

KERNEL

Fourth Quarter FY2010 Results

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Q4 FY2010 Financial Highlights⁽¹⁾

Amounts in USD millions, except for EPS and ratios	Q4 FY2009	Q4 FY2010	% change
Revenue	181.2	238.5	31.6%
Operating profit (EBIT)	24.4	40.9	67.6%
Net profit ⁽²⁾	21.7	30.5	40.6%
EBITDA ⁽³⁾	29.6	48.6	64.2%
Cash	129.3	59.5	(54.0)%
EPS ⁽⁴⁾	0.32	0.43	
Net Debt / EBITDA ⁽⁵⁾	0.9 x	1.5 x	
EBITDA / Interest	9.8 x	5.6 x	

(1) 3-month period ended 30 June. Q4 FY2009 and Q4 FY2010 are unaudited 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

(5) Net Debt / EBITDA calculated basis 12-month EBITDA

12 month-period Financial Highlights ⁽¹⁾

Amounts in USD millions, except for EPS	12 months ended 30 June 2009 ⁽²⁾	12 months ended 30 June 2010 ⁽³⁾	% change
Revenue	1 047.1	1 020.5	(2.5)%
Operating profit (EBIT)	166.6	168.2	1.0%
Net profit ⁽⁴⁾	135.5	153.0	12.9%
EBITDA	190.1	190.7	0.3%
EPS	1.97	2.19	

(1) 12-month period ended 30 June

(2) FY2009 audited accounts

(3) FY2010 unaudited accounts

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

Q4 Key Drivers

Markets

- ✓ flat prices in grain and oil throughout the fourth quarter
- ✓ 35% year-on-year decrease in average oil and grain prices for the quarter

Strategy implementation

- ✓ consolidation of Allseeds production assets
- ✓ 125% year-on-year increase in sunflower seed crush, leading to 84.3% year-on-year increase in executed bulk oil sales contracts for the period under review

Financial developments

- ✓ VAT bonds in amount equivalent to USD 130 million issued to Kernel in Q1 FY2011

Q4 FY2010 Income Statement Highlights (1)

Amounts in USD millions, except for EPS and margins

	Q4 FY2009	Q4 FY2010	% change
Revenue	181.2	238.5	31.6%
Operating profit (EBIT)	24.4	40.9	67.6%
Net profit (2)	21.7	30.5	40.6%
EBITDA	29.6	48.6	64.2%
EPS	0.32	0.43	
Gross margin	27.0%	28.9%	
Operating (EBIT) margin	13.5%	17.1%	
Net margin	12.0%	12.8%	
EBITDA margin	16.3%	20.4%	

1) Q4 FY2009 and Q4 FY2010 unaudited accounts

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

Q4 FY2010 Balance Sheet Highlights (1)

Amounts in \$m	June 30 2009	March 31 2010	June 30 2010
Invested Capital			
Cash & cash equivalent	129.3	14.8	59.5
Net trade accounts receivable	32.4	42.9	65.0
Inventory	99.1	190.5	147.8
Of which: Readily Marketable Inventories (2)	94.9	186.8	142.5
Other currents assets	117.6	188.1	328.0
Net property, plant & equipment	221.8	258.3	379.0
Other non-current assets	99.5	155.5	147.0
Total assets	699.7	849.6	1 126.3
Financed by			
Short-term liabilities	195.1	197.0	352.4
Of which: interest-bearing debt	161.7	161.8	209.9
Long-term liabilities	147.2	160.9	167.7
Of which: long-term interest bearing debt	132.9	144.2	135.3
Total Equity	357.5	491.7	606.2

1) Q4 FY2009, Q3 FY2010 and Q4 FY2010 unaudited accounts

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

Q4 FY2010 Cash Flow Highlights (1)

Amounts in USD millions	Q4 FY2009	Q4 FY2010
Operating profit before working capital changes	29.0	49.4
Changes in working capital	(5.4)	48.8
Cash obtained from / (used in) operations	23.6	98.2
Finance costs paid	(3.0)	(8.6)
Income tax paid	(0.06)	(0.1)
Net cash obtained from / (used in) operations	20.5	89.4
Net PPE (purchases) / disposals	(35.9)	(18.6)
Net (purchases) / disposals of intangible and other non-current assets	0.2	49.3
Net cash used in investing activities	(35.7)	30.7
Net cash resulting from investing & operating activities	(15.2)	120.2

1) Q4 FY2009 and Q4 FY2010 unaudited accounts

Q4 FY2010 Segmental Results

	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	16.8	21.1	25.6%	3.2	3.8	18.8%	19.0%	18.0%	16 224	20 599	27%
Bulk oil	55.5	169.2	204.9%	11.4	33.0	189.5%	20.5%	19.5%	73.5	135.5	84.4%
Grain handling & transshipment	14.1	6.1	(56.7)%	5.7	(0.1)	-	40.4%	-	800.6	321.5	(59.8)%
Farming ⁽⁴⁾	4.3	1.4	(67.4)%	(1.0)	6.2	-	-	-	--	--	
Grain	90.5	44.5	(50.8)%	5.9	5.4	(8.5)%	6.5%	12.1%	455.6	169.6	(62.8)%
Silo services	4.1	2.3	(43.9)%	1.6	(3.1)	-	39.0%	-	--	--	
Other & Reconciliation	(4.1)	(6.1)		(2.4)	(4.3)						
Total	181.2	238.5		24.4	40.9						

1) Segment revenue includes inter-segment sales

2) Segment 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

Q4 FY2010 Liquidity position & credit metrics

Amounts in USD millions, except ratios

	Q4 FY2009	Q3 FY2010	Q4 FY 2010
Cash	129.3	14.8	59.5
Inventory	99.1	190.8	147.8
Of which: Readily Marketable Inventories	94.9	186.8	142.5
RMI/Inventories	95.8%	97.9%	96.4%
Gross interest-bearing debt	294.6	306.0	345.1
Net interest-bearing debt	165.3	291.2	285.6
Adjusted net financial debt	70.4	104.4	143.1
Shareholders' equity	355.8	490.8	603.2
Net debt / EBITDA	0.9 x	1.5 x	1.5 x
EBITDA / interest	9.9 x	9.9 x	5.6 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

FY2010 Outlook

FY2011 guidance

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