



Q4

FY2012

FINANCIAL RESULTS PRESENTATION

KERNEL

Kernel Holding S.A.
30 June 2012

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Q4 Summary of performance, markets and events

Company performance Q4 FY2012

- A quarterly EBITDA of USD 113 million
- Substantial gain from revaluation of biological assets owing to threefold increase in the consolidated landbank
- Execution of sugar contract with the State Agricultural Reserve Fund
- Solid carried-forward sunflower seed and oil inventories to meet crushing and sales targets in Q1 FY2013 prior to new harvest supply
- Strong balance sheet with net debt to EBITDA at 1.9x and current ratio at 2.6x at the end of Q4 FY2012
- Strong liquidity headroom to respond to skyrocketing soft commodity prices: unused committed facilities plus cash amount to USD 900 million

Markets

- Unprecedented volatility of weather conditions caused notable decline in global supply with prices breaking the historical highs
- Vulnerability of global economy might threaten demand, especially in high price environment
- Ukrainian grain exports just over 21 million mt in 2011/12, below initial expectations of 25 million mt
- Historical high carried-forward stock of 11 million mt of grains in Ukraine to offset shortfall in 2012/13 season
- Anticipated sunflower seed production in range of 7-9 million mt in 2012/13 season
- Ukrainian grain & oilseed export potential is forecast at approximately 19 million mt in 2012/13

Significant Q4 FY2012 corporate events

- Acquisition of two farming companies with 119,000 ha of production farmland under management and 325,000 mt of grain storage capacity, bringing the total farmland under operations to 330,000 ha and grain storage capacity to 2.7 million mt
- Signing of a USD 210 million secured revolving facility agreement for grain segment working capital

Post Q4 FY2012 significant corporate events

- Renewal of a USD 222 million short-term tranche of a USD 500 million syndicated credit agreement for the financing of bulk and bottled oil segment working capital
- First-ever grain export contract from Russia executed in July

Quarterly Financial Highlights⁽¹⁾

Amounts in USD millions, except for EPS and ratios	Q4 FY2011	Q4 FY2012	% change
Revenue	471.3	584.4	24.0%
Profit from operating activities	70.2	94.6	34.8%
Net profit ⁽²⁾	62.2	74.7	20.2%
EBITDA ⁽³⁾	78.2	113.4	45.1%
EPS ⁽⁴⁾	0.78	0.93	19.5%
Net debt / EBITDA ⁽⁵⁾	1.0	1.9	91.6%
EBITDA / Interest	7.3	5.0	-31.9%

1. Condensed consolidated financial statements for the 3-month period ended 30 June 2011 and 30 June 2012

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 profit from operating activities

4. EPS is measured in US Dollars per share, based on 79.6 million diluted shares as of 30 June 2011 and 80.0 million diluted shares as of 30 June 2012

5. Net debt / EBITDA is calculated based on 12 months trailing EBITDA

Differences are possible due to rounding

Annual Financial Highlights ⁽¹⁾

Amounts in USD millions, except for EPS and ratios

	12 months ended 30 June 2011	12 months ended 30 June 2012	% change
Revenue	1 899.1	2 169.2	14.2%
Profit from operating activities	277.3	255.8	-7.8%
Net profit ⁽²⁾	226.3	213.8	-5.5%
EBITDA ⁽³⁾	309.6	324.6	4.8%
EPS ⁽⁴⁾	2.99	2.69	-9.9%
Net debt / EBITDA ⁽⁵⁾	1.0	1.9	91.6%
EBITDA / Interest	7.3	5.0	-31.9%

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Income Statement Highlights⁽¹⁾

Amounts in USD millions, except for EPS and margins	Q4 FY2011	Q4 FY2012	% change
Revenue	471.3	584.4	24.0%
Gross profit	104.3	125.5	20.4%
Profit from operating activities	70.2	94.6	34.8%
Net profit ⁽²⁾	62.2	74.7	20.2%
EBITDA ⁽³⁾	78.2	113.4	45.1%
EPS ⁽⁴⁾	0.78	0.93	19.5%
EBITDA margin	16.6%	19.4%	
Gross margin	22.1%	21.5%	
EBIT margin	14.9%	16.2%	
Net margin	13.2%	12.8%	

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Balance Sheet Highlights ⁽¹⁾

Amounts in USD millions	30 June 2011	31 March 2012	30 June 2012
Invested Capital			
Cash & cash equivalents	115.9	91.9	82.5
Net trade accounts receivable	111.6	186.9	143.5
Inventory	183.7	588.6	405.0
of which: readily marketable inventories ⁽²⁾	166.1	503.0	372.2
Other current assets	398.5	407.9	511.3
Net property, plant & equipment	502.8	680.8	722.0
Other non-current assets	249.4	287.2	236.2
Total assets	1 561.9	2 243.3	2 100.5
Financed by			
Short-term liabilities	395.0	737.8	434.0
of which: interest-bearing debt	265.9	516.4	267.8
Long-term liabilities	169.6	312.4	440.8
of which: long-term interest bearing debt	156.1	290.4	429.4
Total Equity	997.3	1 193.1	1 225.7

1. Audited amounts as at 30 June 2011. Unaudited amounts as at 31 March 2012 and 30 June 2012.

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

	Q4 FY2011	Q4 FY2012
Operating profit before working capital changes	64.5	75.0
Changes in working capital	207.8	71.6
Cash obtained from/ (used in) operations	272.3	146.6
Finance costs paid	(1.7)	(17.6)
Income tax paid	(1.7)	(2.1)
Net cash obtained from/ (used in) operating activities	268.9	126.9
Net PPE disposals/ (purchases)	(26.7)	(0.1)
Net purchases of intangible and other non-current assets	(77.4)	(48.0)
Net cash obtained from / (used in) investing activities	(104.1)	(48.1)
Net cash obtained from / (used in) investing & operating activities	164.8	78.8

1. Condensed consolidated financial statements for the 3-month period ended 30 June 2011 and 30 June 2012
Differences are possible due to rounding

Segmental Results

	Revenue ⁽¹⁾ , USD million			Operating profit ⁽²⁾ , USD million			Operating margin, %		Tonnage ⁽³⁾		
	Q4 FY11	Q4 FY12	% change	Q4 FY11	Q4 FY12	% change	Q4 FY11	Q4 FY12	Q4 FY11	Q4 FY12	% change
Bottled oil	47.3	35.0	-26.0%	9.8	5.3	-46.2%	20.7%	15.1%	33.8	24.4	-27.8%
Bulk oil	363.4	388.2	6.8%	42.8	54.7	27.9%	11.8%	14.1%	217.4	272.8	25.5%
Export terminals	4.4	7.7	76.8%	0.8	3.0	271.3%	18.2%	39.0%	392.9	355.1	-9.6%
Farming ⁽⁴⁾	2.6	53.4	1962.7%	16.4	57.6	250.2%	630.8%	107.9%	- ⁽⁵⁾	- ⁽⁵⁾	-
Grain	57.8	69.4	20.0%	7.6	5.9	-22.5%	13.1%	8.5%	186.6	276.5	48.1%
Silo services	3.4	7.0	108.9%	0.2	0.6	182.9%	5.9%	8.6%			
Sugar	-	71.0	-	-	13.0	-	-	18.3%			
Other & reconciliation	(7.5)	(47.2)	-	(7.4)	(45.4)	-	-	-			
Total	471.3	584.4	24.0%	70.2	94.6	34.8%	14.9%	16.2%			

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
 5. Farm and sugar production
- Differences are possible due to rounding

Liquidity position & credit metrics

Amounts in USD millions, except ratios	30 June 2011	31 March 2011	30 June 2012
Cash	115.9	91.9	82.5
Inventory	183.7	588.6	405.0
of which: readily marketable inventories	166.1	503.0	372.2
RMI / Inventories	90.4%	85.5%	91.9%
Gross interest-bearing debt	422.0	806.8	697.2
Net interest-bearing debt	306.1	714.9	614.7
Adjusted net financial debt ⁽¹⁾	140.0	211.9	242.5
Shareholders' equity ⁽²⁾	1 561.9	1 122.6	2 100.5
Net debt / EBITDA ⁽³⁾	1.0	2.5	1.9
EBITDA / Interest	7.3	5.5	5.0

1. Audited amounts as at 30 June 2011. Unaudited amounts as at 31 March 2012 and 30 June 2012.

2. 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

3. Net debt / EBITDA is calculated based on 12 months trailing EBITDA

4. EBITDA / Interest is calculated based on 12 months trailing EBITDA and net financial costs

Differences are possible due to rounding