EKOTECHNIKA

UNAUDITED GROUP INTERIM FINANCIAL STATEMENT FOR THE PERIOD FROM 1 OCTOBER TO 31 MARCH 2016

Modern technology needs the land

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FOREWORD OF THE EXECUTIVE BOARD

STEFAN DÜRR
Chairman / CEO

WOLFGANG BLÄSI
Director / CFO

Although the market environment remains challenging, we see our business stabilising and confirm our forecast for the full year, according to which sales revenues will increase moderately and EBIT will be clearly positive.

Dear shareholders and friends of Ekotechnika AG,

The first half of the financial year 2015/16 saw our business stabilise, although market conditions for agricultural equipment dealers in Russia remain difficult. 2015 was a crisis year for the entire industry, with sales revenues falling at double-digit rates not only in the Russian market, which has declined for three years, but also in the USA and throughout Europe. Our main supplier, John Deere, also recorded a drop in sales revenues, which slowed down towards the end of the year and in the first quarter of 2016, however. Sales of agricultural machinery in Russia tend to be seasonally weak between October and March (first half-year of Ekotechnika AG), which means that we are satisfied with the relatively solid figures of the first six months of 2015/16 – especially with the successful turnaround in earnings before interest and taxes (EBIT).

The continued spending restraint in Russia is attributable to the persistently high financing costs our customers, the Russian farmers, have to pay for investment loans. Moreover, purchases of Russian-made agricultural equipment are subsidised, although these machines are not always competitive. The slack sales of new machines are having a positive effect on our spare parts business, which grew by 5% to EUR 13.7 million and meanwhile accounts for over 30% of our total revenues. Adjusted for currency influences the revenue of our spare parts business increased by 25.5%. Where the sale of new machinery is concerned, we will rely even more heavily on our main supplier, John Deere, with whom we have signed a new agreement and who accounted for 51% of our first-half revenues.

Sales revenues of around EUR 45 million mean that the Group is slightly above plan. The months from April to July will be critical for the full financial year, as this is usually the time when most new machines are sold. As the trend has been satisfactory to date, we can now confirm our forecast for the full year, according to which sales revenues will increase moderately and EBIT will be clearly positive.

The recent easing of the rouble exchange rate situation is good news for our trading activities, as it suggests that investors are regaining confidence in the Russian economy. Ekotechnika's figures also reflect much fewer negative exchange rate influences than in the prior year period. The performance of the Ekotechnika share (WKN A16123) in the primary market of the Düsseldorf Stock Exchange in the first six months is highly encouraging as well. While turnover was low for structural reasons, the share gained over 70%, which means that the price trend is pointing in the right direction and is at least partly rewarding those investors who have remained loyal to our company after the restructuring process and the debt-to-equity-swap.

Thank you very much for your trust.

Yours sincerely,

Stefan Dürr   Wolfgang Bläsi

Ekotechnika AG, Walldorf
Interim Group Management Report to 31 March 2016

INTERIM GROUP MANAGEMENT REPORT

1. ECONOMIC BASIS OF THE GROUP

1.1 The Group's business model

The business of the Ekotechnika Group, of which the parent company is Ekotechnika AG (formerly Ekotechnika GmbH), consists of trading in agricultural machinery. The scope of services includes trading in machinery (advice, purchasing and sales), trading in spare parts and the provision of services. The Group's sole sales market is Russia. Some machinery and parts are purchased in Western Europe or North America. A large part of the products is now made or assembled directly in Russia by subsidiaries of foreign suppliers and purchased there. On the Russian market, the Group's companies trade under the EkoNiva-Technika brand.

The Group's main supplier is the world's largest, market-leading agricultural machinery manufacturer Deere & Company of Moline, Illinois, USA. Other well-known suppliers that complement the product portfolio include JCB UK (telescopic handlers), Väderstad (sowers and tillers), Grimme (potato harvesting technology) and others.

2. ECONOMIC REPORT

2.1 Macroeconomic and industry-related framework conditions

Global economic growth in 2015 was 3.1%, or slightly below the 2014 growth rate of 3.4%. There were wide variations in regional economic development, but the threshold countries continued to make a decisive contribution to the positive development of the world economy. Gross domestic product in these countries increased on average by 4.0% in 2015 compared with 4.6% in the previous year.

Within Europe, Germany remains one of the strongest economies with 1.6% growth in 2014 and 1.5% in 2015. After slight growth (0.7%) in 2014, the Russian economy took a significant hit in economic output, which fell by 3.7% in 2015.

The development of the Russian rouble continued to be very volatile in the first half of the 2015/16 financial year. On 30 September 2015 the exchange rate was about 74.58 roubles to the euro, but it continued to rise, peaking at up to RUR 90 per euro at the beginning of February 2016. With a closing rate of RUR 76.54 per euro on 31 March 2016, the average rate for the first half of the financial year was RUR 77.28 per euro (H1 2015: RUR 64.76 per euro).

As of June 2016 the central bank interest rate has only been slighly reduced from 11.0% to 10.5% since August 2015. That, however, is still two times as high as in January 2014.

In Germany, consumer prices rose by 0.1% in 2015 (2014: 0.8%). In Russia, the inflation rate was 15.5% in 2015 (2014: 7.8%).

2.2. Agricultural machinery business

In the first half of 2015, global agricultural machinery sales fell by up to 20%. The German engineering association VDMA is working on the assumption of a 10% sales decline in the global agricultural machinery industry in 2015, due especially to weak US and European sales, which puts the market volume at around EUR 90 billion. John Deere reported for the third quarter (to 31 July 2015) and fourth quarter (to 31 October 2015) of its financial year 2015 a global sales downturn of 20% and 25% respectively. In the first quarter of 2016 (ending on 31 January 2016), John Deere sales were down by about 15% on the previous year. The agricultural machinery business continues to face major challenges and will again fail to reach its pre-crisis sales level in 2016.

2.3 Course of business

The first quarter of the 2015/16 financial year continued to be characterised by financial restructuring measures in connection with Ekotechnika's corporate bond. The measures agreed by the meeting of creditors were implemented after the judicial clearance order issued by the Karlsruhe Higher Regional Court on 30 September 2015.

In October and November 2015, the necessary capital measures and conversion of the company into Ekotechnika AG were undertaken. These measures consisted of a simplified capital reduction from EUR 2.03 million to EUR 0.08 million, a EUR 1.54 million non-cash capital increase (contribution of debt instruments to the company in return for a capital increase) and a capital increase in cash of EUR 1.52 million (capital contribution to strengthen the company's capital base). In addition, the company was converted into an Aktiengesellschaft or public limited company. Ekotechnika shares were first listed on the Düsseldorf Stock Exchange's primary market on 17 December 2015.

Operational development in the reporting period (October 2015 to March 2016) was better than planned. The sales forecast for the period was exceeded by about 4.5%. EBIT growth was also well above plan at 117%. Due to the partial statement of influences from the direct debt-to-equity-swap, the financial result for the reporting period does not correspond to management planning.

2.4 Situation

The agricultural machinery business in Russia is subject to strong seasonal fluctuation. From October to February the volume of business is very low and most business is done, subject to the weather, between March and August.

The interim Group financial statements cover the period from 1 October 2015 to 31 March 2016 (the reporting period). Figures stated for comparison in the balance sheet for these interim Group financial statements relate to the position on 30 September 2015 and for the statement of comprehensive income and the cash flow statement to the period from 1 October 2014 to 31 March 2015, known as the comparative period (H1 2015 – in the previous half-year). The figures for the previous year in the statement of changes in equity are for the period from 1 October 2014 to 31 March 2015.

a) Earnings

Ekotechnika AG sales in the reporting period totalled EUR 44.9 million (H1 2015: EUR 44.1 million), of which agricultural machinery sales accounted for about 64.3% or EUR 28.9 million (H1 2015: 65.0%; EUR 28.7 million). Sales of spare parts accounted for a slightly higher proportion, about 30.6% or EUR 13.7 million (H1 2015: EUR 13.1 million; 29.7%). Revenue from the provision of services amounted to EUR 1.3 million (H1 2015: EUR 1.2 million).

Other operating income totalling EUR 1.0 million (H1 2015: EUR 2.0 million) was mainly the result of refunds for warranty and marketing costs as well as currency translation differences. The cost of materials rose by about 6.3% in the period under review. Purchases of agricultural machinery accounted for about EUR 23.0 million of the EUR 34.8 million overall cost of materials (H1 2015: cost of materials EUR 32.8 million; cost of purchasing agricultural machinery EUR 23.2 million). Gross profit was EUR 10.1 million (H1 2015: EUR 11.3 million) and thus down by 10.8%; adjusted for currency influences in the reporting period, gross profit was, however, up by 6.4%. Depreciations were down by EUR 0.2 million on the previous half-year to EUR 0.9 million. Other operating expenses amounted to about EUR 4.5 million (H1 2015: EUR 9.1 million), including in the reporting period EUR 0.5 million in negative currency influences, which was significantly less than the previous year's EUR 4.4 million.

EBIT amounted to about EUR 1.4 million (H1 2015: -EUR 1.1 million) and EBT to EUR 59.3 million (H1 2015: -EUR 16.5 million).

A significant deviation from the previous year's financial result was due to the implementation in Q1 2016 of the debt-to-equity-swap with a positive effect on the result (other financial earnings totalling EUR 60.3 million). Financial earnings in the reporting period totalled EUR 61.7 million (H1 2015: EUR 1.8 million) as a result. Interest expenditure also fell signicantly due to conversion of the loan into equity capital. In H1 2015 it amounted to EUR 6.4 million compared with EUR 2.7 million in the reporting period. Currency losses amounted to EUR 0.13 million in the financial result for the reporting period; the corresponding previous year's figure was EUR 9.4 million. The positive currency effects were EUR 0.13 million (H1 2015: EUR 0.26 million). Earnings after taxes (EAT) were EUR 58.7 million (H1 2015: -EUR 16.8 million). Adjusted for the positive effect of the swap in the financial result, a minus of EUR 1.6 million remains, which is satisfying for the seasonally weak for first six months.

b) Financial position

A department of OOO EkoNivaTechnika-Holding, Russia, is responsible for the company's financial management. It is controlled in such a way as to ensure that, for one, financing costs are kept as low as possible while, for another, all companies in the Group are always able to fulfil their financial obligations on time.

Key instruments in collaboration with suppliers are letters of credit and bank guarantees. For further information about the capital structure and about currency, interest and liquidity risks, see the Notes.

c) Capital structure

The Group's capital structure underwent marked changes during the reporting period as a result of the debt-to-equity-swap. Non-current liabilities totalled EUR 1.4 million on the reporting date (30.09.2015: EUR 60.3 million, including about EUR 58.7 million in liabilities from the corporate bond). Current liabilities were nearly unchanged at EUR 75.6 million (30.09.15: EUR 75.5 million). As in the previous year, the main items were current liabilities to banks totalling EUR 30.1 million (30.09.15: EUR 40.6 million), which still included about EUR 8.1 million in corporate bond interest on 30 September 2015. Trade payables amounted to EUR 26.0 million (30.09.15: EUR 19.4 million).

The Group's equity capital totalled EUR 9.1 million as of 31 March 2016; on 30 September 2015 it was still very much in the red (-EUR 59.2 million). This significant change is again due to the debt-to-equity-swap.

d) Investments

Compared with previous years, investments were again significantly reduced in the reporting period. Expenditure on fixed assets was EUR 0.5 million compared with about EUR 1 million the previous year. Moreover, within the reporting period approximately EUR 12.0 million (H1 2015: EUR 12.2 million). In return, EUR 3.5 million of issued loans had been repaid (H1 2015: EUR 9.3 million).

e) Liquidity

As of 30 September 2015, cash and cash held at banks totalled EUR 1.2 million, falling to EUR 0.8 million as of 31 March 2016. In the reporting period, operative cash flow before changes in net current assets was EUR 2.1 million (H1 2015: -EUR 0.3 million). Changes in net current assets were about EUR 9.5 million (H1 2015: EUR 21.1 million), consisting in comparison with the previous year of a reduction in inventories (EUR 2.4 million; H1 2015: an increase of EUR 3.9 million) and an increase in receivables (EUR 4.6 million; H1 2015: a decrease of EUR 10.8 million).

Operative cash flow after payment of interest and taxes amounted to EUR 9.1 million (H1 2015: EUR 18.9 million).

Inflows from bank financing fell in the reporting period to EUR 43.2 million (previous year: EUR 51.3 million). After taking into account EUR 46.6 million in payments to service loans (H1 2015: EUR 64.9 million), there was a net payment outflow from financing activity of EUR 0.6 million. The payment outflow in the previous year amounted to EUR 13.7 million.

f) Assets

Despite the rouble's high volatility, the assets position underwent only minor currency impacts within the reporting period. The rouble exchange rate was 74.58 to the euro on 30 September 2015 and 76.54 to the euro on 31 March 2016. This means, that a 2.6% lower euro amount results from a conversion of any rubel amount.

Net assets totalled EUR 76.7 million on 30 September 2015 and EUR 86.1 million on 31 March 2016. Of the balance sheet assets, 32.4% was non-current assets (EUR 27.9 million; H1 2015: EUR 27.3 million, 35.6%). Fixed assets accounted for about 66.1% of this total (H1 2015: approx. 71.6%). Current assets rose by about 17.9% in the course of the reporting period, totalling EUR 58.2 million on the reporting date (30.09.2015: EUR 49.4 million). The increase was due in particular to the rise in short-term loans, especially short-term loans to related enterprises. Inventories amounted to EUR 21.4 million, or EUR 3.1 million less than on 30 September 2015 – representing a 12.6% decline.

3. PERFORMANCE INDICATORS

Financial performance indicators:

The defensive planning for the first two quarters of the 2015/16 financial year was exceeded. Planned sales of EUR 43.0 million were exceeded by about EUR 1.9 million (4.5%), totalling EUR 44.9 million in the first two quarters of the financial year 2015/16. Sales of spare parts amounted to EUR 13.7 million and were thus on target. At EUR 10.1 million, gross profits significantly exceeded the planned total of EUR 6.9 million. At 1.4 million, EBIT (earnings before interest and taxes) was around EUR 0.8 million more than planned. The financial result impairs the good operating figures enormously, however. EBT is about 9% below plan (EUR 65.2 million) at EUR 59.3 million because part of the positive effect of the debt-to-equity-swap was stated directly under equity capital. Adjusted for the effects of the swap, the deviation from plan was markedly positive.

Non-financial performance indicators:

Employees

The Group's development is based, in addition to the technology, to a significant extent on its employees, who both in the sale of machinery and spare parts and in the provision of services are always in direct contact with the customer and thus constitute the company's calling card. That is why we take great care to find, retain and constantly develop the right employees. This includes both regular training courses in their specialist fields and personal development seminars. Visiting trade fairs at home and abroad – including as an exhibitor – together with our customers is a fixed part of the yearly schedule. We attended important trade fairs such as Agritechnika from 8 to 14 November 2015 in Hannover with up to 100 customers, all of whom were looked after by our employees. In this way, we achieve a high level of employee identification with the company and with our products.

4. SUPPLEMENTARY REPORT

The Company is not aware of any events after the balance sheet date, that could have a significant impact on the Group's financial and economic situation.

5. FORECAST, OPPORTUNITIES AND RISK REPORT

5.1 Forecast report

Macroeconomic development

In 2016, global macroeconomic development is expected to gain further momentum, leading to 3.2% growth. Development in Russia will be unable to keep pace in view of the situation described above. The International Monetary Fund currently expects Russia's economic output to fall by 1.8% in 2016. The Central Bank of Russia expects a reduction in inflation to 7.3%.

Development will be determined above all by geopolitical factors (the conflicts in Ukraine and Syria) and related economic factors (the oil price, sanctions, the Russian Central Bank's interest rate). For Germany, in contrast, a 1.5% growth rate is again anticipated in 2016.

Development in the agricultural sector

The price of wheat, viewed over the past three years, continues to be at a low level. At the beginning of the reporting period it stood at about EUR 175 per tonne, falling from the beginning of 2016 to about EUR 150 to EUR 155 per tonne on 31 March 2016. At the time of writing, the price of wheat is back to over EUR 170 per tonne. For Russia, however, the picture is different. As world prices are converted at the rouble exchange rate, the price of wheat in Russia is significantly higher than in previous years, leading to a relatively good earnings position for Russian farmers.

At the same time, the need for investment in agricultural technology remains substantial. Now that the overall market has been in decline for the third year in succession, an investment backlog has built up that should, if the framework conditions improve, lead to a significant upturn in business. Financing conditions are currently rather difficult due to the interest rate situation and problems in the banking sector, so government support for farmers is likely to be crucial for the sales development of agricultural technology in Russia.

The sanctions on state banks in the course of EU and US sanctions particularly cloud the outlook for the agricultural machinery business because they play a major role in the financing of farmers in Russia. The situation of farmers in Russia is nevertheless more positive because food prices have at times risen sharply in the course of inflation while costs have risen at a much slower rate. The margin for primary products in the food industry was therefore well above average in the reporting period. The outlook for the industry is thus cautiously positive against the background of political tension in which Russia is involved – but also fragile.

Development of the Ekotechnika Group
The Group's dependence on geopolitical and macroeconomic framework conditions in Russia makes a forecast for the financial year 2015/16 very difficult.

The management currently assumes that the presented corporate planning in the financial statements will be achieved.

In summary, the management assumes that business will stabilise, but without reaching the figures up to 2012/13 in the short term. For that, the framework conditions are not yet in place.

5.2 Risk report

Financing options and costs for customers and for the Group: Financing of agricultural technology in Russia for our customers is mainly via Russian banks and other financing companies. The general economic weakness, the sanctions in connection with the Ukraine crisis and the low oil price have had partially dramatic repercussions on these financing options with a negative effect on the banks' financing activities.

Against the backdrop of the sanctions policy and oil price, key interest rates continue to be high, making the Group's business loans more expensive. The Russian Central Bank may have reduced its base rate to 11.0% by August 2015, in June it has been changed to 10.5% but further developments are difficult to assess.

This means that the company continues to run risks in short-term business financing. Due to the restructuring of the loan, the situation is, however, markedly better than it was over the past 18 months. The management thus assumes that the rolling financing will continue to be extended regularly.

State funding of agricultural enterprises: As agricultural enterprises, Ekotechnika Group customers are dependent to some extent on state funding in the form of direct grants and interest subsidies. These have grown less easy to plan in the course of the framework conditions described above. There is also a possibility that the Russian government might promote the manufacture and sale of locally made machinery even more than in the past or, indeed, make the sale of imported machinery and parts more difficult. If the conditions were to deteriorate further, it could have an effect on the Group's earnings position.

Exchange rate development: The value of the rouble was subject to strong fluctuation in the reporting period. At the end of January and the beginning of February 2016 it was especially volatile, peaking at around RUR 90 to the euro. As of the reporting date it had stabilised at a weak level of around RUR 76.54 to the euro. By the time of the preperation of the interim statement the rubel stabilised around RUR 73 to the euro.

Due to the debt-to-equity-swap the burden of repaying the loan capital and annual interest amounting to EUR 5.85 million no longer applies and, as a result, currency influences on the Group's financing will in future be less important.

On the operational side, these currency influences can in theory be passed on to the customers – but only to a limited extent. Even if devaluation affects all large tractor manufacturers in equal measure because there are no comparable Russian tractors, price increases cannot be passed on to the end customer ad infinitum.

Oil price: A factor that has a major influence on exchange rates and economic development in Russia is the oil price. At the beginning of February the oil price hit a long-time low of at times less than USD 30 per barrel. It has since recovered slightly. As of the reporting date, 31 March 2016, it was nearly USD 40 per barrel and at the time of writing has since risen to around USD 50 per barrel.

Customer creditworthiness: As detailed above, financing the purchase of agricultural machinery is not easy for our customers at present. That applies both to new purchases and, to some extent, to existing customer receivables. Irrecoverable debts could have a negative influence on the current financial year's earnings situation. This risk is countered by close and continuous contacts between the sales team and customers. The Ekotechnika Group's sales team can fall back on extensive experience in assessing customers' creditworthiness. They continue to be closely involved in the financing negotiations and are partly liable for customer defaults by the terms of bonus arrangements. Following extensive value adjustments to receivables in the reporting period and the previous year, the management assumes that there are currently no longer any unconsidered risk positions.

Sales risk: To sell certain machines, the Group must regularly order them about six months before the sales season, without having already booked any significant customer orders. This means that the Group ultimately bears the sales risk. In the current, more volatile environment, this is a liquidity and sales risk. There is thus a general sales risk in the form of changing customer requirements and a volatile market environment that Ekotechnika AG bears and can only be foreseen to a limited extent over the period between procurement and sale. The sales risk also includes a specific currency risk in that machinery is ordered at a specific exchange rate and subsequent sale to the end customer may take place at an entirely different exchange rate. For the past two years, the company has paid special attention to keeping the inventories as low as possible in view of the uncertain outlook for the future.

Legal disputes arising from the restructuring: Legally, restructuring may have been completed successfully, but some legal disputes are still outstanding. These include two appeals against the resolutions adopted – and since implemented – by the May 2015 meeting of creditors. Since the calling of bonds and suits for payment of interest have been decided in the company's interest, no burdens have arisen in this connection.

5.3 Risks that pose a threat to the Group's existence

Extension of lines of credit: Dependence on whether the Group succeeds in earning sufficient cash from its business activities to service its liabilities is a fundamental uncertainty as regards the Group's ability to stay in business as a going concern. Based on the Group's current plans and taking into account the uncertainty that goes with them, the management assumes at the time of preparing the interim Group management report for the first half of 2016 that the Group will be able in the foreseeable future to raise sufficient funding to continue its business activity. That includes the refinancing of bank loans that are due for redemption in the second half of 2016 insofar as they exceed the funds generated by the Group's operating business. The background to this is that Group companies use short-term loans from Russian banks, the overwhelming majority of which are regularly extended. The management is working on the assumption that this will continue to be the case.

If, contrary to the management's expectations, the supply of funds from operative business and via external financing were not to be possible or only possible on significantly worse conditions than in the past, that might conceivably lead to the company's insolvency.

In summary, the management is of the opinion that the risks today lie mainly in the political and economic framework conditions. As they can only be actively controlled to a very limited extent, the management is intensively involved in positioning the company so that it can always respond adequately to any changes.

5.4 Opportunities report

The management currently sees the following points as significant opportunities:

Global and Russian agricultural development: The rising world population and changing eating habits due to increasing wealth or the imitation of “Western” lifestyles are the fundamental drivers of positive global development in the agricultural sector. Energy production from plant-based raw materials also contributes to a permanent increase in demand. Agricultural technology makes a major contribution to the expansion of production and the improvement in efficiency that this requires. The sanctions imposed by the Russian government in the summer of 2014, i.e. the ban on food imports from the EU, the USA and a number of other countries, have further intensified the need to develop local production. The import ban mainly applies – in addition to milk products – to meat and meat products, fish, vegetables and fruit.

Investment promotion in Russia: The Russian government still sticks to its goal of producing the vast majority of the foods needed in Russia within the country. The previously mentioned import restrictions have further increased the pressure. To support expansion, investment incentives are provided in the form of grants for the procurement and financing of agricultural technology. Primary agricultural production is also exempt from taxes on profits. These measures significantly support our sales efforts.

Walldorf, 17 June 2016

Stefan Dürr	Wolfgang Bläsi
Chairman / CEO	Director / CFO

EKOTECHNIKA AG, Walldorf
INTERIM GROUP MANGEMENT REPORT
FROM 1 OCTOBER 2015 TO 31 MARCH 2016 (UNAUDITED)

Ekotechnika AG, Walldorf
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31.03.2016 EUR'000	30.09.2015 EUR'000
Non-current assets			
Intangible assets		48	30
Property, plant and equipment	13	18,435	19,514
Long-term loans issued	15	9,356	7,649
Investments in associates		45	62
Deferred tax assets		-	-
		27,884	**27,255**
Current assets			
Inventories	14	21,391	24,473
Short-term loans issued	15	8,448	1,938
Trade receivables	15	20,135	18,060
Taxes receivables	15	123	87
Prepayments	15	3,912	1,937
Other financial assets	15	332	292
Other short-term assets	15	3,106	1,443
Cash and cash equivalents	16	790	1,177
		58,237	**49,407**
		86,121	**76,662**

LIABILITIES AND EQUITY

	Notes	31.03.2016 EUR'000	30.09.2015 EUR'000
Equity attributable to shareholders of parent company			
Share capital	17	3,140	2,025
Additional paid in capital	17	6,830	6,000
Foreign currency translation reserve	17	(17,317)	(16,973)
Retain earnings/(losses)		(42,314)	(23,681)
Consolidated result		58,725	(26,577)
		9,064	**(59,206)**
Non-controlling interests		-	(3)
		9,064	**(59,209)**
Non-current liabilities			
Long-term borrowings	19	1,307	60,036
Other long-term liabilities		92	153
Deferred tax liabilities		41	141
		1,440	**60,330**
Current liabilities			
Provisions		577	592
Short-term borrowings	19	30,119	40,598
Trade accounts payable	19	26,023	19,372
Income tax payable	19	1,123	613
Advances received	19	9,084	3,643
Other financial liabilities	19	3,153	4,121
Other short-term liabilities	19	5,538	6,602
		75,617	**75 541**
		86,121	**76,662**

Ekotechnika AG, Walldorf
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Notes	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Revenues	5	44,883	44,054
Cost of goods and services sold	6	(34,810)	(32,758)
Gross profit		**10,073**	**11,296**
Other operating income	7	983	1,972
Payroll expenses	8	(4,155)	(4,249)
Depreciation, amortization and impairment		(927)	(1,132)
Other operating expenses	9	(4,527)	(9,094)
Discontinued operations		-	76
		(8,626)	(12,427)
Operating profit/(loss)		**1,447**	**(1,131)**
Result of equity consolidation in associated companies		(2)	(61)
Financial income	10	61,657	1,751
Financial expenses	10	(3,763)	(17,104)
		57,892	(15,414)
Income/(loss) before tax		**59,339**	**(16,545)**
Income tax expense	11	(611)	(284)
Income/(loss) for the period		**58,728**	**(16,829)**
Attributable to:			
Parent company's shareholders		58,725	(16,829)
Non-controlling interests		3	-
Other comprehensive loss for the period			
Items that may be classified subsequently to profit or loss:			
Exchange differences on translation of foreign operations		(344)	(7,749)
Attributable to:			
Parent company's shareholders		(344)	(7,749)
Non-controlling interests		-	-
Comprehensive income/(loss) for the period		**58,384**	**(24,578)**
Attributable to:			
Parent company's shareholders		**58,381**	**(24,578)**
Non-controlling interests		**3**	-
Earnings per share		**18.702**	
Shares Series A	18	23.852	
Shares Series B	18	13.752	

Ekotechnika AG, Walldorf
CONSOLIDATED CASH FLOW STATEMENT

	Notes	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Operating activities			
Consolidated result for the period		58,728	(16,829)
Amortization, depreciation and impairment of non-current assets		927	1,176
(Gain) on disposal of property, plant and equipment		(41)	(245)
Net foreign exchange (gains)/losses, net		370	9,172
Result of equity consolidation in associated companies		2	61
Debt-to-equity swap results		(59,989)	-
Impairment provision on loans issued		411	548
Interest expense	10	2,684	6,384
Interest income	10	(1,185)	(876)
Income taxes recognized in profit or loss		611	296
Other non-cash items		(382)	-
Operating profit before changes in working capital		**2,136**	**(313)**
Change in inventories		2,433	(3,894)
Change in trade receivables and prepayments		(4,624)	10,813
Change in other receivables and assets		(61)	2,465
Change in trade payables and advances received		12,033	12,030
Change in other liabilities		(302)	(314)
Cash flows from operations before income taxes and interest paid		**11,615**	**20,787**
Income taxes paid		(379)	(222)
Interest paid		(2,234)	(2,813)
Interest received		86	1,115
Cash flows from operating activities		**9,088**	**18,867**
Investing activities			
Proceeds from disposal of property, plant and equipment		171	534
Acquisition of property, plant and equipment		(451)	(999)
Acquisition of intangible assets		(29)	(76)
Cash used in issuance of other financial assets		(12,000)	(12,173)
Proceeds from settlement of other financial assets		3,479	9,312
Cash flows from investing activities		**(8,830)**	**(3,402)**
Financing activities			
Proceeds from the issue of share capital		1,520	-
Proceeds from additional paid in capital		1,520	-
Proceeds from borrowings		43,214	51,266
Repayment of borrowing		(46,642)	(64,932)
Payment of finance lease liabilities		(224)	(50)
Cash flows from financing activities		**(612)**	**(13,716)**
Net (decrease)/increase in cash and cash equivalents		(354)	1,749
Cash and cash equivalents at beginning of the reporting period		1,177	2,342
Effect of exchange rate fluctuations on cash and cash equivalents		(33)	(2,024)
Cash and cash equivalents at end of the reporting period		**790**	**2,067**

Ekotechnika AG, Walldorf
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

EUR'000	Share capital	Capital reserve	Foreign currency translation reserve	Retain earnings/ (losses)
As of 01 October 2014	**2,025**	**6,000**	**(10,350)**	**3,361**
Reclassifications	-	-	-	(27,043)
Income/(Loss) for the period	-	-	-	-
Other comprehensive income/(loss)	-	-	(7,749)	-
Total comprehensive income/(loss)	**-**	**-**	**(7,749)**	**(27,043)**
As of 31 March 2015	**2,025**	**6,000**	**(18,099)**	**(23,682)**
As of 01 October 2015	**2,025**	**6,000**	**(16,973)**	**(23,681)**
Reduction of paid in capital	-	(6,000)	-	6,000
Reduction of share capital	(1,944)	-	-	1,944
Capital increase (swap)	1,539	5,310	-	-
Increase of share capital	1,520	1,520	-	-
Reclassifications	-	-	-	(26,577)
Income/(Loss) for the period	-	-	-	-
Other comprehensive income/(loss)	-	-	(344)	-
Total comprehensive income/(loss)	**-**	**-**	**(344)**	**(26,577)**
As of 31 March 2016	**3,140**	**6,830**	**(17,317)**	**(42,314)**

Consolidated net loss for the period	Equity attributable to majority shareholder	Non-controlling interests	Total equity
(27,042)	**(26,006)**	**(1)**	**(26,007)**
27,043	-	-	-
(16,829)	(16,829)	-	(16,829)
-	(7,749)	-	(7,749)
10,214	**(24,578)**	**-**	**(24,578)**
(16,828)	**(50,584)**	**(1)**	**(50,585)**
(26,577)	**(59,206)**	**(3)**	**(59,209)**
-	-	-	-
-	-	-	-
-	6,849	-	6,849
-	3,040	-	3,040
26,577	-	-	-
58,725	58,725	3	58,728
-	(344)	-	(344)
85,302	**58,381**	**3**	**58,384**
58,725	**9,064**	**-**	**9,064**

Ekotechnika AG, Walldorf
NOTES TO THE GROUP INTERIM FINANCIAL STATEMENT

1. COMPANY INFORMATION

The Group interim consolidated financial statements for the six months ended 31 March 2016 were authorized for issue in accordance with a resolution of the company's management on 17 June 2016.

Ekotechnika AG (also referred to below as "the corporation" or "parent company") voluntarily issues consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) based on Section 315a of the German Commercial Code (HGB). The parent company and its subsidiaries are referred to below as the "Group".

The corporation is domiciled in the Federal Republic of Germany and its subsidiaries are domiciled in the Russian Federation. The parent company has its main business offices at Johann-Jakob-Astor-Str. 49, 69190 Walldorf, Germany.

The Group has leading positions in the area of farm machinery supplies and servicing; it is one of the largest dealers of John Deere in the Russian Federation and overall in Europe. It is also the official representative of such manufacturers of agricultural machines as Vaderstad, JCB, Lemken, Poettinger, Kverneland, GEA and AGI.

2. BASIS FOR PREPARING THE BALANCE SHEET AND THE CHANGE OF ACCOUNTING METHODS

Basis for preparing the balance sheet

The interim consolidated financial statements for the six months ended 31 March 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at 30 September 2015.

The consolidated interim financial statements are presented in Euros and all values are rounded to the nearest thousand (EUR thousand), except when otherwise indicated.

The Group interim consolidated financial statements dated 31 March 2016 were not subjected to checking or review by a German public auditor.

New accounting regulations

The accounting policies adopted in the preparation of the interim consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 September 2015, except for the adoption of new standards and interpretations effective as of 1 October 2015.

In addition to the standards and interpretations considered for 30 September 2015, the following standards and interpretations were applied for the first time, which had no effect on the Group interim consolidated financial statement.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in their separate financial statements will have to apply that change retrospectively. First-time adopters of IFRS electing to use the equity method in their separate financial statements will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group's consolidated financial statements.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively. This amendment does not have impact on the Group's consolidated financial statement as Group has no non-current asset classified as held for sale.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements. The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments do not have any impact on the Group.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1.
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated.
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss. Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. Consolidated Financial Statements. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.

Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments do not have any impact on the Group as the Group does not apply the consolidation exception.

3. SEASONAL INFLUENCES ON BUSINESS ACTIVITY

Due to the seasonal character of the company's activities, the influences on the individual quarters of a financial year differ considerably. Between 65 and 70% of all revenues are achieved from April to September. This seasonality can lead to considerable fluctuations in the result from one quarter to another.

4. GROUP STRUCTURE

On 31 March 2016, the Group structure consisted of the parent company and 7 foreign companies in which Ekotechnika GmbH holds the majority of capital and voting rights. There are no changes compared to 30 September 2015.

5. REVENUES

Revenues comprise the following:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Sale of agricultural machinery	28,864	28,650
Sale of spareparts	13,744	13,073
Sale of oil products	1,007	1,116
After-sale services	1,268	1,215
	44,883	**44,054**

Due to the fluctuation of the ruble exchange rate against euro the average exchange rate for the reporting period was 77,28 rub/eur in comparison to 64,76 rub/eur in the previous period. That means that a decrease of approximately 16.2% y-o-y is purely related to this effect.

6. COST OF GOODS AND SERVICES SOLD

Cost of goods and services sold comprise the following:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Cost of agricultural machinery	23,037	23,154
Cost of spare parts	10,990	8,792
Cost of oil	783	812
	34,810	**32,758**

7. OTHER OPERATING INCOME

The other operating income is constituted as follows:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Reimbursement of guarantee costs	346	277
Reimbursement of marketing expenses	188	68
Currency remeasurement gain	160	604
Rent income	64	52
Gain/Loss on FA disposals	41	242
Contractual fines and penalties income	30	433
Sales of construction materials	-	24
Other income	154	272
	983	**1,972**

The other income is commissions and compensation for agents, transport and storage services income.

8. PAYROLL EXPENSES

Payroll expenses break down as follows:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Wages and salaries	2,292	2,329
Bonuses	1,090	1,036
Social and pension costs	773	884
	4,155	**4,249**

9. OTHER OPERATING EXPENSES

The other operating expenses comprise the following:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Audit, consulting and legal fees	852	944
Currency remeasurement loss	530	4,425
Contractual fines and penalties loss	485	279
Other taxes	474	337
Marketing and advertising expenses	391	384
Materials for warrantee	234	253
Utilities	202	180
Repairment and maintenance	199	216
Rent expenses	183	273
Fuel expenses	177	246
Transportation expenses	156	214
Travel and representation expenses	152	189
Communication expenses	70	96
Bank charges	67	119
Insurance	66	111
Cost of workshop	51	151
Bad debt expenses/ recovery	15	268
Warehouse service	10	4
Cost of construction materials sold	-	12
Other expenses	213	393
	4,527	**9,094**

10. FINANCIAL INCOME / FINANCIAL EXPENSES

Financial income comprises the following:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Interest income	1,185	877
Currency remeasurement gain	132	258
Other financial income	60,341	615
	61,658	**1,750**

Interest income in the amount of EUR 1,185 thousand (prior year EUR 877 thousand) resulted entirely from lending.

Other financial income mainly consists of the positive impact of the debt-to-equity swap in an amount of EUR 60,341 thousand.

Financial expenses comprise the following:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Interest expenses	2,684	6,377
Currency remeasurement loss	132	9,430
Bank charges	484	727
Other financial expenses	464	569
	3,764	**17,103**

The main impact in the reduction of interest expense is the corporate bond. In the comparison period interest expense for that was EUR 2,917 thousand – in the reporting period only an amount of EUR 353 thousand for the period until 23 October 2015 (date of the shareholder's resolution).

11. INCOME TAX EXPENSE

Income tax expense is constituted as follows:

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Current tax expense Current year income tax expense / (credit)	707	(74)
Deferred taxes Recognition and reversal of temporary differences	(96)	358
Income tax expense	**611**	**284**

A tax rate of 20% applies for Russian subsidiaries. The tax rate was applied in calculating the deferred tax assets and liabilities. A tax rate of 25% was applied for the German company.

12. SEGMENT REPORTING

The following tables present revenue and profit information for the Group's operating segments for the six months ended 31 March 2016 and 2015, respectively.

Six months ended 31 March 2016	Central region EUR'000	Blackearth region EUR'000	Siberian region EUR'000	All other EUR'000	Elimination and adjustments EUR'000	Consolidated income result EUR'000
Revenue	**18,087**	**20,318**	**6,880**	**2,753**	**(3,155)**	**44,883**
Sales of goods for resale - third parties	15,726	19,425	6,041	2,423	-	43,615
Sales (all) - Group companies	1,820	428	581	326	(3,155)	-
Revenue from rendering of services	541	465	258	4	-	1,268
Cost of goods and services sold	**(15,493)**	**(15,121)**	**(5,077)**	**(2,256)**	**3,137**	**(34,810)**
Gross profit/(loss)	**2,594**	**5,197**	**1,803**	**497**	**(18)**	**10,073**
Other income	617	241	150	1,907	(1,932)	983
Payroll expenses	(1,437)	(981)	(341)	(1,396)	-	(4,155)
Depreciation, amortization and impair- ment	(589)	(202)	(73)	(43)	(20)	(927)
Other operating expenses	(3,083)	(3,116)	(1,437)	(374)	3,483	(4,527)
Results from operating activities	**(1,898)**	**1,139**	**102**	**591**	**1,513**	**1,447**

Six months ended 31 March 2015	Central region EUR'000	Blackearth region EUR'000	Siberian region EUR'000	All other EUR'000	Elimination and adjustments EUR'000	Consolidate income result EUR'000
Revenue	**17,593**	**22,526**	**3,541**	**2,301**	**(1,907)**	**44,054**
Sales of goods for resale - third parties	16,132	21,309	4,291	1,108	-	42,840
Sales (all) - Group companies	1,055	835	(1,170)	1,187	(1,907)	-
Revenue from rendering of services	406	382	420	7	-	1,215
Cost of goods and services sold	**(12,599)**	**(16,243)**	**(3,435)**	**(1,664)**	**1,183**	**(32,758)**
Gross profit/(loss)	**4,994**	**6,283**	**106**	**637**	**(724)**	**11,296**
Other income	687	215	136	1,403	(469)	1,972
Payroll expenses	(1,812)	(1,148)	(509)	(780)	-	(4,249)
Depreciation, amortization and impair- ment	(662)	(254)	(134)	(98)	16	(1,132)
Other operating expenses	(4,222)	(3,935)	(555)	(2,583)	2,201	(9,094)
Discontinued operations	-	-	-	76	-	76
Results from operating activities	**(1,015)**	**1,161**	**(956)**	**(1,345)**	**1,024**	**(1,131)**

	01.10.2015-31.03.2016 EUR'000	01.10.2014-31.03.2015 EUR'000
Result from operating activity	**1,447**	**(1,131)**
Result of equity consolidation in associated companies	(2)	(61)
Financial income	61,657	1,751
Financial expenses	(3,763)	(17,104)
	59,339	**(16,545)**
Income tax expense	(611)	(284)
Income/(Loss) for the period	**58,728**	**(16,829)**

13. PROPERTY, PLANT AND EQUIPMENT

The decrease of property, plant and equipment by EUR 1,079 thousand resulted predominantly from both, the fluctuation by presentation rate from 74,58 on 30 September 2015 to 76,54 on 31 March 2016 and depreciation of the property, plant and equipment. The impact from the currency fluctuation is approximately 2.6% on any balance sheet item.

14. INVENTORIES

Inventories in spite of seasonality decreased from EUR 24,473 thousand to EUR 21,391 thousand as a result of devaluation of ruble and work of management on stock reducing.

15. RECEIVABLES AND OTHER ASSETS

Trade receivables increased by EUR 2,075 thousand compared to the start of the financial year. The growth was mainly the result of seasonal variations.

The loans issued increased by EUR 8,217 thousand to EUR 17,804 thousand. The loans issued mainly represented by long- and short-term loans issued to related parties.

Other assets increased significantly by EUR 3,714 thousand compared to 30 September 2015. The strong increase is essentially attributable to seasonality. They mainly consist of prepayments made and VAT.

16. CASH AND BANK BALANCES

This line item continues to include cash and credit institution funds available with an original term of no more than three months.

17. EQUITY CAPITAL

On 23 October 2015 a shareholder's meeting took place, on which the following decisions where taken:

- reduction of the share capital from EUR 2,025 thousand to EUR 81 thousand
- increase of share capital by EUR 1,539 thousand / debt-to-equity swap
- further increase of share capital by EUR 1,520 thousand against cash contribution
- change of legal form of the company into a joint stock company (AG)

All decisions of the shareholders meeting have been incorporated in the register of the company until the 13th of November 2015 and therefore the restructuring of the bond has been completely executed. End November / early December 2015 the bondholders were asked to execute their right to receive shares in Ekotechnika AG in exchange for waiving the rights from the bond. The shares are traded in Düsseldorf Stock exchange since 17 December 2015.

In the course of executing the debt to equity swap the management took the decision on 22 October 2015 to dissolve the capital reserve of EUR 6,000 thousand that has been paid in in 2013. After that the capital reserve was increased by EUR 5,310 thousand through debt-to-equity-swap, further increase by EUR 1,520 thousand against cash contribution.

The foreign currency translation reserve represents foreign currency translation differences related to net investments in Russian subsidiaries and translation from the functional currency of Russian subsidiaries into the reporting currency of the Group. The foreign currency translation reserve is also influenced by exchange difference arising from translation of the financial statements of Russian subsidiaries denominated in rubles into euro which is used for presentation of consolidated financial statements. As of 31 March 2016 it amounted to EUR -17,317 thousand (30 September 2015: EUR - 16,973 thousand).

18. EARNINGS PER SHARE (EPS)

In the course of executing the debt to equity swap two types of shares were issued:

- Shares Series A are only the shares that were created due to the swap of the corporate bond into equity. Shares Series A are eligible to receive a preferred dividend in case the company decides to pay any dividends.

- Shares Series B are the ones that existed before the debt-to-equity-swap plus those which were created due to capital increase against cash contribution.

If there is a dividend:

- 1. Step: 26,47% of total dividend are given to Series A shareholders only

- 2. Step: the remaining amount ist given to all Series A/B shareholders proportionally

Basic EPS is calculated by dividing the profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year.

Diluted EPS is calculated by dividing the profit attributable to ordinary equity holders of the parent (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. There was no dilution of shares during the period.

The following table reflects the income and share data used in the basic EPS computations :

Income/(loss) attributable to parent company shareholders	58,725
Weighted average number of shares	3,140,000
Shares Series A	1,539,000
Shares Series B	1,601,000
Earnings per share	18.702
Shares Series A	23.852
Shares Series B	13.752

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorization of these financial statements.

19. LIABILITIES

Borrowings comprise the following:

	31.03.2016 EUR'000	30.09.2015 EUR'000
Less than one year (current)	**30,119**	**40,598**
thereof secured bank loans	11,890	13,945
thereof unsecured bank loans	14,159	18,505
thereof corporate bond (accrued interest)	-	8,142
thereof non-banks loans	4,070	6
Between one and five years (non-current)	**1,307**	**60,036**
thereof corporate bond	-	58,695
thereof bank loan	1,307	1,341
	31,426	**100,634**

In the course of the restructuring process the corporate bond has been converted into shares, which resulted in a decrease of long-term loans by EUR 58,695 thousand to EUR 1,307 thousand as of 31 March 2016. Current borrowings amounted to EUR 30,119 thousand, which is EUR 10,479 thousand below the level on 30 September 2015, mainly driven by the release of the accrued interest of the bond in the amount of EUR 8,142 thousand.

Trade payables increased by EUR 6,651 thousand to EUR 26,023 thousand. This is attributable to seasonal variations associated with the buildup of inventories and change of financing source.

Advances received increased significantly from EUR 3,643 thousand to EUR 9,084 thousand due to seasonal effects.

The greatest share of other current liabilities is VAT amounting to EUR 5,105 thousand (prior year EUR 6,238 thousand). The decrease of other current liabilities is also due to seasonal effects.

20. BUSINESS ACTIVITIES WITH RELATED PARTIES

Beginning from 01 March 2013 Ekosem-Agrar GmbH can exercise significant influence through its main shareholder Stefan Duerr, so the main related party of Ekotechnika AG is Ekosem-Agrar GmbH.

The managing shareholder and managing director of Ekotechnika AG are considered management members in key positions.

Operating activities

In the course of the reporting period, Group companies conducted the following transactions with related companies and persons not belonging to the Group.

		Sale of agricultural machinery EUR'000	Sale of spare-parts EUR'000	Revenue from rendering of construction services EUR'000	Sale of oil products EUR'000	Revenue from rendering of services EUR'000	Purchase of goods and other services EUR'000	Other income EUR'000
Entities under common control	01.10.15-31.03.16	2,106	2,687	-	132	11	(543)	31
	01.10.14-31.03.15	(104)	2,707	1,714	88	11	(169)	25

Receivables and payables from and to related companies and persons.

The following balances remained outstanding at the end of the reporting period.

		Trade receivable, other financial assets and other short-term assets EUR'000	Trade accounts payable, other financial liabilities and other short-term liabilities EUR'000
Entities under common control	31.03.2016	4,870	1,370
	30.09.2015	5,886	1,860
Key management personnel	31.03.2016	-	379
	30.09.2015	-	532

Financing and investing activities.

The Group companies conducted the following financing transactions with related companies and persons not belonging to the Group during financial year.

		Long-term loans granted EUR'000	Short-term loans granted EUR'000
Entities under common control	31.03.2016	7,564	7,899
	30.09.2015	7,564	1,460
Key management personnel	31.03.2016	-	4
	30.09.2015	-	223
Associates	31.03.2016	45	88
	30.09.2015	62	16

		Short-term borrowings EUR'000
Entities under common control	31.03.2016	-
	30.09.2015	1
Key management personnel	31.03.2016	394
	30.09.2015	-

		Interest income EUR'000	Interest Expenses EUR'000
Entities under common control	01.10.15-31.03.16	677	-
	01.10.14-31.03.15	513	3
Principal shareholder	01.10.15-31.03.16	205	411
	01.10.14-31.03.15	280	438
Associates	01.10.15-31.03.16	3	-
	01.10.14-31.03.15	-	-
Key management personnel	01.10.15-31.03.16	-	8
	01.10.14-31.03.15	-	-

As per 31 March 2016 companies of the group have guarantees outstanding in an amount of EUR 59 thousand (30.09.2015: EUR 74 thousand). The guarantees are issued in favor of companies of Ekosem-Agrar group to support their purchase of machines from the group. As per the date of issuing these financial statement management doesn't expect that a party holding the guarantee will demand any payment because Ekosem-Agrar group is in a good situation and there's no risk of non-payment.

21. OTHER INFORMATION

The average headcount in the Group during the reporting period was 506 employees (prior year 608).

Of these, 171 (prior year 223) work in administration, 238 (prior year 219) in customer service, and 97 (prior year 166) in machinery sales.

22. RELEASE

The Group interim financial statement of Ekotechnika AG for the period from 1 October 2015 to 31 March 2016 was approved for publication by the executive management on 17 June 2016.

Walldorf, 17 June 2016

Stefan Dürr
Chairman / CEO

Wolfgang Bläsi
Director / CFO

EKOTECHNIKA

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