

KERNEL

GROUP OF COMPANIES



Second Quarter FY2009 Results

February 13, 2009



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Q2 FY2009 Financial Highlights

Amounts in USD millions, except for EPS and ratios	Q2 FY2008	Q2 FY2009	% change
Revenue	156.4	291.4	86%
EBIT	23.9	53.7	125%
Net income *	12.2	20.0	64%
Cash	16.4	97.2	493%
EPS **	0.18	0.33	
Net Debt / EBITDA ***	2.17	0.99	
EBITDA / Interest	2.8	5.34	

* Net Income attributable to group, before minorities

** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 31 December 2008

*** Ratio calculation for Q2 FY2009 basis EBITDA guidance for FY2009

Key Drivers – financial year to date

Strategy implementation

- ✓ Successful integration of grain terminal fully completed
- ✓ Leveraging grain terminal asset to achieve record grain export sales
- ✓ Challenging farming environment will provide opportunities to acquire distressed assets and expand farm land under company management

Markets

- ✓ Company achieves planned oil and grain margins in an environment of falling commodity prices: capitalizes on extensive asset base and origination network
- ✓ Increase in export of bulk oil due to impact on bottled oil sales of Hrivnia devaluation and low bottled oil prices on domestic market.

Financial developments

- ✓ Falling commodity prices provide for decrease in working capital requirements and a de-leveraging of the balance sheet
- ✓ As a result of market uncertainty, the Company holds unusually high cash balances.
- ✓ Primary focus of risk management: counterparty performance
- ✓ Hrivnia devaluation impacts asset valuation and results in company equity decrease

Q2 FY2009 Income Statement Highlights

Amounts in USD millions, except for EPS and margins	Q2 FY2008	Q2 FY2009	% change
Revenue	156.4	291.4	86%
EBITDA	26.2	61.1	133%
EBIT	23.9	53.7	125%
Net income *	12.2	20.0	64%
EPS **	0.18	0.33	
Gross margin	23%	31%	
EBITDA margin	17%	21%	
EBIT margin	15%	18%	

* Net income attributable to group, before minorities

** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 31 December 2008

Q2 FY2009 Balance Sheet Highlights

Amounts in \$m	Dec. 31 2007	Sept. 30 2008	Dec. 31 2008
Invested Capital			
Cash & cash equivalent	16.4	234.3	97.2
Net trade accounts receivable	36.1	50.3	43.4
Inventory	256.4	181.4	100.5
Of which: Readily Marketable Inventories *	252.5	168.3	96.2
Other current assets	85.5	122.7	103.8
Net property, plant & equipment	126.4	236.2	187.7
Other non-current assets	41.9	124.5	71.2
Total assets	562.6	949.4	603.9
Financed by			
Short-term liabilities	172.8	372.0	199.2
Of which: interest-bearing debt	157.6	320.9	169.7
Long-term liabilities	146.9	129.4	124.0
Of which: long-term interest bearing debt	123.7	103.3	110.7
Total Equity	243.0	448.0	280.7

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

Q2 FY2009 Cash Flow Highlights

Amounts in USD millions	Q2 FY2008	Q2 FY2009
Operating profit before working capital changes	26.1	51.8
Changes in working capital	(192.9)	60.8
Cash obtained from / (used in) operations	(166.8)	113.0
Finance costs paid	(9.4)	(11.5)
Income tax paid	(0.2)	(0.8)
Net cash obtained from / (used in) operations	(176.3)	100.3
Net PPE (purchases) / disposals	(7.1)	(7.5)
Net (purchases) / disposals of intangible and other non-current assets	(2.9)	(1.4)
Net cash used in investing activities	(10.0)	(9.0)
Net cash used in investing & operating activities	(186.3)	91

Q2 FY2009 Segments Results

	Revenue, \$ million			EBIT, \$ million			EBIT margin, %		Tonnage *		
	Q2 FY08	Q2 FY09	% change	Q2 FY08	Q2 FY09	% change	Q2 FY08	Q2 FY09	Q2 FY08	Q2 FY09	% change
Bottled oil	54	34	(37%)	10	9	(10%)	18.5%	26.5%	33.9	29.5	(13%)
Bulk oil	55	43	(21.8%)	9	10	11.1%	16.4%	23.3%	32.9	35.2	7%
Grain handling & transhipment	--	26	--	--	11	--	--	43.3%	--	856	--
Farming	9	13	44.4%	0.9	(1.6)	--	10.0%	(12%)	--	--	--
Grain	34	179	426.5%	4.9	20.6	320%	14.4%	11.5%	53	601	1034%
Silo services	14	27	92.9%	4.7	9.2	95.7%	33.6%	34.1%	339	706	108%

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

Q2 FY2009 Liquidity position

Amounts in USD millions, except ratios

	Q2 FY2008	Q1FY2009	Q2 FY 2009
Cash	16.4	234.3	97.2
Inventories	256.4	181.4	100.5
Of which: Readily Marketable Inventories	252.5	168.3	96.2
RMI/Inventories	98.5%	92.8%	95.7%

✓ As a result of a conservative approach to market uncertainty, cash levels have increased sharply y-o-y, equivalent to 34.7% of total interest-bearing debt.

✓ Falling commodity prices have enabled the company to deleverage the balance sheet and improve the debt profile.

✓ The Company nevertheless maintains with several banks unused committed and uncommitted credit lines, in aggregate in excess of USD 500 million.

Q2 FY2009 Credit metrics

Amounts in \$m, except ratios

	Q2 FY2008	Q1 FY2009	Q2 FY2009
Gross interest-bearing debt	283.4	424.2	280.4
Cash	(16.4)	(234.3)	(97.2)
Net interest-bearing debt	267.0	189.9	183.2
Readily marketable inventories	(252.5)	(168.3)	(96.2)
Adjusted net financial debt *	14.5	21.6	87.0
Shareholders' equity	238.1	406.2	275.8
Net debt / EBITDA **	2.17	1.03	0.99
EBITDA / Interest	2.8	6.7	5.34

**Adjusted net interest-bearing 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*

*** Ratio calculation for Q1 FY2009 and Q2 FY2009: basis EBITDA guidance for FY2009*

FY2009 Outlook

Maintaining full-year guidance

- ✓ USD 1 100 million revenue
- ✓ USD 185 million EBITDA
- ✓ USD 115 million Net income