

KERNEL

GROUP OF COMPANIES



Fourth Quarter FY2009 Results

28 August 2009



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Q4 FY2009 Financial Highlights

Amounts in USD millions, except for EPS and ratios	Q4 FY2008 *	Q4 FY2009	% change
Revenue	169.6	181.2	6.8%
EBIT	42.8	23.0	(46.3)%
Net income **	43.1	18.2	(57.8)%
Cash	88.5	129.3	46.1%
EPS ***	0.63	0.27	
Net Debt / EBITDA ****	1.4	0.9	
EBITDA / Interest	6.0	4.7	

* Full year FY2008 figures as per audited FY2008 financial statements

** Net Income attributable to group, before minorities

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

**** ratio calculated basis yearly EBITDA

Financial Highlights – full year FY2009

Amounts in USD millions, except for EPS	Full year 2008	Full year 2009	% change
Revenue	663.1	1 047.0	57.9%
EBIT	111.6	165.3	48.1%
Net income *	83.2	132.1	58.8%
EPS **	1.21	1.92	

* Net Income attributable to group, before minorities

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

Key Drivers in FY2009

Markets

- ❑ Record volumes of grain and oil bearing crops harvested in Ukraine in season 08/09:
 - Kernel exports 2.2 Mio tons of grain on the back of 25 Mio ton total Ukraine grain export
 - Kernel capitalizes on 6.5 Mio ton harvest of sunflower seed and crushes at full capacity throughout the season
- ❑ Notwithstanding volatile commodity markets Kernel achieves strong operating margins for the year
 - Grain segment – 12% operating margin
 - Bulk oil segment – 22% operating margin
- ❑ On domestic market bottled oil comes under pressure as consumer purchasing power falls

Strategy implementation

- ❑ Strong performance of Illichevsk grain terminal in 1st year of operation under Kernel management:
 - 3.4 Mio ton grain throughput over season 08/09
 - yearly EBITDA c. USD 30 million
- ❑ Cautious approach to expansion in farming as pressure on agricultural prices lead to disappointing results in farming

Financial developments

- ❑ Hrivnia devaluation adversely impacts group equity, primarily due to decrease in USD value of fixed assets (UAH valuation of fixed assets)
- ❑ Cash balances remain high in view of continued weakness and risk in banking environment and future M&A opportunities
- ❑ Financing costs rise as banks price in Ukraine country risk

Q4 FY2009 Income Statement Highlights

Amounts in USD millions, except for EPS and margins	Q4 FY2008	Q4 FY2009	% change
Revenue	169.6	181.2	6.8%
EBITDA	46.4	27.8	(40.1)%
EBIT	42.8	23.0	(46.3)%
Net income *	43.1	18.2	(57.8)%
EPS **	0.63	0.27	
Gross margin	27.3%	27.7%	
EBITDA margin	27.4%	15.3%	
EBIT margin	25.2%	12.7%	

* Net income attributable to group, before minorities

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

Q4 FY2009 Balance Sheet Highlights

Amounts in \$m	June 30 2008	March 31 2009	June 30 2009
Invested Capital			
Cash & cash equivalent	88.5	124.0	129.3
Net trade accounts receivable	48.7	35.7	32.4
Inventory	144.7	102.6	99.1
Of which: Readily Marketable Inventories *	138.0	98.6	95.6
Other currents assets	95.4	93.0	130.8
Net property, plant & equipment	231.6	208.5	219.4
Other non-current assets	146.7	76.2	91.6
Total assets	755.6	639.9	702.5
Financed by			
Short-term liabilities	185.1	189.3	235.2
Of which: interest-bearing debt	157.7	165.1	197.6
Long-term liabilities	130.1	135.6	111.3
Of which: long-term interest bearing debt	98.1	116.5	97.0
Total Equity	440.4	315.0	356.0

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

Q4 FY2009 Cash Flow Highlights

Amounts in USD millions	Q4 FY2008	Q4 FY2009
Operating profit before working capital changes	41.2	25.8
Changes in working capital	58.0	(16.3)
Cash obtained from / (used in) operations	99.2	9.5
Finance costs paid	(7.7)	(6.0)
Income tax paid	(1.0)	0
Net cash obtained from / (used in) operations	90.5	3.5
Net PPE (purchases) / disposals	(12.1)	(6.7)
Net (purchases) / disposals of intangible and other non-current assets	(126.6)	(0.5)
Net cash used in investing activities	(138.6)	(7.2)
Net cash resulting from investing & operating activities	(48.1)	(3.7)

Segments Results – 4th Quarter FY2009

	Revenue, \$ million			EBIT, \$ million			EBIT margin, %		Tonnage *		
	FY08	FY09	% change	FY08	FY09	% change	FY08	FY09	FY08	FY09	% change
Bottled oil	39	17	(56)	6,2	3,2	(48)	16	19	24	16	(33)
Bulk oil	107,5	64	(40)	21,5	15,5	(28)	20	24	29	68	134
Grain handling & transshipment	--	12		--	5,3			44	-	801	
Farming	18	1	-	11,1	(1,3)	-	60	-	-	-	
Grain	16.6	90	142	3.6	4,0	11	22	4,5	99	456	360
Silo services	6	4	(33)	2,0	1,5	(25)	35	39	-	-	

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

Q4 FY2009 Liquidity position

Amounts in USD millions, except ratios

	Q4 FY2008	Q3 FY2009	Q4 FY2009
Cash	88.5	124.0	129.3
Inventories	144.7	102.6	99.1
Of which: Readily Marketable Inventories	138.0	98.6	95.6
RMI/Inventories	95.3%	96.1%	96.5%

- ✓ Cash balances remain high due to continued uncertainty in financial markets
- ✓ Y-on-y decrease in inventory levels is primarily due to falling soft commodity prices
- ✓ Company inventories are primarily made of agricultural commodities, goods highly liquid in nature

Q4 FY2009 Credit metrics

Amounts in \$m, except ratios

	Q4 FY2008	Q3 FY2009	Q4 FY2009
Gross interest-bearing debt	255.8	281.5	294.6
Cash	(88.5)	(124.0)	(129.3)
Net interest-bearing debt	167.2	157.5	165.3
Readily marketable inventories	138.0	(98.6)	95.6
Adjusted net financial debt *	29.3	58.9	69.7
Shareholders' equity	396.8	312.4	354.4
Net debt / EBITDA **	1.4	0.8	0.9
EBITDA / Interest	6.0	9.2	4.7

**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*

*** ratio calculated basis yearly EBITDA*

FY2010 Outlook

FY2010 guidance

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