

Creditreform Rating Update

Information table

Ekotechnika GmbH (Group)		Rating: CCC	PD 1 year: 20.00 %
		Date:	25 July 2014
Creditreform ID:	7050314292	Valid until:	4. March 2015
Management:	Olga Ohly, CEO Wolfgang Bläsi, CFO	Headcount	692
		Ø 2012/2013:	
Business model:	Import of / trade with agricultural equipment, agricultural technology and spare parts, provision of related repair / maintenance services.	Turnover 2012/2013:	€ 212.4 million

Note:

This Creditreform Rating Update is based on the Rating Report compiled for Ekotechnika GmbH (Group) and issued on 5 March 2014 as well as the Rating Update issued on 7 March 2014. This Rating Update is accompanied by an equally updated Rating Certificate.

Reasons for issuing this Rating Update (Corporate Rating)

The rating change of B (watch) to CCC results from the following:

- The balance sheet structures and financial ratios have significantly deteriorated during the first half of the business year 2013/14 (as per 31 March 2014), largely reflecting currency effects. In the light of this development, the existing financing risks and certain exogenous factors, we decided to adjust our assessment of Ekotechnika GmbH (Group) accordingly. In the first half of the business year, the enterprise had generated a net loss of € 10,574,000 for the period and disclosed an uncovered loss of € 15,406,000 of which € 5,311,000 (unrealized exchange rate differences under IFRS) from the conversion of foreign subsidiaries were directly accounted for under equity.
- Although we expect the result to improve slightly during the second half of the business year 2013/2014, we also believe that the further development of the company is subject to a series of uncertainties. There is a substantial risk that the result after tax for the entire business year 2013/2014 will also be negative.
- The capital increase of € 6 million that was performed for Ekotechnika GmbH in June 2014 is ineffective so far as the balance sheet analysis is concerned, since this increase has been matched and therefore offset by a loan (of virtually the same amount) to the parent company. Even if, as we expect, the business situation will improve during the second half of the business year, our assessment and evaluation systems are still likely to reveal an uncovered loss in the balance sheet for 2013/2014.

Disclaimer

Systematically and with due diligence, Creditreform Rating AG establishes its independent and objective opinion about the sustainability, the risks and the opportunities of the enterprise under review as per the date on which the rating is issued.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for own research, inquiries and assessments.

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