



KERNEL

GROUP OF COMPANIES



Second Quarter FY2010 Results
15 February 2010



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Q2 FY2010 Financial Highlights*

Amounts in USD millions, except for EPS and ratios	Q2 FY2009	Q2 FY2010	% change
Revenue	291.2	272.3	(6.5)%
Operating profit (EBIT)	48.2	51.6	7.1%
Net profit	39.9	43.2	8.3%
EPS **	0.65	0.63	
Net Debt / EBITDA ***	0.87X	1.80X	
EBITDA / Interest	3.48X	9.72X	

* Unaudited financial statements for the three-month period ending 31 December 2009 and 31 December 2008

** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 31 December 2008 and 31 December 2009

*** Ratio calculated basis 2009 EBITDA and 2010 guidance EBITDA

Q2 FY2010 Income Statement Highlights

Amounts in USD millions, except for EPS and margins	Q2 FY2009	Q2 FY2010	% change
Revenue	291.2	272.3	(6.5)%
EBITDA	54.2	56.4	4.0%
Operating profit (EBIT)	48.2	51.6	7.1%
Net profit*	39.9	43.2	8.3%
EPS **	0.65	0.63	
Gross margin	30.4%	34.5%	
EBITDA margin	18.6%	20.7%	
Operating margin	16.6%	18.9%	

* Net profit including minorities

** EPS is measured in US Dollars per share, based on 68,741,000 shares outstanding as of 31 December 2008 and 31 December 2009

Q2 FY2010 Balance Sheet Highlights

Amounts in USD millions	Dec. 31 2008	Sept. 30 2009	Dec. 31 2009
Invested Capital			
Cash & cash equivalent	97.4	53.8	50.5
Net trade accounts receivable	44.1	41.5	58.7
Inventory	100.1	204.6	264.9
<i>Of which: Readily Marketable Inventories *</i>	97.2	198.9	258.8
Other currents assets	95.3	139.9	167.8
Net property, plant & equipment	190.5	242.2	252.7
Other non-current assets	73.4	114.6	110.3
Total assets	600.8	796.6	904.8
Financed by			
Short-term liabilities	200.6	293.9	287.6
<i>Of which: interest-bearing debt</i>	170.1	244.3	249.2
Long-term liabilities	134.6	101.7	167.2
<i>Of which: long-term interest bearing debt</i>	114.6	84.4	151.5
Total Equity	265.6	401.0	450.1

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

Q2 FY2010 Cash Flow Highlights

Amounts in USD millions	Q2 FY2009	Q2 FY2010
Operating profit before working capital changes	63.7	54.2
Changes in working capital	64.1	(100.9)
Cash obtained from / (used in) operations	127.8	(46.7)
Finance costs paid	(15.6)	(5.8)
Income tax paid	(1.1)	(0.3)
Net cash obtained from / (used in) operations	111.1	(52.8)
Net PPE (purchases) / disposals	(32.1)	(10.2)
Net (purchases) / disposals of intangible and other non-current assets	(1.4)	5.0
Net cash used in investing activities	(33.5)	(5.2)
Net cash resulting from investing & operating activities	77.6	(58.0)

Segments Results – 2nd Quarter

	Revenue, USD millions			Operating profit, USD millions			Operating margin, %		Tonnage *		
	Q2 FY09	Q2 FY10	% change	Q2 FY09	Q2 FY10	% change	Q2 FY09	Q2 FY10	Q2 FY09	Q2 FY10	% change
Bottled oil	31.4	35.9	14.3%	9.3	7.9	(15.1)%	29.6%	22.0%	29.5	36.5	23.8%
Bulk oil	55.8	66.8	19.7%	11.8	10.0	(15.3)%	21.1%	15.0%	42.9	64.1	49.4%
Grain handling & transshipment	17.0	18.1	6.5%	7.7	9.1	18.2%	45.3%	50.3%	897	1 096	22.2%
Farming**	12.5	21.5	72.0%	(1.6)	7.8	--	--	36.3%	263.2	267.8	1.7%
Grain	173.3	151.9	(12.3)%	26.3	14.1	(46.4)%	15.2%	9.3%	601.5	703.8	17.0%
Silo services***	11.3	10.9	(3.5)%	4.0	5.0	25.0%	35.4%	45.9%	1 609	1 204	(25.2)%
Other and Reconciliation	(10.1)	(32.8)		(9.3)	(2.4)						
Total	291.2	272.3		48.2	51.6						

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

** Farming operating profit includes gain on biological assets revaluation. Farm tonnage: total net production for the season

*** Silo services tonnage represents total tonnage stored for the period starting 1 July

Q2 FY2010 Liquidity position

Amounts in USD millions, except ratios	Dec. 31 2008	Sept. 30 2009	Dec. 31 2009
Cash	97.4	53.8	50.5
Inventories	100.1	204.6	264.9
Of which: Readily Marketable Inventories	97.2	198.9	258.8
RMI/Inventories	97.1%	97.2%	97.7%

- Y-on-y increase in inventory levels is primarily due to increase of oilseed crushing capacity
- Company inventories are primarily made of agricultural commodities, goods highly liquid in nature

Q2 FY2010 Credit metrics

Amounts in USD millions, except ratios	Dec. 31 2008	Sept. 30 2009	Dec. 31 2009
Gross interest-bearing debt	284.7	328.7	400.7
Cash	(97.4)	(53.7)	(50.5)
Net interest-bearing debt	187.3	275.0	350.2
Readily marketable inventories	(97.2)	(198.9)	(258.8)
Adjusted net financial debt *	90.1	76.1	91.4
Total equity	265.6	401.0	450.1
Net debt / EBITDA **	0.87X	1.5X	1.80X
EBITDA / Interest	3.48X	11.6X	9.72X

* 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 FY2009 EBITDA and guidance FY2010 EBITDA

FY2010 Outlook

Revised FY2010 guidance

- ✓ USD 1 050 million Revenue
- ✓ USD 195 million EBITDA
- ✓ USD 155 million Net profit