



Q2

FY2012

FINANCIAL RESULTS PRESENTATION

KERNEL

Kernel Holding S.A.
16 February 2012

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Q2 Summary of performance, markets and events

Company performance

- Positive financial results, the company's best quarter to date
- Good performance of bulk oil, grain and bottle oil segments, which are the major contributors to consolidated revenues and operating profit
- Export terminal underperformed in the quarter under review on the back of lower than expected throughput volumes
- The delivery of sugar under the contract with the State Agricultural Reserve Fund has been postponed
- First contribution from Russian operations, in line with initial expectations

Markets

- Bearish mood prevailed in soft commodities market
- Harsh global macro-economic conditions prevailed throughout the quarter
- International grain and edible oil prices further declined undermining supply volumes
- Corn remained the key actor of Ukrainian grain exports following record high harvest
- Adverse weather conditions in January-February damaged an estimated 30% -35% of winter crops in Ukraine
- The total projected Ukrainian grain exports lowered by 20% to 20 million tons in 2011/12 marketing year

Significant Q2 corporate events

- Appointment of PJSC "Deloitte & Touche USC" and DELOITTE S.A. as new independent auditors for the company
- Fitch affirms the company's long-term foreign currency rating 'B', outlook 'Stable'

Financial Highlights ⁽¹⁾

Amounts in USD millions, except for EPS and margins	Q2 FY2011	Q2 FY2012	% change
Revenue	567.1	594.4	4.8%
Result from operating activities (EBIT)	65.5	86.2	31.6%
Net profit	52.0	65.2	25.3%
EBITDA ⁽³⁾	73.9	103.6	40.3%
EPS ⁽⁴⁾	0.70	0.81	15.7%
Net debt/EBITDA ⁽⁵⁾	2.3x	1.6x	(30.4)%
EBITDA/Interest	6.2x	6.8x	9.7%

1. Unaudited Consolidated Financial Statements for the 3-month period ended 31 December

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 74.2 million diluted shares as of 31 December 2010 and 80.0 million diluted shares as of 31 December 2011

5. Net Debt / EBITDA as at 31 December 2011 calculated based on FY2012 EBITDA guidance

Differences are possible due to rounding

Income Statement Highlights⁽¹⁾

Amounts in USD millions, except for EPS and margins	Q2 FY2011	Q2 FY2012	% change
Revenue	567.1	594.4	4.8%
Result from operating activities (EBIT)	65.5	86.2	31.6%
Net profit ⁽²⁾	52.0	65.2	25.4%
EBITDA ⁽³⁾	73.9	103.6	40.2%
EPS ⁽⁴⁾	0.70	0.81	15.7%
Gross margin	20.0%	24.2%	21.1%
Operating (EBIT) margin	11.6%	14.5%	25.6%
Net margin	9.2%	11.0%	19.5%
EBITDA margin	13.0%	17.4%	33.9%

1. Unaudited consolidated financial statements for the 3-month periods ended 31 December 2010 and 31 December 2011

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 74.2 million diluted shares as of 31 December 2010 and 80.0 million diluted shares as of 31 December 2011

Differences are possible due to rounding

Balance Sheet Highlights ⁽¹⁾

Amounts in USD millions	31 December 2010	30 September 2011	31 December 2011
Invested Capital			
Cash & cash equivalents	21.6	173.2	130.3
Net trade accounts receivable	127.7	122.7	109.5
Inventory	547.0	385.4	564.9
of which: Readily Marketable Inventories ⁽²⁾	538.9	356.4	512.2
Other current assets	319.7	443.1	400.2
Net property, plant & equipment	387.8	665.4	677.8
Other non-current assets	118.1	263.5	337.9
Total assets	1,521.9	2,053.2	2,220.6
Financed by			
Short-term liabilities	622.7	658.9	825.7
of which: interest-bearing debt	547.2	363.8	450.9
Long-term liabilities	208.3	351.5	300.2
of which: long-term interest bearing debt	177.8	330.5	279.2
Total Equity	690.9	1,042.8	1,094.7

1. Amounts as at 31 December 2010 are reviewed. Unaudited amounts as of 30 September 2011 and 31 December 2011.

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

Cash Flow Highlights ⁽¹⁾

Amounts in USD millions

	31 December 2010	31 December 2011
Operating profit before working capital changes	70.8	100.1
Changes in working capital	(286.8)	(165.2)
Cash obtained from / (used in) operations	(216.0)	(64.9)
Finance costs paid	(12.0)	(13.1)
Income tax paid	(0.5)	(0.5)
Net cash obtained from / (used in) operations	(228.5)	(78.6)
Net PPE (purchases) / disposals	(9.6)	(12.2)
Net (purchases) / disposals of intangible and other non-current assets	(0.4)	(41.8)
Net cash used in investing activities	(10.0)	(54.1)
Net cash resulting from investing& operating activities	(238.5)	(132.7)

1. Reviewed financial statements for the 3-month period ended 31 December 2010 and unaudited financial statements for the 3-month period ended 31 December 2011
Differences are possible due to rounding

Segmental Results

	Revenue ⁽¹⁾ , USD million			Operating profit ⁽²⁾ , USD million			Operating margin, %			Tonnage ⁽³⁾		
	Q2 FY11	Q2 FY12	% change	Q2 FY11	Q2 FY12	% change	Q2 FY11	Q2 FY12	% change	Q2 FY11	Q2 FY12	% change
Bottled oil	36.7	59.0	60.9%	4.5	11.1	150.7%	12.1%	18.9%	56.2%	28.2	39.2	39.2%
Bulk oil	258.1	311.9	20.8%	29.0	46.3	59.8%	11.2%	14.8%	32.1%	195.1	227.5	16.6%
Export terminals	12.7	7.4	(41.6)%	6.8	3.3	(51.4)%	53.8%	44.8%	(16.7)%	775.7	467.8	(39.7)%
Farming ⁽⁴⁾	14.5	46.3	219.1%	-	5.6	n/m	0.0%	12.2%	n/m	n/a	n/a	n/a
Grain	266.7	188.6	(29.3)%	24.7	18.0	(26.8)%	9.3%	9.6%	3.2%	838.7	621.1	(25.9)%
Silo services	11.1	20.3	83.8%	5.4	7.2	33.3%	48.8%	35.4%	(27.5)%	1,200.6	1,794.1	49.4%
Sugar	-	14.7	n/m	-	2.2	n/m		15.3%	n/m		119.6	n/m
Other & reconciliation	(32.6)	(53.9)	65.3%	(4.7)	(7.6)	61.7%						
Total	567.1	594.4	4.8%	65.5	86.2	31.6%						

1. Segment revenue includes intersegment sales reflected in item "Other & Reconciliation"
 2. Segment operating profit calculated prior certain non-allocated G&A expenses 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
- Differences are possible due to rounding

Liquidity position & credit metrics

Amounts in USD millions. except ratios

	31 December 2010	30 September 2011	31 December 2011
Cash	21.6	173.2	130.3
Inventory	547.0	385.4	564.9
Of which: Readily Marketable Inventories	538.9	356.4	512.2
RMI/Inventories	98.5%	92.5%	90.7%
Gross interest-bearing debt	725.0	694.3	730.1
Net interest-bearing debt	703.4	521.1	599.8
Adjusted net financial debt ⁽¹⁾	164.5	164.7	87.6
Shareholders' equity	687.1	1,010.4	1,077.6
Net debt / EBITDA ⁽²⁾	2.9x	1.8 x	1.9x
EBITDA / Interest	6.1x	6.2 x	6.8x

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 calculated based on LTM EBITDA

Differences are possible due to rounding

FY2012 Guidance

- Revenue of US\$2.3 billion
- EBITDA of US\$370 million
- Net income of US\$255 million