

### **Ekotechnika AG publishes consolidated financial statements for FY 2014/15**

- **Preliminary Group figures essentially confirmed**
- **Financial year influenced by crisis-related restructuring**
- **Group sales revenues of EUR 109 million (previous year: EUR 171 million)**
- **EBIT of EUR -1.2 million (previous year: EUR +1.9 million)**

Walldorf, 1 February 2016 – Ekotechnika AG, the German holding company of the EkoNiva-Technika Group, the largest dealer of international agricultural machinery in Russia, generated sales revenues of EUR 109 million in the past financial year 2014/15 (30 September). This represents a decline by approx. 36% compared to the previous year. The figures of the consolidated financial statements are essentially identical with the preliminary figures published in November 2015. The drop in sales revenues is attributable to lower demand for agricultural machinery, which, in turn, is due to the sharp rise in financing costs resulting from the economic crisis in Russia. By contrast, the spare parts business showed a positive trend, as Russian farmers increasingly invest in the repair of their existing machinery due to the lack of financing options.

Ekotechnika has responded to the weaker environment and initiated the financial reorganisation of the company in spring 2015 in order to support the operational restructuring exercise that had already been underway at the time. This included a headcount reduction by approx. 21%, efficiency enhancing measures as well as a debt-to-equity swap to strengthen the equity base, which was completed in November 2015

Just like the reduced revenues and the restructuring expenses, the sharp decline in the RUB/EUR exchange rate also had an impact on the Group's 2014/15 figures. At EUR -1.2 million, earnings before interest and taxes (EBIT) were down on the previous year's EUR 1.9 million. Consolidated net income amounted to EUR -26.6 million, compared to EUR -27 million in the previous year and includes exchange losses of approx. EUR 16.9 million as well as one-time restructuring expenses of approx. EUR 1.6 million. As of the balance sheet date on 30 September 2015, Group equity was still negative (EUR -59.2 million) on total assets of EUR 76.7 million. In the meantime, however, this item has improved by approx. EUR 70 million as a result of the debt-to-equity swap completed in November 2015 and the cash capital increase.



The company expects business to stabilise in the current financial year 2015/16 (30 September), although the general conditions in Russia are unlikely to improve notably in the near future.

The full 2014/15 consolidated financial statements will soon be available on the website of Ekotechnika AG at [www.ekotechnika.de/en/investor-relations.html](http://www.ekotechnika.de/en/investor-relations.html).

#### **About Ekotechnika**

Walldorf-based Ekotechnika AG 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 board member 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 around 520 people and generates sales of EUR 171 million in 2013/2014.

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