

KERNEL

First Quarter FY2011 Results

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Q1 FY2011 Financial Highlights⁽¹⁾

Amounts in USD millions, except for EPS and ratios

	Q1 FY2010	Q1 FY2011	% change
Revenue	240.3	345.4	43.7%
Result from operating activities (EBIT)	30.7	59.7	94.5%
Net profit ⁽²⁾	39.2	34.2	(12.8)%
EBITDA ⁽³⁾	35.8	67.5	88.6%
EPS ⁽⁴⁾	0.57	0.46	
Net Debt / EBITDA ⁽⁵⁾	1.5 x	1.8 x	
EBITDA / Interest	11.6 x	8.2 x	

(1) Unaudited Consolidated Financial Statements for the 3-month period ended 30 September.

(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 69.1 million diluted shares as of 30 September 2009 and 74.1 million diluted shares as of 30 September 2010

(5) Net Debt / EBITDA as at 30 September 2010 calculated basis FY2011 EBITDA guidance

Q1 FY2011 Key drivers

Markets

- ✓ International grain prices increase by 35 to 45 percent (depending on crop) over Q1 FY2011
- ✓ Soft measures by Ukrainian government to slow grain export and implementation of quotas depress grain prices on the domestic market

Strategy implementation

- ✓ Crushing capacity expansion leads to 138 percent increase in bulk oil contracts delivered over Q1

Financial developments

- ✓ Q1 one-off charge to reflect fair market value of VAT bonds, sold in Q2 at 12% discount to face value

Q1 FY2011 Income Statement Highlights ⁽¹⁾

Amounts in USD millions, except for EPS and margins

	Q1 FY2010	Q1 FY2011	% change
Revenue	240.3	345.4	43.7%
Result from operating activities (EBIT)	30.7	59.7	94.5%
Net profit ⁽²⁾	39.2	34.2	(12.8)%
EBITDA ⁽³⁾	35.8	67.5	88.6%
EPS ⁽⁴⁾	0.57	0.46	
Gross margin	25.3%	27.0%	
Operating (EBIT) margin	12.8%	17.3%	
Net margin	16.3%	9.9%	
EBITDA margin	14.9%	19.5%	

(1) Unaudited Consolidated Financial Statements for the 3-month periods ended 30 September 2009 and 30 September 2010

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

(3) EBITDA is a non-IFRS result calculated by adding amortization and depreciation to operating profit

(4) EPS is measured in USD per share, based on 69.1 million diluted shares as of 30 September 2009 and 74.1 million diluted shares as of 30 September 2010

Q1 FY2011 Balance Sheet Highlights (1)

Amounts in USD millions	30 Sept. 2009	30 June 2010	30 Sept. 2010
Invested Capital			
Cash & cash equivalent	53.8	59.5	44.5
Net trade accounts receivable	41.5	65.5	53.8
Inventory	204.6	147.8	373.0
Of which: Readily Marketable Inventories (2)	198.9	142.9	367.2
Other current assets	139.9	325.9	326.7
Net property, plant & equipment	242.2	379.0	383.2
Other non-current assets	114.6	147.0	129.3
Total assets	796.6	1 124.8	1 310.5
Financed by			
Short-term liabilities	293.9	352.2	511.6
Of which: interest-bearing debt	244.3	209.9	378.3
Long-term liabilities	101.7	167.7	160.3
Of which: long-term interest bearing debt	84.4	135.3	129.6
Total Equity	401.0	604.9	638.6

1) Amounts as at 30 September 2009 and 30 September 2010 are unaudited. Amounts as at 30 June 2010 are audited

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

Q1 FY2011 Cash Flow Highlights (1)

Amounts in USD millions

	Q1 FY2010	Q1 FY2011
Operating profit before working capital changes	52.4	66.4
Changes in working capital	(131.6)	(230.5)
Cash obtained from / (used in) operations	(79.2)	(164.1)
Finance costs paid	(3.1)	(8.1)
Income tax paid	(0.1)	(0.3)
Net cash obtained from / (used in) operations	(82.4)	(172.7)
Net PPE (purchases) / disposals	(9.4)	(12.4)
Net (purchases) / disposals of intangible and other non-current assets	(0.9)	0
Net cash used in investing activities	(10.3)	(12.4)
Net cash resulting from investing & operating activities	(92.7)	(185.1)

(1) Unaudited consolidated accounts for the 3-month periods ending 30 September 2009 and 30 September 2010

Q1 FY2011 Segmental Results

	Revenue ⁽¹⁾ , USD million			Operating profit ⁽²⁾ , USD million			Operating margin, %		Tonnage ⁽³⁾		
	FY10	FY11	% change	FY10	FY11	% change	FY10	FY11	FY10	FY11	% change
Bottled oil	27.1	35.2	29.9%	3.3	6.7	103.0%	12.2%	19.0%	28 910	33 245	15.0%
Bulk oil	77.1	182.1	136.2%	11.3	25.2	123.0%	14.7%	13.8%	77.5	184.4	138.0%
Export terminals	12.5	8.3	(33.6)%	6.6	3.9	(40.9)%	52.8%	47.0%	887.0	462.9	(47.8)%
Farming ⁽⁴⁾	19.0	36.3	91.1%	0.8	8.1	912.5%	4.2%	22.3%	260.0 ⁽⁵⁾	218.4 ⁽⁵⁾	(16.0)%
Grain	123.5	120.7	(2.3)	8.9	20.3	128.1%	7.2%	16.8%	590.1	391.3	(33.7)%
Silo services	6.7	6.3	(0.6)%	2.3	(1.1)	--	34.3%	--	771.0	721.4	(6.4)%
Other & Reconciliation	(25.6)	(43.5)		(2.5)	(3.4)						
Total	240.3	345.4	43.7%	30.7	59.7	94.5%	12.8%	17.3%			

(1) Segment revenue includes intersegment sales reflected in item "Other & Reconciliation"

(2) Segment operating profit calculated prior certain G&A allocation reflected in item "Other & Reconciliation"

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

(4) Farming operating profit includes gain or losses from changes in fair value of biological assets

(5) Farming tonnage reflects total tonnage harvested for the season

Q1 FY2011 Liquidity position & credit metrics

Amounts in USD millions, except ratios

	<u>30 Sept. 2009</u>	<u>30 June 2010</u>	<u>30 Sept. 2010</u>
Cash	53.8	59.5	44.5
Inventory	204.6	147.8	373.0
Of which: Readily Marketable Inventories	198.9	142.9	367.2
RMI/Inventories	97.2%	96.7%	98.5%
Gross interest-bearing debt	328.7	345.2	507.9
Net interest-bearing debt	274.9	285.7	463.4
Adjusted net financial debt ⁽¹⁾	76.0	142.8	96.2
Shareholders' equity	401.0	604.9	636.7
Net debt / EBITDA ⁽²⁾	1.5 x	1.5 x	1.8 x
EBITDA / interest	11.6 x	8.3 x	8.2 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

(2) Net debt/EBITDA as at 30 September 2010 calculated basis EBITDA guidance for FY2011

FY2011 guidance remains unchanged:

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