

KERNEL

FY2010 Results

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FY2010 Financial Highlights⁽¹⁾

Amounts in USD millions, except for EPS and ratios	FY2009	FY2010	% change
Revenue	1 047.1	1 020.5	(2.5)%
Result from operating activities (EBIT)	166.6	167.5	0.5%
Net profit ⁽²⁾	135.5	152.0	12.2%
EBITDA ⁽³⁾	190.1	190.0	0.0%
Cash	129.3	59.5	(54.0)%
EPS ⁽⁴⁾	1.97	2.06	
Net Debt / EBITDA	0.86 x	1.50 x	
EBITDA / Interest	5.9 x	8.3 x	

(1) FY2009 and FY2010 audited consolidated figures

(2) Net profit attributable to equity holders of Kernel Holding S.A.

(3) EBITDA is a non IFRS measure calculated by adding amortization and depreciation to Result from operating activities

(4) EPS is measured in US Dollars per share, based on 68 741 000 diluted shares as of 30 June 2009 and 71 024 390 diluted shares as of 30 June 2010

FY2010 Key Drivers

Markets

- ✓ 35% year-on-year decrease in average oil and grain prices
- ✓ As a consequence of drought in Eastern Europe and Russia, grain prices surged in the last days of June 2010
- ✓ Lower 2009 grain harvest leads to 21 million tons grain export from Ukraine in season 2009/2010, compared to 25 million tons in season 2008/2009 on the back of 2008 harvest
- ✓ 6.5 million tons sunflower seed harvest in 2009, compared to 7 million tons for 2008 harvest

Strategy implementation

- ✓ Focus on consolidating No1 position in oilseed crushing industry: 2.2 million tons sunflower seed crushing capacity as of 30 June 2010, compared to 800 000 tons as of 30 June 2009
 - Poltava crushing plant increase in crushing capacity
 - Completion of Bandurka plant construction
 - Black Sea Industries long-term toll-crush agreement
 - acquisition of Allseeds production assets
- ✓ 64% increase in crushing and oil production over season 2009/2010: 1.2 million tons sunflower seed crushed in FY2010, compared to 730 000 tons crushed in FY2009

Financial developments

- ✓ Low VAT refund to exporters and to Kernel in particular throughout season 09/10, leads to issuance of so-called VAT bond
- ✓ Kernel receives the equivalent of USD 135 million in VAT bonds in Q1 FY2011

FY2010 Income Statement Highlights ⁽¹⁾

Amounts in USD millions, except for EPS and margins	FY2009	FY2010	% change
Revenue	1 047.1	1 020.5	(2.5)%
Operating profit (EBIT)	166.6	167.5	0.5%
Net profit ⁽²⁾	135.5	152.0	12.2%
EBITDA	190.1	190.0	0.0%
EPS	1.97	2.06	
Gross margin	30.3%	30.5%	
Operating (EBIT) margin	15.9%	16.4%	
Net margin	12.9%	14.9%	
EBITDA margin	18.2%	18.6%	

1) FY2009 and FY2010 audited consolidated financial accounts

2) Net profit attributable to equity holders of Kernel Holding S.A.

FY2010 Balance Sheet Highlights (1)

Amounts in \$m	30 June 2009	30 June 2010
Invested Capital		
Cash & cash equivalent	129.3	59.5
Net trade accounts receivable	32.4	65.5
Inventory	99.1	147.8
Of which: Readily Marketable Inventories (2)	94.9	142.9
Other currents assets	117.6	325.9
Net property, plant & equipment	221.8	379.0
Other non current assets	99.5	147.1
Total assets	699.7	1 124.8
Financed by		
Short term liabilities	195.1	352.2
Of which: interest bearing debt	161.7	209.9
Long term liabilities	147.2	167.7
Of which: long term interest bearing debt	132.9	135.3
Total Equity	357.5	604.9

1) FY2009 and FY2010 audited consolidated financial statements

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

FY2010 Cash Flow Highlights

Amounts in USD millions

	FY2009	FY2010
Operating profit before working capital changes	188.2	205.7
Changes in working capital	(25.0)	(97.3)
Cash obtained from / (used in) operations	163.2	108.4
Finance costs paid	(32.2)	(22.8)
Income tax paid	(1.7)	(0.8)
Net cash obtained from / (used in) operations	129.3	84.8
Net PPE (purchases) / disposals	(88.6)	(56.2)
Net (purchases) / disposals of intangible and other non current assets	(6.7)	(69.4)
Net cash used in investing activities	(95.3)	(125.6)
Net cash resulting from investing & operating activities	34.0	(40.8)

FY2010 Results by Operating Segments

	Revenue ⁽¹⁾ , USD million			Operating profit ⁽²⁾ , USD million			Operating margin, %		Tonnage ⁽³⁾		
	FY09	FY10	% change	FY09	FY10	% change	FY09	FY10	FY09	FY10	% change
Bottled oil	122.0	112.6	(7.7)%	27.2	22.2	(18.4)%	22.3%	19.7%	97 776	112 400	15.0%
Bulk oil	256.9	400.7	56.0%	54.7	71.8	31.3%	21.3%	17.9%	224 118	365 941	63.3%
Grain handling & transshipment	53.1	53.7	1.1%	28.8	24.9	(13.5)%	54.2%	46.4%	3 400	3 274	(3.7)%
Farming ⁽⁴⁾	48.3	41.7	(13.7)%	(3.8)	14.2			34.1%	265	269	1.5%
Grain	583.1	466.5	(20.0)%	56.1	40.1	(28.5)%	9.6%	8.6%	2 259	2 225	(1.5)%
Silo services	40.7	24.7	(39.3)%	21.4	8.8	(58.9)%	52.6%	35.7%	1 924	1 261	(34.5)%
Other & Reconciliation	(57.0)	(79.4)		(17.8)	(14.5)						
Total	1 047.1	1 020.5	(2.5)%	166.6	167.5	0.5%	15.9%	16.4%			

1) Segmental revenue includes intersegment sales

2) Segmental operating profit calculated prior G&A allocation

3) Tonnage in thousand tons, except for bottled oil expressed in thousand liters

4) Farming operating profit includes gain on biological assets revaluation

FY2010 Liquidity position & credit metrics

Amounts in USD millions, except ratios

	FY2009	FY 2010
Cash	129.3	59.5
Inventory	99.1	147.8
Of which: Readily Marketable Inventories	94.9	142.9
RMI/Inventories	95.8%	96.7%
Gross interest bearing debt	294.6	345.2
Net interest bearing debt	165.3	285.7
Adjusted net financial debt	70.4	142.8
Shareholders' equity	357.5	604.9
Net debt / EBITDA	0.86 x	1.5 x
EBITDA / interest	5.9 x	8.3 x

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

FY2011 guidance

- ✓ USD 1 300 million Revenue
- ✓ USD 255 million EBITDA
- ✓ USD 195 million Net income