



KERNEL
GROUP OF COMPANIES

FY 2009 Full Year Results
30 October 2009

■



Disclaimer

The information in this document has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of the Company or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss whatsoever arising from any use of this document, or its contents, or otherwise arising in connection with this document.

This presentation does not constitute or form part of any offer or invitation to sell or purchase, or any solicitation of any offer to sell or purchase any shares or securities in Kernel Holding S.A. It is not intended to form the basis upon which any investment decision or any decision to purchase any interest in Kernel Holding S.A. is made.

Information in this document relating to the price at which investments have been bought or sold in the past or the yield on investments cannot be relied upon as a guide to future performance.

Certain statements in this document are forward-looking statements. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this announcement.

Except as required by law, the company is under no obligation to update or keep current the forward-looking statements contained in this document or to correct any inaccuracies which may become apparent in such forward-looking statements.

This presentation is directed solely at persons who are (i) outside the United Kingdom; or (ii) accredited investors, as such term is defined in the United States Securities Act of 1933, as amended; or (iii) persons falling within Article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2001 (as amended) (the "Order"); or (iv) persons falling within Article 49(2)(a) to (d) of the Order; or (v) persons to whom this presentation may otherwise be lawfully distributed (all such persons together being referred to as "relevant persons"). By accepting this presentation the recipient warrants and represents that he or it is a relevant person. Recipients of this presentation in jurisdictions outside the United Kingdom should inform themselves about and observe all applicable legal requirements in their respective jurisdictions

FY2009 Financial Highlights*

Amounts in USD millions, except for EPS and ratios	FY2008	FY2009	% change
Revenue	663.1	1 047.1	57.9%
Operating profit (EBIT)	111.6	166.6	49.3%
Net profit**	82.2	132.0	60.6%
Cash	88.5	129.3	46.1%
EPS ***	2.08	1.97	
Net Debt / EBITDA ****	1.3	0.9	
EBITDA / Interest	4.4	5.9	

* Audited (except for EBITDA) financial figures for 12-month period ending 30 June

* * Net profit, including minorities

*** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 30 June 2009 and 40,074,247 shares outstanding as of 30 June 2008.

**** EBITDA is a non-IFRS financial measure

Key Drivers in FY2009

Markets

- ❑ Record 2008 harvest in Ukraine: 53 million tons of grain and 6.5 million tons of sunflower seed harvested
- ❑ Record volatility in commodity markets: 50% decrease in soft commodity prices over 1st half financial year
- ❑ Record disruptions on international and domestic financial markets: world in recession and Ukraine currency devalues by 60%

Strategy and policy implementation

- ❑ Kernel capitalizes on record crops
 - Processes 730,000 tons of seed over the season, operating at 95% of crushing plants' capacity
 - Exports 2.2 million tons grain, largest volume achieved in Company history
 - Handles 3.4 million tons grain through Transbulkterminal, Company grain terminal acquired June 2008
- ❑ Conservative "balanced-book" policy leads to sustainable margins
 - Bulk oil segment – 21% operating margin
 - Grain segment – 10% operating margin

Financial developments

- ❑ Kernel continues to hold high cash balances on account: Company actively seeking M&A opportunities and still expects weakness in financial markets and bankers to adopt a cautious approach to Ukraine
- ❑ Increase in finance costs: Ukraine country risk is priced in, however partially offset by fall in USD base rate.

FY2009 Income Statement Highlights

Amounts in USD millions, except for EPS and margins	FY2008	FY2009	% change
Revenue	663.1	1 047.1	57.9%
EBITDA*	123.2	190.1	54.3%
Operating profit (EBIT)	111.6	166.6	49.3%
Net profit**	82.2	132.0	60.6%
EPS ***	2.08	1.97	
Gross margin	23.9%	30.3%	
EBITDA margin	18.6%	18.2%	
Operating margin	16.8%	15.9%	

* EBITDA is a non-IFRS measure

** Net profit including minorities

*** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 30 June 2009 and 40,074,247 shares outstanding as of 30 June 2008.

FY2009 Balance Sheet Highlights

Amounts in USD millions

Invested Capital

Cash & cash equivalent

88.5

129.3

Net trade accounts receivable

48.7

32.4

Inventory

144.7

99.1

Of which: Readily Marketable Inventories *

138.6

94.9

Other currents assets

95.4

117.6

Net property, plant & equipment

231.6

221.8

Other non-current assets

146.7

99.5

Total assets

755.6

699.7

Financed by

Short-term liabilities

185.1

195.1

Of which: interest-bearing debt

157.7

161.7

Long-term liabilities

130.1

147.2

Of which: long-term interest bearing debt

98.0

132.9

Total Equity

440.4

357.5

** Readily Marketable Inventories are agricultural inventories readily convertible into cash because of their commodity characteristics, widely available markets and international pricing mechanisms.*

FY2009 Cash Flow Highlights

Amounts in USD millions	FY2008	FY2009
Operating profit before working capital changes	116.1	188.2
Changes in working capital	(210.3)	(25.0)
Cash obtained from / (used in) operations	(94.1)	163.2
Finance costs paid	(28.1)	(32.2)
Income tax paid	(3.4)	(1.7)
Net cash obtained from / (used in) operations	(125.6)	129.3
Net PPE (purchases) / disposals	(33.3)	(91.5)
Net (purchases) / disposals of intangible and other non-current assets	(136.8)	(3.8)
Net cash used in investing activities	(170.1)	(95.3)
Net cash resulting from investing & operating activities	(295.7)	34.0

Segments Results – FY2009

	Revenue, \$ million			Operating profit, \$ million			Operating margin, %		Tonnage *		
	FY08	FY09	% change	FY08	FY09	% change	FY08	FY09	FY08	FY09	% change
Bottled oil	147.1	122.0	(17.1)%	22.1	27.2	23.1%	15%	22.3%	101	98	(3)%
Bulk oil	325.1	256.9	(21.0)%	52.1	54.7	5.0%	16%	21.3%	167	224	34.0%
Grain handling & transshipment	--	53.1	n.a.	--	28.8	n.a.	--	54.2%	--	3 400	n.a.
Farming	20.3	48.3	137.9%	18.7**	(3.8)	n.a.	n.a.	n.a.	69	264	283.0%
Grain	212.1	583.1	174.9%	30.1	56.1	86.4%	14.2%	9.6%	317	2 260	613.0%
Silo services	25.3	40.7	60.9%	6.5	21.4	229.2%	25.7%	52.6%	1 130	1 925	70.4%
Other and Reconciliation	(66.8)	(57.0)	--	(17.9)	(17.8)	--	--	--			
Total	663.1	1 047.1	57.9%	111.6	166.6	49.3%	16.8%	15.9%			

* Tonnage in thousand tons, except for bottled oil expressed in million liters

** Farming operating profit includes gain on biological assets revaluation

FY2009 Liquidity position

Amounts in USD millions, except ratios

	FY2008	FY2009
Cash	88.5	129.3
Inventories	144.7	99.1
Of which: Readily Marketable Inventories	138.6	94.9
RMI/Inventories	95.8%	95.8%

- ❑ *Cash balances remain high due to M&A opportunities and perceived weakness in financial markets*
- ❑ *Year-on-year decrease in inventory levels is primarily due to falling soft commodity prices*
- ❑ *Company inventories are primarily agricultural commodities: wheat and coarse grains, oil-bearing crops and the oil and meal derived from the oilseed crushing process*

FY2009 Credit metrics

Amounts in \$m, except ratios

	FY2008	FY2009
Gross interest-bearing debt	255.7	294.6
Cash	88.5	129.3
Net interest-bearing debt	167.2	165.3
Readily marketable inventories	138.6	94.9
Adjusted net financial debt *	28.6	70.4
Total shareholders' equity	396.8	355.8
Net debt / EBITDA **	1.3	0.87
EBITDA / Interest	4.4	5.89

* Adjusted net financial debt is the sum of short-term interest-bearing debt, current maturities of long-term interest-bearing and long-term interest-bearing debt, less cash and cash equivalents, marketable securities and readily marketable inventories

** EBITDA is a non-IFRS measure

FY2010 Outlook

FY2010 guidance unchanged at

- ✓ USD 1 050 million revenue
- ✓ USD 185 million EBITDA
- ✓ USD 130 million Net income