GmbH, the German holding company of the EkoNiva-Technika Group, reports a significant increase in its sales of agricultural machinery in the financial year 2012/2013 (30 September) compared to the prior year. Based on audited figures, Group sales rose by 24% to EUR 212.4 million (previous year: EUR 171.4 million), which was slightly higher than the provisional figures reported in November 2013. A change of auditors entailed a number of reporting adjustments including a higher consolidated net profit for the comparable prior year period. These adjustments essentially relate to reclassifications of individual balance sheet items which are discussed in the notes to the current financial statements.

Rising by 20% to EUR 169.3 million, sales of new equipment were the Group's most important sales driver during the past financial year 2012/2013. A 10% increase in tractor sales was the key factor in this growth. The spare parts business developed positively as well, expanding by 35% to EUR 34.3 million. The service activities were the only exception, declining slightly (-7%) to EUR 3.3 million. The Group's main supplier is John Deere, the world's leading manufacturer of agricultural equipment accounts for roughly two thirds of sales revenues. Other important contributors to Group sales include products from JCB, Väderstad and GEA. Building on its strong growth performance, the Ekotechnika Group was able to insulate itself from the general consolidation trend prevailing in the Russian agricultural equipment market during the financial year 2012/2013. Earnings before interest, taxes, depreciation and amortisation (EBITDA) advanced from EUR 17.5 million to EUR 19.4 million during the period, with earnings before interest and taxes (EBIT) rising by 8% to EUR 16.9 million. Notwithstanding a clear improvement during the course of the period, the net result for the year came in at a slightly negative EUR 0.7 million (previous year: EUR 5.2 million); this primarily reflected exchange rate effects amounting to EUR -5.2 million compared to EUR +2.6 million in the prior year. The unrealised exchange losses relate to the

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financing of the machinery inventory as per the balance sheet date. With machinery sales being denominated in dollars or euros, the company generates higher sales revenues as rouble exchange rates fall.

Russian agriculture continues to offer substantial growth opportunities

Agriculture is challenged to produce constantly growing quantities of agricultural commodities from limited resources. Constant innovation by the agricultural machinery industry makes important contributions to this effort. While Russia is an important growth market for producers of agricultural machines, operating conditions remain challenging for foreign manufacturers. The Russian government is supporting the sector through an agricultural promotion programme until 2020 worth RUB 1.5 trillion (EUR 37.5 billion).

Wolfgang Bläsi, Managing Director of Ekotechnika GmbH, said: "We are satisfied with our overall performance in the past financial year 2012/2013. In the current financial year, our main focus is on expanding our market-leading position in the core regions as well as on reducing our inventory levels in order to bring about a sustained reduction in financing costs."

Based on current plans and budgets, Ekotechnika expects to raise its sales revenues by approximately 10% during the financial year 2013/14.

Contact

Ekotechnika GmbH
Johann-Jakob-Astor-Str. 49
69190 Walldorf
P: +49 (0) 6227 3 58 59 60
E: presse@ekotechnika.de
www.ekotechnika.de

Press / Investor Relations

Fabian Lorenz
IR.on AG
P: +49 (0) 221 9140 974
E: fabian.lorenz@ir-on.com

About Ekotechnika

Walldorf-based Ekotechnika GmbH is the German holding company of the Ekoniva-Technika Group, the largest distributor of agriculture equipment in Russia. The company's single most important supplier is John Deere & Co., the world's leading manufacturer in this field. In addition, Ekotechnika sells equipment from another 11 market-leading manufacturers. Its main business is in selling new equipment such as tractors but also milking equipment and precision farming technology. In addition, the company sells spare parts and provides service and maintenance. Ekotechnika's founder and main shareholder is Stefan Dürr, who has been active in the Russian farming sector since the late eighties and has been instrumental in its modernisation over the past two decades. In 2011 the equipment business was separated from the farming business, which now operates independently under the name Ekosem-Agrar. Operating 12 locations in attractive Russian farming regions, Ekotechnika today employs 625 people and generates sales of EUR 212 million.