

### **Ekotechnika GmbH rated B (outlook: stable) by Creditreform**

Walldorf, 6 March 2014 – In the context of the annual follow-up rating, Creditreform Rating AG has adjusted the corporate rating of Ekotechnika GmbH to B (outlook: stable) (previously B+). Ekotechnika is the German holding company of the Ekoniva Technika Group, the largest dealer of international agricultural machinery in Russia. The new rating confirms that the Group's creditworthiness remains adequate. The follow-up rating is based on the figures for the past fiscal year 2012/2013 (30 Sept.).

In their report, the rating analysts highlight the continued clearly positive revenue trend and the stable earnings quality. Negative aspects include the exchange rate effects weighing on the bottom line and the resulting weak equity capitalisation.

The depreciation of the rouble has both positive and negative effects for Ekotechnika. Agricultural machinery is sold in US dollar prices, which are converted into roubles at the exchange rate on the day of payment. This means that the depreciation of the rouble leads to rising sales revenues. Another positive effect of the depreciation is the reduction in rouble-denominated liabilities and operating expenses incurred in roubles. By contrast, negative effects in the Group's euro balance sheet relate to inventories, whose value declines - similar to rouble-denominated liabilities - because of the weak rouble as well as to euro-denominated liabilities, whose financing costs increase.

Says Wolfgang Bläsi, Managing Director of Ekotechnika GmbH: "We are cautiously optimistic for our operating activities in the current year. Orders on hand have shown a positive trend in the first few months, and operating costs are below the prior year level. We now need to cut inventories in order to bring about a sustained reduction in financing costs. This will also reduce our exposure to exchange rates. Russia's agricultural sector continues to offer huge opportunities, and we believe that the current political crisis in Crimea will not affect our business."

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#### **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.