Kernel Holding S.A.
and Subsidiaries

Q4
FY2012

Condensed Consolidated
Financial Statements
for the 3 months ended
30 June 2012

Foreword by Andrey Verevskiy, Chairman of the Board

Dear Shareholders:

Today we report our fourth quarter and 12-month unaudited results for financial year 2012, which ended 30 June 2012. Our full-year revenue grew 14% year-on-year to USD 2,169 million, EBITDA increased 5% year-on-year to USD 325 million, and net income decreased 6% year-on-year to USD 214 million. I would like to take this opportunity to comment on the most important developments during the year and on our outlook for FY2013.

Overall, FY2012 was a challenging year. We experienced a number of external factors adversely impacting our operations, among them the unprecedented volatility of weather conditions, regulatory initiatives in Ukraine, and global macro-economic uncertainty.

Low international soft commodity prices, combined with unfavorable weather conditions in autumn and winter in Ukraine, diminished trading activity in anticipation of a price rebound. As a result, Ukraine exported just over 21 million tons in the 2011/12 season, which is 15% below our initial expectations. The unforeseen decline in the Ukrainian supply, combined with steady demand, squeezed grain exporters' margins as international peers operating in Ukraine continued to compete for supply to cover their open positions. Consequently, our grain segment underperformed both our budgeted profitability and volume guidance for the year.

All of our other segments performed in line with expectations.

FY2012 was a milestone year for us from a strategic perspective. We turned a new page in our history by making our first ever overseas investment by acquiring Russian Oils. It is a promising market where we want to develop our presence over the coming years. Our goal is to become one of the leading players with a solid asset base and sizable export volumes of soft commodities.

In Ukraine, we were very active in strengthening our farming arm, which is clearly synergistic with our midstream and value chain management activities. We substantially increased the farm land during FY2012; however, recent acquisitions have yet to reach the output and profitability levels of the existing operations managed by Kernel over the past several years.

Outlook for FY2013

We expect another challenging year ahead. Severe droughts in major producing areas, skyrocketing prices for soft commodities (with some of them reaching historic highs), and prolonged economic uncertainties in large consumer markets translate into rising volatility. We believe this should persist throughout the season.

It is halfway through the harvesting campaign in our core markets, Ukraine and Russia. Both countries were negatively affected by dry weather conditions this year that damaged production, especially in the southern regions. We currently anticipate further declines in sunflower seed production volumes as well as a deterioration of its quality. Considering the high unpredictability of weather in Ukraine currently, it is difficult to give a reliable estimate of the sunflower seed crop, and market participants' estimates are ranging from 7 to 9 million tons. Our present estimate of the overall grain export is 19 million tons for Ukraine and 9 million tons for Russia in the 2012/13 season.

While competition for oilseeds is expected to tighten, thus squeezing margins of the bulk oil segment in percentage terms, we expect that the higher international prices for sunflower oil and protein meal will keep the dollar margin at levels comparable to FY2012. Consequently, we expect to crush 2.6 million tons of sunflower seeds next season, supported by large carried-forward stocks of sunflower seeds and an earlier than expected commencement of the crushing season.

Although our first shipments of grains to the international market in FY2013 suggest that the margin in Ukraine has recovered to its normal dollar level, we believe it is still premature to determine the sustainability of the trend. While declining upstream volumes in Ukraine and Russia are negative for the grain segment, we anticipate that Kernel's substantial in-house production should largely offset the lower grain export forecast. Additionally, we predict further consolidation of the grain sector in Ukraine where small local traders will likely halt or reduce their activity. We have initiated grain export operations in Russia, a market that we expect will play a dominant role in the Black Sea region going forward. For both markets combined, we expect Kernel to export 2.1 million tons of grains this year.

Definitely, dry weather conditions harmed yields in comparable areas in our farming segment, where we expect them to decline by 20% year-on-year on average. However, we expect the recent rally in soft commodity prices to partially offset lower crop yield levels. We continue to integrate the land with extreme attention to crop mix optimization, the improvement of agronomy practices at acquired companies, IT management, and the standardization of processes. At the same time, our geographic focus on the central and western regions of Ukraine with sufficient rainfall has proven to be effective this year, as these regions are less prone to drought than the southern and eastern parts of the country.

We also expect the bottled oil segment to experience headwinds in Q1 FY2013 at the very least, as time is needed to pass on higher edible oil prices to end consumers.

While exploring strategic alternatives for the sugar segment, we intentionally plan to decrease sugar output volumes this year, which is an industry-wide trend following last season's overproduction. The profitability of the segment will depend greatly on the development of sugar's market price which was seriously damaged by oversupply. At this point, we anticipate only a marginal contribution of the sugar segment to our FY2013 results.

Our silo and export terminal segments should outperform last year's volume as the result of our continued progress in developing grain storage capacities and higher contracted throughput volumes at the transshipment facility. We anticipate the margins in these segments to remain at levels comparable to FY2012.

Despite a harsh operating environment and economic uncertainty, we are committed to deliver another year of growth to our shareholders. Our resilient business model focuses exclusively on real physical products and should prove itself in its ability to adapt to ongoing challenges. In Ukraine, we are focusing on the improvement of returns from our best-in-class asset base. The obvious driver here is volume, primarily of grain exports. Kernel has the ability to double its grain exports from Ukraine in the mid-term as it capitalizes on growing upstream production by further developing the grain storage infrastructure and existing capacities of the Transbulkterminal. At the same time, we will continue to expand our farming operations, which have yet to reveal the full potential of the post-acquisition integration process. We anticipate that the crushing sector should endure its reshaping, where large, modern plants will phase out the inefficient, independent players that still have a substantial piece of the market. Kernel intends to capitalize on this opportunity to fill the gap driving further sector consolidation on the back of a growing supply of oilseed in the country. We see a lot of great opportunities ahead and we believe Kernel is one of few platforms in the Black Sea region to drive the consolidation, utilizing our knowledge, experience and capabilities.

Financial Highlights

for the 3 month Period Ended 30 June 2012 (Q4 FY2012)

Total revenue for Kernel Holding S.A. amounted to USD 584.4 million in the three months ended 30 June 2012, a 24% growth versus USD 471.3 million for the respective period a year ago. The result from operating activities increased 35% year-on-year to USD 94.6 million in the period under review from USD 70.2 million for the three months ended 30 June 2011. The net profit attributable to equity holders of Kernel Holding S.A. increased to USD 74.7 million for the three months ended 30 June 2012, posting 20% growth over the respective period a year ago.

Credit lines available as of 30 June 2012: USD 1,538.9 million (30 June 2011: USD 984.5 million).

Production, sales and throughput:

Volume and tonnage 3 months ended 30 June	Q4 FY2012	Q4 FY2011	% change
Grain sales, tons	276 489	186 633	48%
Bulk oil sales, tons	272 841	217 361	26%
Bottled oil sales, '000 liters	24 393	33 800	(28)%
Sunflower seed crush, tons	726 949	558 972	30%
Refined oil production, tons	26 835	36 281	(26)%
Bottled oil production, tons	24 131	33 041	(27)%
Export terminals throughput, tons	355 098	392 893	(10)%

Volume and tonnage 12 months ended 30 June	FY2012	FY2011	% change
Grain sales, tons	2 123 229	1 809 973	17%
Bulk oil sales, tons	828 370	820 987	1%
Bottled oil sales, '000 liters	131 856	117 976	12%
Sunflower seed crush, tons	2 493 056	1 988 870	25%
Refined oil production, tons	139 839	123 864	13%
Bottled oil production, tons	125 885	105 222	20%
Export terminals throughput, tons	1 809 346	2 121 371	(15)%
Grain and oilseeds received in inland silos, tons	2 058 909	1 253 740	64%

Financial Highlights
for the 3 month Period Ended 30 June 2012 (Q4 FY2012)

Review of Financial Results
for the 3-month period ended 30 June 2012

Total revenue
Kernel reported total revenue of USD 584.4 million for three months ended 30 June 2012, a 24% increase over USD 471.3 million in the respective period of three months ended 30 June 2011. The growth in revenues primarily reflects the execution of the sugar supply contract with the State Agricultural Reserve Fund and additional sales volumes of bulk oil resulting from increased sunflower oilseed crushing capacity.

Gross profit
Gross profit increased 20% year-on-year to USD 125.5 million for the three months ended 30 June 2012 from USD 104.3 million for the three respective months in 2011. A growth in gross profit primarily reflects the execution of the sugar contract during the fourth quarter of the financial year 2012, while there was no sugar segment in the Company in the respective quarter of the financial year 2011. Gross margin for the period stayed at 21.5% during the three months ended 30 June 2012, close to the levels posted in the fourth quarter of the financial year 2011.

Distribution costs
Distribution costs in the fourth quarter of the financial year 2012 amounted to USD 58.5 million, up 61% year-on-year from USD 36.4 million in the fourth quarter of the financial year 2011. Growth was primarily driven by the increase in the volume of the goods delivered and changes in the delivery mix during the quarter. As a percentage of revenue, distribution costs totaled 10% in Q4 FY2012 versus 8% last year. The increase is explained by a lower base for comparison due to the overall decline in soft commodities prices of approximately 19% year-on-year, changes in the delivery mix, and gradually higher transportation expenses.

General and administrative expenses
General and administrative expenses amounted to USD 19.5 million for the three months ended 30 June 2012, a 40% year-on-year growth from USD 13.9 million posted for the three months ended 30 June 2011. Growth was primarily driven by the consolidation of the recently acquired farming enterprises, sugar business, and four oilseed processing plants. As a percentage of revenue, general and administrative expense costs remained flat at approximately 3%.

Profit from operating activities
Results from operating activities increased to USD 94.6 million for the three months ended 30 June 2012 from USD 70.2 million posted for three months ended 30 June 2011. A 35% growth year-on-year was driven primarily by two factors: in the farming segment, a threefold year-on-year increase in the consolidated landbank at the farming segment resulted in a respective increase in recognition of the income from revaluation of biological assets; in the sugar segment, an execution of the sugar sales contract to the State Agrarian Fund led to the recognition of the respective earnings. The operating profit margin for the period stayed at 16.2% during the three months ended 30 June 2012 versus 14.9% posted in the fourth quarter of the financial year 2011.

Finance costs, net
Financing costs amounted to USD 20.7 million for the three months ended 30 June 2012, a 2.5x growth year-on-year from USD 8.1 million for the three months ended 30 June 2011. The year-on-year growth of USD 12.5 million is explained by higher gross debt attributable to recent acquisitions as well as increased readily marketable inventories, which are primarily financed by debt.

Net profit
Net profit attributable to shareholders of Kernel Holding S.A. increased 20% year-on-year to USD 74.7 million for the three months ended 30 June 2012 from USD 62.2 million a year ago. The net margin remained flat at 13%.

Cash Flow
Net cash flow provided by operating activities in the quarter under review was USD 126.9 million versus USD 268.9 million in the fourth quarter of financial year 2011. The decrease reflects a lower decline in working capital levels between opening and closing balances in Q4 FY2012 compared to the same period last year as a result of accumulation of solid carried-forward sunflower seed and oil inventories to meet crushing and sales targets in Q1 FY2013 prior to new harvest supply.

Financial Highlights

for the 3 month Period Ended 30 June 2012 (Q4 FY2012)

Review of Segmental Results
for the 3-month period ended 30 June 2012

Bulk Oil

Kernel reported revenue of USD 388.2 million in the bulk oil segment in Q4 FY2012 versus USD 363.4 million in Q4 FY2011. The 7% increase year-on-year was primarily due to a 26% year-on-year increase in volumes sold following the consolidation of the newly acquired BSI and Russian Oils crushing facilities, while the average price decreased 15% year-on-year. The profit from operating activities reported by the segment increased 28% year-on-year to USD 54.7 million with the operating profit margin growing 2pp year-on-year to 14%.

Grain

Revenue from the grain segment amounted to USD 69.4 million in the fourth quarter of financial year 2012, a 20% increase year-on-year from USD 57.8 million in the fourth quarter of financial year 2011. Higher sales were driven primarily by volume as there were no trade barriers in Q4 FY2012 versus Q4 FY2011 when quotas had been implemented for two months. As a result, the operating profit margin declined to its normal healthy level of 8.5% as the gap between domestic and international prices contracted. Operating profit stood at USD 5.9 million in Q4 FY2012, down 23% year-on-year from USD 7.6 million in Q4 FY2011.

Bottled Oil

Total revenue from the bottled oil segment stood at USD 35.0 million in the fourth quarter of financial year 2012 versus USD 47.3 million in the fourth quarter of financial year 2011. The 26% decrease was largely attributed to lower volumes on abnormally high sales in Q4 FY2011 during which the government lifted price caps for bottled oil producers, which resulted in accelerated sales. The sales price of bottled oil grew 3% year-on-year in Q4 FY2012. The profit from operating activities stood at USD 5.3 million in Q4 FY2012 versus USD 9.8 million in Q4 FY2011, with an operating margin of 15% in Q4 FY2012 versus an abnormally high 21% a year ago.

Silo Services

The silo services segment reported USD 7.0 million in total revenue in Q4 FY2012 versus USD 3.4 million in Q4 FY2011. The twofold increase year-on-year was primarily due to a bumper harvest last season as well as unusually high carry-over stocks of wheat at the end of financial year 2012. The profit from operating activities, seasonally low in the fourth quarter, remained at USD 0.6 million in Q4 FY2012 versus USD 0.2 million in Q4 FY2011.

Export Terminals

The export terminal segment delivered USD 7.7 million in total revenue in Q4 FY2012 versus USD 4.4 million in Q4 FY2011. While volumes were flat year-on-year, an increase in the transshipment fee contributed to the 77% revenue growth year-on-year as well as the improvement of the operating profit margin which remained at 39% in quarter under review. The profit from operating activities has grown to USD 3.0 million in Q4 FY2012 versus USD 0.8 million in Q4 FY2011.

Farming

The farming segment reported USD 53.4 million in total revenue in Q4 FY2012, which includes USD 43.2 million intra-group sales of sugar beets that were expensed together with the execution of the sugar contract with the State Agricultural Reserve Fund posted during the quarter under review. The profit for operating activities from the farming segment stood at USD 57.6 million in Q4 FY2012 versus USD 16.4 million in Q4 FY2011. As usual for the fourth quarter of the financial year, most of the operating profit is attributed to the revaluation of biological assets stemming from the recognition of the 2012 crop as required by IAS 41. A threefold increase year-on-year was due to the comparable increase in the consolidated landbank on the company`s balance sheet.

Sugar

During the fourth quarter of financial year 2012, the sugar segment contributed USD 71.0 million to total revenue, primarily reflecting the execution of the sugar sales contract with the State Agricultural Reserve Fund during the quarter under review. The operating profit stood at USD 13.0 million in Q4 FY2012.

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Selected Financial Data
for 3 months ended 30 June 2012

(in thousands unless otherwise stated)		Thousand USD		Thousand PLN		Thousand EUR	
		2012	2011	**2012**	2011	**2012**	2011
I.	Revenue	**584,417**	471,269	**1,940,408**	1,295,511	**455,769**	327,180
II.	Profit from operating activities	**94,620**	70,199	**314,162**	192,976	**73,791**	48,736
III.	Profit before income tax	**68,577**	56,749	**227,693**	156,002	**53,481**	39,398
IV.	Net profit	**72,531**	62,160	**240,821**	170,877	**56,565**	43,155
V.	Net cash obtained from operating activities	**126,856**	268,863	**421,193**	739,100	**98,931**	186,659
VI.	Net cash used in investing activity	**(48,109)**	(104,131)	**(159,734)**	(286,254)	**(37,519)**	(72,293)
VII.	Net cash used in financing activity	**(119,200)**	(100,504)	**(395,773)**	(276,284)	**(92,960)**	(69,776)
VIII.	Total net cash flow	**(40,453)**	64,228	**(134,314)**	176,562	**(31,548)**	44,590
IX.	Total assets	**2,100,487**	1,561,886	**7,117,500**	4,297,842	**1,670,265**	1,078,072
X.	Current liabilities	**434,015**	394,990	**1,470,660**	1,086,894	**345,120**	272,637
XI.	Non-current liabilities	**440,806**	169,606	**1,493,671**	466,705	**350,520**	117,068
XII.	Issued capital	**2,104**	1,945	**7,129**	5,352	**1,673**	1,343
XIII.	Total equity	**1,225,666**	997,290	**4,153,169**	2,744,243	**974,625**	688,367
XIV.	Weighted average number of shares	**79,683,410**	74,684,398	**79,683,410**	74,684,398	**79,683,410**	74,684,398
XV.	Profit per ordinary share (in USD/PLN/EUR)	**0.94**	0.79	**3.11**	2.17	**0.73**	0.55
XVI.	Diluted number of shares	**80,034,693**	79,604,897	**80,034,693**	79,604,897	**80,034,693**	79,604,897
XVII.	Diluted profit per ordinary share (in USD/PLN/EUR)	**0.93**	0.78	**3.10**	2.15	**0.73**	0.54
XVIII.	Book value per share (in USD/PLN/EUR)	**15.01**	13.01	**50.85**	35.80	**11.93**	8.98
XIX.	Diluted book value per share (in USD/PLN/EUR)	**14.94**	12.86	**50.63**	35.38	**11.88**	8.87

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

Condensed Consolidated Statement of Financial Position

(in US dollars and in thousands unless otherwise stated)	Notes	As of 30 June 2012 unaudited	As of 31 March 2012 unaudited	As of 31 December 2011 reviewed	As of 30 June 2011 audited
ASSETS					
Current assets					
Cash		**82,529**	91,857	129,769	115,897
Trade accounts receivable, net		**143,458**	186,894	116,051	111,586
Prepayments to suppliers and other current assets, net		**117,867**	136,647	122,681	81,334
Taxes recoverable and prepaid, net		**238,294**	252,099	235,007	221,274
Inventory		**404,950**	588,567	561,271	183,668
Biological assets		**155,163**	19,186	15,795	95,961
Total current assets		**1,142,261**	**1,275,250**	**1,180,574**	**809,720**
Non-current assets					
Property, plant and equipment, net	5	**721,992**	680,782	678,173	502,752
Intangible assets, net		**88,697**	80,289	81,407	65,563
Goodwill		**133,837**	131,742	131,739	85,989
Other non-current assets		**13,700**	75,204	122,007	97,862
Total non-current assets		**958,226**	**968,017**	**1,013,326**	**752,166**
Total assets		**2,100,487**	**2,243,267**	**2,193,900**	**1,561,886**
LIABILITIES AND EQUITY					
Current liabilities					
Trade accounts payable		**26,498**	52,761	43,046	27,055
Advances from customers and other current liabilities		**139,742**	168,588	247,100	102,029
Short-term borrowings	6	**169,153**	439,918	383,611	234,514
Current portion of long-term borrowings	7	**98,622**	76,524	67,308	31,392
Total current liabilities		**434,015**	**737,791**	**741,065**	**394,990**
Non-current liabilities					
Long-term borrowings	7	**414,238**	275,637	269,250	152,684
Obligations under finance lease		**15,134**	14,776	9,921	3,373
Deferred tax liabilities	8	**7,629**	16,474	14,367	13,396
Other non-current liabilities		**3,805**	5,448	4,887	153
Total non-current liabilities		**440,806**	**312,335**	**298,425**	**169,606**
Equity attributable to Kernel Holding S.A. equity holders					
Issued capital		**2,104**	2,104	2,104	1,945
Share premium reserve		**463,879**	463,879	463,879	321,556
Subscribed capital		**-**	-	-	137,354
Additional paid-in capital		**39,944**	39,944	39,944	39,944
Equity-settled employee benefits reserve		**1,352**	-	-	-
Revaluation reserve		**15,049**	15,049	15,049	15,049
Translation reserve		**(158,196)**	(155,367)	(159,305)	(162,152)
Retained earnings		**831,683**	756,963	719,770	617,878
Total equity attributable to Kernel Holding S.A. equity holders		**1,195,815**	**1,122,572**	**1,081,441**	**971,574**
Non-controlling interest		**29,851**	70,569	72,969	25,716
Total equity		**1,225,666**	**1,193,141**	**1,154,410**	**997,290**
Total liabilities and equity		**2,100,487**	**2,243,267**	**2,193,900**	**1,561,886**
Book value		**1,195,815**	1,122,572	1,081,441	971,574
Weighted average number of shares		**79,683,410**	79,683,410	78,599,820	74,684,398
Book value per share (in USD)		**15.01**	14.09	13.76	13.01
Diluted number of shares		**80,034,693**	80,062,915	79,027,854	75,572,177
Diluted book value per share (in USD)		**14.94**	14.02	13.68	12.86

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

Condensed Consolidated Income Statement

(in US dollars and in thousands unless otherwise stated)	Notes	**3 months ended 30 June 2012 unaudited**	**12 months ended 30 June 2012 unaudited**	3 months ended 30 June 2011 unaudited	12 months ended 30 June 2011 audited
Revenue		**584,417**	**2,169,246**	471,269	1,899,118
Cost of sales		**(458,889)**	**(1,711,150)**	(366,975)	(1,439,591)
Gross profit		**125,528**	**458,096**	**104,294**	**459,527**
Other operating income		**47,025**	**69,288**	16,248	26,192
OPERATING EXPENSES					
Distribution costs		**(58,461)**	**(206,627)**	(36,406)	(170,281)
General and administrative expenses		**(19,472)**	**(64,984)**	(13,937)	(38,170)
Profit from operating activities		**94,620**	**255,773**	**70,199**	**277,268**
Finance costs, net		**(20,669)**	**(65,360)**	(8,128)	(42,452)
Foreign exchange (loss)/gain, net		**(4,165)**	**5,474**	(758)	1,723
Other expenses, net		**(1,209)**	**(1,510)**	(4,564)	(28,121)
Profit before income tax		**68,577**	**194,377**	**56,749**	**208,418**
Income tax benefit	8	**3,954**	**4,179**	5,411	17,629
Net profit		**72,531**	**198,556**	**62,160**	**226,047**
NET PROFIT/(LOSS) ATTRIBUTABLE TO:					
Equity holders of Kernel Holding S.A.		**74,720**	**213,805**	62,171	226,272
Non-controlling interest		**(2,189)**	**(15,249)**	(11)	(225)
Weighted average number of shares		**79,683,410**	**79,683,410**	78,834,410	74,684,398
Profit per ordinary share (in USD)		**0.94**	**2.68**	0.79	3.03
Diluted number of shares		**80,034,693**	**79,537,486**	79,604,897	75,572,177
Diluted profit per ordinary share (in USD)		**0.93**	**2.69**	0.78	2.99

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

Condensed Consolidated Statement of Comprehensive Income

(in US dollars and in thousands unless otherwise stated)	3 months ended 30 June 2012 unaudited	12 months ended 30 June 2012 unaudited	3 months ended 30 June 2011 unaudited	12 months ended 30 June 2011 audited
Net profit	**72,531**	**198,556**	**62,160**	**226,047**
OTHER COMPREHENSIVE INCOME/(LOSS)				
Exchange differences on translating foreign operations	**(3,133)**	**3,974**	(451)	(1,273)
Income tax related to components of other comprehensive income	-	-	-	3,789
Other comprehensive (loss)/income, net	**(3,133)**	**3,974**	**(451)**	**2,516**
Total comprehensive income	**69,398**	**202,530**	**61,709**	**228,563**
TOTAL COMPREHENSIVE INCOME /(LOSS) ATTRIBUTABLE TO:				
Equity holders of Kernel Holding S.A.	**71,891**	**217,761**	61,453	228,531
Non-controlling interest	**(2,493)**	**(15,231)**	256	32

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

Condensed Consolidated Statement of Changes in Equity

(in US dollars and in thousands unless otherwise stated)	Attributable to Kernel Holding S.A. shareholders										
	Issued capital	Share premium reserve	Sub-scribed capital	Additional paid in capital	Equity-settled employee benefits reserve	Re-valuation reserve	Translation reserve	Retained earnings	**Total**	Non-controlling interest	**Total equity**
Balance as of 30 June 2011 (audited)	**1,945**	**321,556**	**137,354**	**39,944**	**-**	**15,049**	**(162,152)**	**617,878**	**971,574**	**25,716**	**997,290**
Profit/(loss) for the period	-	-	-	-	-	-	-	32,891	**32,891**	(911)	**31,980**
Other comprehensive income	-	-	-	-	-	-	763	-	**763**	63	**826**
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	**763**	**32,891**	**33,654**	**(848)**	**32,806**
Effect of changes of non-controlling interest	-	-	-	-	-	-	-	-	-	7,605	**7,605**
Subscribed capital	-	-	(137,354)	-	-	-	-	-	**(137,354)**	-	**(137,354)**
Increase of share capital	159	145,126	-	-	-	-	-	-	**145,285**	-	**145,285**
Issued capital expenses	-	(2,803)	-	-	-	-	-	-	**(2,803)**	-	**(2,803)**
Balance as of 30 September 2011 (unaudited)	**2,104**	**463,879**	**-**	**39,944**	**-**	**15,049**	**(161,389)**	**650,769**	**1,010,356**	**32,473**	**1,042,829**
Profit/(loss) for the period	-	-	-	-	-	-	-	69,001	**69,001**	(8,754)	**60,247**
Other comprehensive income/(loss)	-	-	-	-	-	-	2,084	-	**2,084**	(6)	**2,078**
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	**2,084**	**69,001**	**71,085**	**(8,760)**	**62,325**
Effect of changes of non-controlling interest	-	-	-	-	-	-	-	-	-	49,256	**49,256**
Balance as of 31 December 2011 (reviewed)	**2,104**	**463,879**	**-**	**39,944**	**-**	**15,049**	**(159,305)**	**719,770**	**1,081,441**	**72,969**	**1,154,410**
Profit/(loss) for the period	-	-	-	-	-	-	-	37,193	37,193	(3,395)	**33,798**
Other comprehensive income	-	-	-	-		-	3,938	-	**3,938**	265	**4,203**
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	**3,938**	**37,193**	**41,131**	**(3,130)**	**38,001**
Effect of changes of non-controlling interest	-	-	-	-	-	-	-	-	**-**	730	**730**
Balance as of 31 March 2012 (unaudited)	**2,104**	**463,879**	**-**	**39,944**	**-**	**15,049**	**(155,367)**	**756,963**	**1,122,572**	**70,569**	**1,193,141**
Profit/(loss) for the period	-	-	-	-	-	-	-	74,720	**74,720**	(2,189)	**72,531**
Other comprehensive (loss)/income	-	-	-	-	-	-	(2,829)	-	**(2,829)**	(304)	**(3,133)**
Total comprehensive (loss)/income for the period	-	-	-	-	-	-	**(2,829)**	**74,720**	**71,891**	**(2,493)**	**69,398**
Effect of changes of non-controlling interest	-	-	-	-	-	-	-	-	**-**	(38,225)	**(38,225)**
Recognition of share-based payments	**-**	**-**	**-**	**-**	**1,352**	**-**	**-**	**-**	**1,352**	**-**	**1,352**
Balance as of 30 June 2012 (unaudited)	**2,104**	**463,879**	**-**	**39,944**	**1,352**	**15,049**	**(158,196)**	**831,683**	**1,195,815**	**29,851**	**1,225,666**

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

Condensed Consolidated Statement of Cash Flows

(in US dollars and in thousands unless otherwise stated)	3 months ended 30 June 2012 unaudited	12 months ended 30 June 2012 unaudited	3 months ended 30 June 2011 unaudited	12 months ended 30 June 2011 audited
OPERATING ACTIVITIES:				
Profit before income tax	68,577	194,377	56,749	208,418
Adjustments to reconcile profit before income tax to net cash used in operating activities:				
Amortisation and depreciation	18,816	68,827	7,962	32,361
Finance costs, net	20,669	65,360	8,128	42,452
Bad debt expenses and other accruals	1,340	6,938	1,954	2,244
Loss/(gain) on disposal of property, plant and equipment	171	(1,056)	4,954	4,601
Non-operating foreign exchange loss	1,616	4,004	996	1,892
Write offs and impairment loss	621	621	-	-
Gain from changes in fair value of biological assets	(35,854)	(39,019)	(16,290)	(16,290)
Gain on sales of equity investments	(935)	(1,224)	-	(495)
Gain on acquisition of subsidiaries	-	(9,006)	-	-
Operating profit before working capital changes	75,021	289,822	64,453	275,183
Changes in working capital:				
Decrease/(increase) in trade accounts receivable	63,048	(6,382)	(802)	(52,080)
Decrease/(increase) in prepayments and other current assets	26,415	(24,531)	(17,286)	18,925
(Increase)/decrease in restricted cash balance	(31,125)	(31,870)	13,381	1,720
Increase in trading securities	-	-	(119,598)	-
Decrease/(increase) in taxes recoverable and prepaid	15,759	(10,528)	177,841	(1,371)
(Increase)/decrease in biological assets	(114,654)	(16,110)	(15,684)	3,292
Decrease/(increase) in inventories	184,431	(200,618)	216,216	(24,889)
(Decrease)/increase in trade accounts payable	(38,959)	(23,694)	(18,574)	4,830
Decrease in advances from customers and other current liabilities	(33,310)	(21,300)	(27,694)	(130,536)
Cash obtained/(used in) operations	146,626	(45,211)	272,253	95,074
Finance costs paid	(17,712)	(59,172)	(1,650)	(35,974)
Income tax paid	(2,058)	(4,606)	(1,740)	(2,953)
Net cash obtained/(used in) from operating activities	126,856	(108,989)	268,863	56,147
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment	(301)	(53,701)	(27,506)	(50,272)
Proceeds from disposal of property, plant and equipment	165	575	842	2,174
(Purchase)/sales of intangible and other non-current assets	(47,973)	4,591	(65,985)	(66,485)
Acquisition of Subsidiaries	-	(131,019)	(11,482)	(11,482)
Disposal of Subsidiaries	-	3,315	-	-
Net cash used in investing activities	(48,109)	(176,239)	(104,131)	(126,065)
FINANCING ACTIVITIES:				
Proceeds from short-term and long-term borrowings	393,235	2,894,639	247,797	2,258,100
Repayment of short-term and long-term borrowings	(512,714)	(2,679,874)	(484,685)	(2,275,730)
Proceeds from share capital increase	-	-	-	12
Proceeds from share premium reserve increase	-	4,969	-	3,815
Issued capital	-	159	-	-
Proceeds from subscribed capital	-	-	137,354	137,354
Net cash (used in)/provided by financing activities	(119,479)	219,893	(99,534)	123,551
Translation adjustment	279	97	(970)	(1,214)
Net (decrease)/increase in cash and cash equivalents	(40,453)	(65,238)	64,228	52,419
Cash at the beginning of the period	85,396	110,181	45,953	57,762
Cash at the end of the period	44,943	44,943	110,181	110,181

On behalf of the Board

Andrey Verevskiy
Chairman of the Board

Anastasiia Usachova
Chief Financial Officer

1. Key Data by Operating Segment

Key data by operating segment for 3 months ended 30 June 2012:

(in US dollars and in thousands unless otherwise stated)	Bottled sunflower oil	Sunflower oil in bulk	Export terminals	Farming	Grain	Silo services	Sugar	Other	Re-conciliation	**Continuing operations**
Revenue (external)	35,018	388,184	933	10,184	69,390	9,716	70,992	-	-	**584,417**
Intersegment sales	-	-	6,784	43,219	-	(2,681)	-	-	(47,322)	**-**
Total revenue	**35,018**	**388,184**	**7,717**	**53,403**	**69,390**	**7,035**	**70,992**	**-**	**(47,322)**	**584,417**
Other operating income	-	3,998	13	44,711	(1,808)	109	2	-	-	**47,025**
Profit from operating activities	**5,277**	**54,678**	**3,000**	**57,565**	**5,924**	**594**	**13,007**	**(45,425)**	**-**	**94,620**
Finance costs, net										**(20,669)**
Foreign exchange gain, net										**(4,165)**
Other expenses, net										**(1,209)**
Profit before income tax										**68,577**
Income tax benefit										**3,954**
Net profit										**72,531**
Total assets	**115,468**	**956,254**	**111,810**	**368,701**	**208,330**	**154,981**	**164,461**	**20,482**		**2,100,487**
Capital expenditures	1,954	19,183	53	1,404	342	31,551	688	2,426	-	**57,601**
Amortisation and depreciation	956	4,511	885	7,807	-	125	752	3,780	-	**18,816**
Liabilities	31,279	25,516	4,675	23,771	11,775	28,354	24,993	724,458	-	**874,821**

During the 3 months ended 30 June 2012, two of the Group's external customers accounted for more than 10% of total external revenue.
During the 3 months ended 30 June 2012, export sales amounted to 88% of total external revenue.

The Group operates in two principal geographical areas Ukraine and Russia. The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from external customers	Non-current assets
	3 months ended 30 June 2012 unaudited	As of 30 June 2012 unaudited
Ukraine	**534,362**	912,441
Russia	**50,055**	45,785
Total	**584,417**	958,226

Key data by operating segment for 3 months ended 30 June 2011:

(in US dollars and in thousands unless otherwise stated)	Bottled sunflower oil	Sunflower oil in bulk	Export terminals	Farming	Grain	Silo services	Sugar	Other	Re-conciliation	**Continuing operations**
Revenue (external)	47,299	363,374	614	967	57,834	1,181	-	-	-	**471,269**
Intersegment sales	-	-	3,752	1,622	-	2,187	-	-	(7,561)	**-**
Total revenue	**47,299**	**363,374**	**4,366**	**2,589**	**57,834**	**3,368**	**-**	**-**	(7,561)	**471,269**
Other operating income	-	(774)	-	16,423	-	599	-	-	-	**16,248**
Profit from operating activities	**9,806**	**42,763**	**808**	**16,440**	**7,648**	**210**	**-**	**(7,476)**	**-**	**70,199**
Finance costs, net										**(8,128)**
Foreign exchange gain, net										**(758)**
Other expenses, net										**(4,564)**
Profit before income tax										**56,749**
Income tax benefit										**5,411**
Net profit										**62,160**
Total assets	**75,324**	**600,758**	**110,045**	**262,250**	**175,807**	**99,674**	**88,615**	**149,413**	**-**	**1,561,886**
Capital expenditures	119	58	-	13,819	37	3,701	516	1,459	-	**19,709**
Amortisation and depreciation	563	2,487	888	2,311	74	1,158	-	481	-	**7,962**
Liabilities	2,443	18,898	2,542	40,212	8,615	6,596	34,110	451,180	-	**564,596**

During the 3 months ended 30 June 2011 two of the Group's external customers accounted for more than 10% of total external revenue.
During the 3 months ended 30 June 2011 export sales amounted to 85% of total external revenue.

2. Nature of the Business

Kernel Holding S.A. (hereinafter referred to as the 'Holding') incorporated under the legislation of Luxembourg on 15 June 2005 (number B-109 173 at the Luxembourg Register of Companies) is the holding company for a group of entities (hereinafter referred to as the 'Subsidiaries'), which together form the Kernel Group (hereinafter referred to as the 'Group').

The primary activity of the Group is related to the production and sale of bottled sunflower oil, the production and subsequent export of bulk sunflower oil and meal, the production and sale of sugar, the wholesale trade of grain (mainly wheat, barley and corn), farming, and the provision of logistics and transhipment services.
The majority of the Group's operations are located in Ukraine. The Group's financial year runs from 1 July to 30 June.
The principal operating office of the Group is located at: 92-94 Dmitrievskaya str., 01135 Kyiv, Ukraine.
As of 30 June 2012, 31 March 2012, and 30 June 2011, the structure of the Group and principal activities of the Subsidiaries consolidated by the Holding were as follows:

			Group's effective ownership interest as of		
Subsidiary	Principal activity	Country of incorporation	30 June 2012	31 March 2012	30 June 2011
Kernel-Capital LLC	Holding companies.	Ukraine	100%	100%	100%
Group Management LLC		Ukraine	100%	100%	100%
Etrecom Investments LLC		Cyprus	100%	100%	100%
Corolex Public Co. Limited		Cyprus	100%	100%	100%
Grain Trading Company Corolex-Ukraine' CJSC		Ukraine	100%	100%	100%
Ukragrobiznes LLC		Ukraine	100%	100%	100%
Jerste BV		Netherlands	100%	100%	100%
BREA Commodities Limited		Cyprus	100%	100%	N/A
Hamalex Developments Ltd.		Cyprus	100%	100%	100%
Chorex Developments Limited		Cyprus	100%	100%	100%
Tsukrovy Soyuz Ukrros OJSC		Ukraine	71.3%	71.3%	71.3%
Sugar Holding Limited		Cyprus	100%	100%	100%
Eastern Agro Investments Ltd		Cyprus	100%	100%	N/A
Enselco LLC		Ukraine	100%	100%	N/A
Enselco Agroholding LLC		Ukraine	100%	100%	N/A
Nyva Agroholding LLC		Ukraine	100%	100%	N/A
Inter-Agro Capital LLC		Ukraine	100%	N/A	N/A
Inerco Trade S.A.	Trading in sunflower oil, meal and grain.	Switzerland	100%	100%	100%
Restomon S.A.		British Virgin Islands	100%	100%	100%
Lanen S.A.		Panama	100%	100%	100%
Grain Trading Company LLC		Ukraine	100%	100%	100%
Kernel-Trade LLC		Ukraine	100%	100%	100%
Trade Company Russian Oil LLC		Russia	100%	100%	N/A
Poltava oil-crushing plant Kernel Group PJS	Production plants. Production of sunflower oil and meal.	Ukraine	99.7%	99.7%	99.7%
Bandurskiy oil-crushing plant LLC		Ukraine	100%	100%	100%
Vovchansky OEP PJSC		Ukraine	99.4%	99.4%	99.4%
Prykolotnjansky OEP LLC		Ukraine	100%	100%	100%
Kirovogradoliya JSC		Ukraine	99.2%	99.2%	99.2%
Ekotrans LLC		Ukraine	100%	100%	100%
Ukrainian Black Sea Industry LLC		Ukraine	100%	100%	N/A
Stavropol oil OJSC		Russia	100%	100%	N/A
Nevinnomissky oil-crushing plant CJSC		Russia	100%	100%	N/A
Production Management LLC		Russia	100%	100%	N/A
Ust-Labinsky EMEK Florentina CJSC		Russia	100%	100%	N/A
Transbulkterminal LLC	Provision of grain, oil and meal handling and transhipment services.	Ukraine	100%	100%	100%
Estron Corporation Ltd.		Cyprus	100%	100%	100%
Oiltransterminal LLC		Ukraine	100%	100%	100%
Veselynivske ZPP LLC	Grain elevators. Provision of grain and oilseed cleaning, drying and storage services.	Ukraine	71.3%	71.3%	71.3%
Reshetylivky Elevator LLC		Ukraine	0% (1)	0% (1)	100%
Gulyaypolsky Elevator LLC		Ukraine	71.3%	71.3%	71.3%
Vesnianskyi elevator LLC		Ukraine	100%	100%	N/A
Mirgorodsky Elevator LLC		Ukraine	100%	100%	100%
Sluch Agro LLC		Ukraine	100%	100%	N/A
Globynsky Elevator HP LLC		Ukraine	0%(2)	0%(2)	100%
Skifiya-Zernotrade LLC		Ukraine	0%(3)	0%(3)	100%
Poltavske Khlibopriemalne Pidpriemstvo PJSC		Ukraine	88.2%	88.2%	88.2%
Elevator – 'Grain Trading Company', LLC		Ukraine	0%(4)	0%(4)	100%

(1) Merged with Kononivsky Elevator LLC on 24 January 2012
(2) Disposed of on 01 February 2012
(3) Disposed of on 03 August 2011
(4) Disposed of on 23 November 2011

2. Nature of the Business (continued)

Subsidiary	Principal activity	Country of incorporation	Group's effective ownership interest as of 30 June 2012	31 March 2012	30 June 2011
Gogoleve-Agro LLC	Grain elevators. Provision of grain and oilseed cleaning, drying and storage services.	Ukraine	0%[(5)]	0%[(5)]	100%
Karlivka-Agro LLC		Ukraine	100%	100%	100%
Trykratskiy GPC JSC		Ukraine	0%[(6)]	0%[(6)]	97.7%
Kononivsky Elevator LLC		Ukraine	100%	100%	100%
Semenivski Elevator LLC		Ukraine	100%	100%	100%
Kobelyaky Hliboproduct LLC		Ukraine	0%[(7)]	0%[(7)]	100%
Velykoburlutske HPP LLC		Ukraine	0%[(8)]	0%[(8)]	100%
Gutnansky Elevator LLC		Ukraine	100%	100%	100%
Lykhachivsky KHP LLC		Ukraine	100%	100%	100%
Shevchenkisky KHP LLC		Ukraine	0%[(9)]	0%[(9)]	100%
Kovyagivske KHP LLC		Ukraine	100%	100%	100%
Viktorovsky Elevator LLC		Ukraine	0% [(10)]	100%	100%
Juridical company Decort LLC		Ukraine	**100%**	N/A	N/A
LLC Trading House Inter-Agro Ltd		Ukraine	100%	N/A	N/A
Poltavaavtotransservis LLC	Trucking company.	Ukraine	100%	100%	100%
MTE-2004 LLC		Ukraine	100%	100%	100%
Chortkivsky tsukrovy zavod LLC	Production plants. Production of sugar.	Ukraine	73.8%	73.8%	73.8%
Tsukrove LLC		Ukraine	71.3%	71.3%	71.3%
Palmirsky Tsukrovy Zavod LLC		Ukraine	72.7%	72.7%	72.7%
Orzhytsky Tsukrovy Zavod LLC		Ukraine	73.4%	73.4%	76.2%
Agroservis LLC	Agricultural farms. Cultivation of agricultural products: corn, wheat, sunflower seeds, barley, soya beans and sugar beets.	Ukraine	100%	100%	100%
Zernoservis LLC		Ukraine	100%	100%	100%
Unigrain-Agro (Globyno) LLC		Ukraine	100%	100%	100%
Unigrain-Agro (Semenivka) LLC		Ukraine	100%	100%	100%
Mrija-Agro LLC		Ukraine	0% [(11)]	100%	100%
Lozivske HPP PJSC		Ukraine	100%	100%	100%
Krasnopavlivsky KHP PJSC		Ukraine	100%	100%	100%
Agrofirma Arshytsya LLC		Ukraine	100%	100%	100%
Agrotera-Kolos LLC		Ukraine	0% [(12)]	100%	100%
Chorna Kamyanka LLC		Ukraine	100%	100%	100%
Govtva LLC		Ukraine	100%	100%	100%
Perebudova PRAC		Ukraine	100%	100%	100%
Manzhurka LLC		Ukraine	100%	100%	100%
Krutenke LLC		Ukraine	100%	100%	100%
Promin LLC		Ukraine	100%	100%	100%
Brovarky PRAC		Ukraine	100%	100%	100%
PRAC by the name of Shorsa		Ukraine	100%	100%	100%
Troyanske LLC		Ukraine	100%	100%	100%
Zorya LLC		Ukraine	100%	100%	100%
Hliborob LLC		Ukraine	100%	100%	100%
AC by the name of T. Shevchenko		Ukraine	100%	100%	100%
Druzhba PRAC		Ukraine	100%	100%	100%
Agrofirma Chkalova LLC		Ukraine	100%	100%	100%
Agrofirma Vitchyzna LLC		Ukraine	100%	100%	100%
Agrofirma Vesna LLC		Ukraine	0% [(13)]	100%	1%
Osiyivske LLC		Ukraine	100%	100%	100%
Agrofirma Kuybyshevo LLC		Ukraine	52.5%	52.6%	76.2%
Povstynagroalyans LLC		Ukraine	71.3%	71.3%	71.1%
Ulyanivske LLC		Ukraine	73.4%	73.5%	76.2%
Palmira LLC		Ukraine	81.5%	81.5%	81.5%

(5) Merged with Myrgporodsky Elevator LLC on 06 September 2011
(6) Disposed of on 25 December 2011
(7) Disposed of on 24 January 2012
(8) Merged with Gutnansky Elevator LLC on 19 December 2011
(9) Disposed of on 23 March 2012
(10) Merged with Kononivsky Elevator LLC on 21 May 2012.
(11) Merged with Govtva LLC on 25 June 2012.
(12) Merged with Chorna Kamyanka LLC on 26 Maj 2012.
(13) Merged with Hliborob LLC on 25 Maj 2012.

2. Nature of the Business (continued)

Subsidiary	Principal activity	Country of incorporation	Group's effective ownership interest as of 30 June 2012	31 march 2012	30 June 2011
Cherkasky OJSC	Agricultural farms. Cultivation of agricultural products: corn, wheat, sunflower seeds, barley, soya beans and sugar beets.	Ukraine	53.0%	53.0%	53.0%
Agrofirma Zorya LLC		Ukraine	64.1%	64.1%	64.1%
Agrarny dim im. Gorkogo LLC		Ukraine	71.5%	71.5%	71.5%
Agrarny dim CJSC		Ukraine	35.8%	35.8%	35.8%
Druzhba LLC		Ukraine	71.3%	71.3%	71.3%
Agropolis LLC		Ukraine	71.6%	71.6%	71.6%
Enselco Agro		Ukraine	100%	100%	N/A
Nyva Berezneguvate LLC		Ukraine	100%	100%	N/A
Nyva Vesnyane		Ukraine	100%	100%	N/A
Subsidiary "Ensel PE		Ukraine	100%	100%	N/A
Agro Inter Sluch LLC		Ukraine	100%	100%	N/A
Private leased firm "Zlagoda		Ukraine	100%	100%	N/A
Private leased entity "Real		Ukraine	100%	100%	N/A
PE Getman		Ukraine	100%	100%	N/A
PE Olymp		Ukraine	100%	100%	N/A
Zhayvir		Ukraine	100%	100%	N/A
PE Ladygi		Ukraine	100%	100%	N/A
Chamatskiy Shlyakh		Ukraine	100%	100%	N/A
Matushevski farm		Ukraine	100%	100%	N/A
Krymashevskiy O.M. &C farm		Ukraine	100%	100%	N/A
Agro Ukraine LLC		Ukraine	100%	100%	N/A
Agro Skhid LLC		Ukraine	100%	100%	N/A
Private agro entity Agrarnyk		Ukraine	100%	100%	N/A
Zolota Nyva LLC		Ukraine	100%	100%	N/A
Troyanda Podillya LLC		Ukraine	0%(14)	100%	N/A
Mriya LLC		Ukraine	100%	N/A	N/A
LLC by the name of Shorsa		Ukraine	100%	N/A	N/A
Lazirky LLC		Ukraine	100%	N/A	N/A
Denysivske LLC		Ukraine	100%	N/A	N/A
Savyntsi LLC		Ukraine	100%	N/A	N/A
Smotrysivske LLC		Ukraine	100%	N/A	N/A
Agrocompany Zorya LLC		Ukraine	100%	N/A	N/A
Garant 5 LLC		Ukraine	100%	N/A	N/A
Chernyakhivske LLC		Ukraine	100%	N/A	N/A
Ukraina LLC		Ukraine	100%	N/A	N/A
Agrocompany Ukrkhlibdar LLC		Ukraine	100%	N/A	N/A
Agrocompany Vorskla LLC		Ukraine	100%	N/A	N/A
Agro BTK LLC		Ukraine	100%	N/A	N/A
Agrosvit LLC		Ukraine	100%	N/A	N/A
Phoenyx LLC		Ukraine	100%	N/A	N/A
PRAC Nadiya		Ukraine	100%	N/A	N/A
PRAC Kolos		Ukraine	100%	N/A	N/A
PRAC Vitchyzna		Ukraine	100%	N/A	N/A
Urozhai ALLC		Ukraine	100%	100%	N/A

These condensed consolidated financial statements were authorised for issue by the Board of Directors of Kernel Holding S.A. on 27 August 2012.

(14) 22 June 2012, the entity was liquidated

3. Change in Issued Capital

Since 15 June 2005, the holding company of the Group is Kernel Holding S.A. (Luxembourg) (the 'Holding'), whose issued capital as of 30 June 2012 consisted of 79,683,410 ordinary bearer shares without indication of a nominal value, provided 79,683,410 voting rights (as of 30 June 2011 – 73,674,410 shares).

The shares were distributed as follows:

	As of 30 June 2012		As of 30 June 2011	
Equity holders	Shares allotted and fully paid	Share owned	Shares allotted and fully paid	Share owned
Namsen LTD (limited company registered under the legislation of Cyprus (hereinafter the 'Major Equity holder')	**30,460,657**	**38.23%**	30,174,250	40.96%
Free-float	**49,222,753**	**61.77%**	43,500,160	59.04%
Total	**79,683,410**	**100.00%**	**73,674,410**	**100.00%**

As of 30 June 2012 and 2011, 100% of the beneficial interest in the 'Major Equity holder' was held by Verevskiy Andrey Mikhaylovich (hereinafter the 'Beneficial Owner').

In order to perform an initial public offering of the shares of the Group on the Warsaw Stock Exchange ('WSE'), the general meeting of shareholders resolved to split the existing shares of the Group at a split ratio of one to five thousand (1:5,000) and to consequently split the existing nine thousand three hundred and thirty-four (9,334) shares of the Group without indication of a nominal value into 46,670,000 (forty-six million six hundred and seventy thousand) shares of the Group without indication of a nominal value.

On 23 November 2007, the Holding was listed on the Warsaw Stock Exchange. The total size of the Offering was PLN 546,402,000, comprising 22,766,750 shares, of which 16,671,000 were newly issued shares.

On 27 June 2008, an additional 5,400,000 ordinary bearer shares of the Group were admitted to trading on the main market of the WSE.

On 3 June 2010, Kernel issued 4,450,000 new shares, thereby increasing the Group's share capital by USD 117,506.70, to a total amount of USD 1,932,681.54. Following the issuance of new shares, Kernel's share capital was divided into 73,191,000 shares without indication of a nominal value, giving right to 73,191,000 voting rights at the General Meeting of the Group.

On 5 January 2011, Kernel issued 483,410 new shares without indication of a nominal value. All of the newly issued shares were subscribed by a stock option beneficiary under the Management Incentive plan. The issue price of 1 share was PLN 24. As a result of the increase, the Company's share capital was increased by USD 12,764 and set at USD 1,945,446.46, divided into 73,674,410 shares without indication of a nominal value.

Luxembourg companies are required to allocate to the legal reserve a minimum of 5% of the annual net income until this reserve equals 10% of the subscribed issued capital. This reserve of an amount of USD 125,000 as of 31 December 2011, unchanged from 31 December 2010, may not be distributed as dividends.

On 30 March 2011, Kernel Holding S.A. announced its intention to issue approximately five million new ordinary shares of the Company through an offering to institutional investors ('the Offering'). The Offering was conducted through an accelerated book offering which, closed on 31 March 2011. The allocations to institutional investors were announced on 1 April 2011, whereby 5,400,000 ordinary shares were placed at a price of PLN 74 per share. The Offering raised gross proceeds of PLN 399.4 million for the Company. In order to ensure that allottees in the Offering could receive and trade their allocations immediately, Namsen Limited, a company controlled by Andrey Verevskiy, lent shares in Kernel for the purpose of the settlement of shares.
The respective capital increase was adopted on 21 July 2011 at the Extraordinary General Meeting of Kernel Holding S.A. Shareholders.

4. Basis of Presentation of Financial Statements and Summary of Significant Accounting Policies

These condensed consolidated financial statements for the 3 months ended 30 June 2012 have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting, and do not include all of the information and disclosures required in the annual financial statements.

The accounting policies and methods of computation adopted in the preparation of the condensed consolidated financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 30 June 2011.

Adoption of new and revised International Financial Reporting Standards – The following new and revised Standards and Interpretations have been adopted in the current year:

IAS 24 "Related Party Disclosures" (amendment) effective 1 January 2011
IFRIC 14 "Prepayments of a Minimum Funding Requirement" (amendment) effective 1 January 2011
IFRS 1 "First-time Adoption of International Financial Reporting Standards" (amendment) effective 1 July 2011
IFRS 7 "Financial instruments: Disclosures" (amendment) effective 1 July 2011

In the current period, the Group also adopted amendments to a number of Standards resulting from annual improvements to IFRS that are effective for annual periods beginning on or after 1 July 2011. Adoption of these amendments, as well as adoption of other Standards and Interpretations did not have any significant impact on the amounts reported in these condensed consolidated interim financial statements but may affect the accounting for future transactions and arrangements.

4. Basis of Presentation of Financial Statements and Summary of Significant Accounting Policies (continued)

The exchange rates used in preparation of these financial statements are as follows:

Currency	Closing rate as of 30 June 2012	Average rate for the 3 months ended 30 June 2012	Average rate for the 12 months ended 30 June 2012	Closing rate as of 30 June 2011	Average rate for the 3 months ended 30 June 2011	Average rate for the 12 months ended 30 June 2011
UAH/USD	**7.9925**	**7.9900**	**7.9831**	7.9723	7.9710	7.9368
USD/EUR	**0.7952**	**0.7799**	**0.7480**	0.6902	0.6943	0.7343
USD/PLN	**3.3885**	**3.3202**	**3.1899**	2.7517	2.7490	2.9163

Operating segments are reported in a manner consistent with the internal reporting as provided to the chief operating decision makers, including Management and the members of the Board of Directors of the Group, to allocate resources to each segment and for performance assessment.

Segments in the consolidated financial statements are defined in accordance with the type of activity, products sold, or services provided. The operating segments' activities are as follows:

Operating segments	Activities
Bottled sunflower oil	Production, refining, bottling, marketing and distribution of bottled sunflower oil.
Sunflower oil in bulk	Production and sales of sunflower oil in bulk (crude and refined) and meal.
Export terminals	Grain handling and transhipment services in the ports of Ilyichevsk and Nikolayev.
Farming	Agricultural farming. Production of wheat, barley, corn, soya bean, sunflower seed and sugar beets.
Grain	Sourcing and merchandising of wholesale grain.
Silo services	Provision of grain cleaning, drying and storage services.
Sugar	Production, marketing and distribution of sugar.

The measure of profit and loss and assets and liabilities is based on the Group Accounting Policies which are in compliance with the IFRS.

In the financial statements as of 30 June 2012, the segment table reflects continuing operations only.

The reconciliation eliminates intersegment items and reflects income and expenses that cannot be attributed to segments.

Segment data is calculated as follows:

- Intersegment sales reflect intergroup transactions effected on an arm's length basis.
- Capital expenditures, amortisation and depreciation related to property, plant and equipment and intangible assets are allocated to segments when possible.

Since financial management of Group companies is centralized, financial liabilities are not allocated directly to respective operating segments. Consequently, the liabilities shown for individual segments exclude financial liabilities.

The operating segments have different seasonality patterns.
Bottled oil and oil in bulk segments do not have pronounced seasonality in earnings, but are highly seasonal in terms of working capital requirements. The highest level of working capital is required in December – April, when the Group has significant raw material in storage.

The grain segment has the same seasonal requirements in working capital in December – April and the lowest revenues routinely in the fourth quarter of the Group's financial year (ending on 30 June).

The farming segment, in the first half of the Group's financial year due to seasonality and the implications of IAS 41, mainly reflects the sale of crops and the effects of the revaluation of agri produce carried forward, while financial performance during the second half of the financial year reflects the effects of the revaluation of biological assets and the sale of carried-forward agri produce.

The sugar segment is highly seasonal, as sugar plants normally operate during September – December processing sugar beets harvested in September-November. Higher revenue is typically expected in second half of financial year when carried forward sugar stock is gradually sold.

5. Property, Plant and Equipment, net

As of 30 June 2012, property, plant and equipment amounted to USD 664,774 thousand and CIP and uninstalled equipment amounted to 57,218 thousand (as of 30 June 2011: USD 481,510 thousand and USD 21,242 thousand, accordingly). During the 12 months ended 30 June 2012, additions from acquisition of Subsidiaries' property, plant and equipment amounted to USD 188,370 thousand (for the 12 months ended 30 June 2011: USD 112,407 thousand). Disposals for the 12 months ended 30 June 2012 of property, plant and equipment amounted to USD 2,307 thousand (for the 12 months ended 30 June 2011: USD 7,443 thousand).

Buildings and constructions (oil) and productions machinery are in process of revaluation whereas in accordance with estimated accounting policies of the Group following fixed assets should be valued at its fair value. The Group expects the completion of the revaluation of the assets up to the preparation of the annual report for the year ended 30 June 2012.

6. Short-term Borrowings

The balances of short-term borrowings were as follows:

	As of 30 June 2012	As of 30 June 2011
Bank credit lines	**163,000**	222,826
Interest accrued on short-term loans	**299**	10,656
Interest accrued on long-term loans	**5,854**	1,032
Total	**169,153**	**234,514**

The balances of short-term borrowings as of 30 June 2012 were as follows:

	Interest rate	Currency	Maturity	**Amount due**
European bank	Libor + 4.75%	USD	August 2012	**98,000**
Ukrainian subsidiary of European bank	Libor + 4.8%	USD	June 2013	**55,000**
Ukrainian subsidiary of European bank	Libor + 7.0%	USD	October 2012	**10,000**
Total bank credit lines				**163,000**
Interest accrued on short-term loans				**299**
Interest accrued on long-term loans				**5,854**
Total				**169,153**

The balances of short-term borrowings as of 30 June 2011 were as follows:

	Interest rate	Currency	Maturity	Amount due
Ukrainian subsidiary of European bank	Libor + 8.41%	USD	September 2011	30,682
Ukrainian bank	15%	UAH	September 2011	63,613
Ukrainian bank	20%	UAH	September 2011	8,780
Ukrainian bank	Euro Libor + 4.5%	EUR	September 2011	243
Ukrainian bank	6%	EUR	September 2011	144
Ukrainian bank	9%	USD	September 2011	10,078
European Bank	Libor + 5.3%	USD	August 2011	75,000
European Bank	7.95%	USD	September 2011	34,286
Total bank credit lines				**222,826**
Interest accrued on short-term loans				10,656
Interest accrued on long-term loans				1,032
Total				**234,514**

As of 30 June 2012, the overall maximum credit limit for short-term bank credit lines amounted to USD 1,000,000 thousand (as of 30 June 2011 USD 754,552 thousand).

6. Short-term Borrowings (continued)

Short-term loans from banks were secured as follows:

Assets pledged	As of 30 June 2012	As of 30 June 2011
Inventory	123,026	91,640
Property, plant and equipment	14,421	79,163
Controlling stakes in Subsidiaries	Not quantifiable	Not quantifiable
Total	137,447	170,803

In addition, controlling stakes in the following Subsidiaries were pledged to secure the short-term bank loans of the Group:

	As of 30 June 2012		As of 30 June 2011		
	Maturity	Share in the mortgage		Maturity	Share in the mortgage
Agroservis LLC	October 2012	100%	N/A	N/A	N/A
Zernoservis LLC	October 2012	100%			
Unigrain-Agro LLC	October 2012	100%			
Lozivske HPP PJSC	October 2012	100%			
Krasnopavlivsky KHP PJSC	October 2012	100%			
Agrofirma Arshytsya LLC	October 2012	100%			
Chorna Kamyanka LLC	October 2012	100%			
Govtva LLC	October 2012	100%			
Manzhurka LLC	October 2012	100%			
Promin LLC	October 2012	100%			
Brovarky PRAC	October 2012	100%			
Troyanske LLC	October 2012	100%			
Zorya LLC	October 2012	100%			
Druzhba PRAC	October 2012	100%			
Agrofirma Vesna LLC	October 2012	100%			

7. Long-term Borrowings

The balances of long-term borrowings were as follows:

	As of 30 June 2012	As of 30 June 2011
Long-term bank loans	512,860	184,076
Current portion of long-term borrowings	(98,622)	(31,392)
Total	414,238	152,684

The balances of long-term borrowings as of 30 June 2012 were as follows:

	Interest rate	Currency	Maturity	Amount due
European bank	Libor + 3.52%	USD	April 2015	21,721
European bank	Libor + 8.95%	USD	September 2013	100,000
European bank	Libor + 6.25%	USD	January 2015	100,000
European bank	Libor + 5.5%	USD	February 2016	102,600
Ukrainian bank	9%	USD	June 2016	94,000
Ukrainian subsidiary of European bank	Libor + 5.7%	USD	September 2013	6,464
Ukrainian subsidiary of European bank	Libor + 5%	USD	November 2013	17,925
Ukrainian subsidiary of European bank	Libor + 11.2%	USD	August 2015	6,250
Ukrainian subsidiary of European bank	Libor + 7%	USD	September 2013	50,000
Ukrainian subsidiary of US bank	Libor + 4.5%	USD	January 2017	13,900
Total				512,860

7. Long-term Borrowings (continued)

The balances of long-term borrowings as of 30 June 2011 were as follows:

	Interest rate	Currency	Maturity	Amount due
European bank	Libor + 3.52%	USD	April 2015	27,034
European bank	Libor + 6.75%	USD	September 2012	18,664
Ukrainian subsidiary of European bank	Libor + 5.7%	USD	September 2013	55,772
Ukrainian subsidiary of European bank	Libor + 5%	USD	November 2013	25,606
Ukrainian subsidiary of European bank	Libor + 11.2%	USD	August 2015	7,000
Ukrainian subsidiary of European bank	Libor + 7%	USD	September 2013	50,000
Total				184,076

Long-term loans as of 30 June 2012 include credit lines from banks with the overall maximum credit limit of USD 538,904 thousand (as of 30 June 2011: USD 228,956 thousand).

Long-term loans from banks were secured as follows:

Assets pledged	As of 30 June 2012	As of 30 June 2011
Property, plant and equipment	**414,026**	263,424
Intangible assets	**5,930**	5,945
Controlling stakes in Subsidiaries	**Not quantifiable**	Not quantifiable
Total	**419,956**	**269,369**

In addition, controlling stakes in the following Subsidiaries were pledged to secure the long-term bank loans of the Group:

As of 30 June 2012			As of 30 June 2011		
	Maturity	Share in the mortgage		Maturity	Share in the mortgage
Vovchansky OEP PJSC	**November 2013**	**100%**	Vovchansky OEP PJSC	November 2013	100%
Kirovogradoliya JSC	**September 2013**	**100%**	Kirovogradoliya JSC	September 2013	100%
Gutyansky Elevator LLC	**November 2013**	**100%**	Gutyansky Elevator LLC	November 2013	100%
Prykolotnjansky OEP LLC	**November 2013**	**100%**	Prykolotnjansky OEP LLC	November 2013	100%
Kovyagivske KHP LLC	**November 2013**	**100%**	Velykoburlutske HPP LLC	November 2013	100%
Bandursky oil-crushing plant LLC	**April 2015**	**100%**	Shevchenkisky KHP LLC	November 2013	100%
Ukrainian Black Sea Industry LLC	**January 2015**	**100%**	Kovyagivske KHP LLC	November 2013	100%
Transbulkterminal LLC	**February 2016**	**100%**	Bandurskiy oil-crushing plant LLC	April 2015	100%
Estron Corporation Ltd.	**February 2016**	**100%**	Transbulkterminal LLC	September 2012	100%
Oiltransterminal LLC	**February 2016**	**100%**			
Chortkivsky tsukrovy zavod LLC	**June 2016**	**100%**			
Tsukrove LLC	**June 2016**	**100%**			
Palmirsky Tsukrovy Zavod LLC	**June 2016**	**100%**			
Orzhytsky Tsukrovy Zavod LLC	**June 2016**	**100%**			

8. Income Tax

The corporate income tax rate in Ukraine was 21% as of 30 June 2012 and 23% as of 30 June 2011.
The new Tax Code of Ukraine, which was enacted on 2 December 2010, introduced a gradual decrease in income tax rates from 23% effective 1 April 2011 to 16% effective 1 January 2014, as well as certain changes to the rules of income tax assessment effective 1 April 2011. Consequently, the deferred income tax assets and liabilities as of 30 June 2012 were measured based on the revised income tax rates of the new Tax Code.

The components of the income tax benefit for 3 months ended 30 June 2012 and 2011 were as follows:

Income tax recognised in profit or loss:	3 months ended 30 June 2012	3 months ended 30 June 2011
Current income tax charge	**(285)**	(3,007)
Income tax benefit reported in the income statement	**4,239**	8,418
Income tax benefit	**3,954**	**5,411**

8. Income Tax (continued)

The income tax benefit is reconciled to the profit before income tax per condensed consolidated income statement as follows:

	3 months ended 30 June 2012	3 months ended 30 June 2011
Profit before income tax from continuing operations	**68,577**	56,749
Tax at statutory tax rate of 21% (23% since 1 April 2011 till 31 December 2011)	**(14,401)**	(13,052)
Expenditures not allowable for income tax purposes and non-taxable income, net	**18,355**	18,463
Income tax benefit	**3,954**	5,411

As of 30 June 2012, based upon projections for future taxable income over the periods in which the deductible temporary differences are anticipated to reverse, management believes it is probable that the Group will realise the benefits of the deferred tax assets of USD 9,619 thousand recognised in respect of tax losses carried forward by Group Subsidiaries. The amount of future taxable income required to be generated by Group subsidiaries to utilise the tax benefits associated with net operating loss carry forwards is approximately USD 45,805 thousand. However, the amount of the deferred tax assets considered realisable could be adjusted in the future if estimates of taxable income are revised.

The major components of deferred tax assets and liabilities were as follows:

	As of 30 June 2012	As of 30 June 2011
DEFERRED TAX ASSETS ARISING FROM :		
Tax losses carried forward	**9,619**	3,530
Valuation of property, plant and equipment	**588**	2,035
Valuation of accounts receivable	**10,120**	1,221
Valuation of accrued expenses and other temporary differences	**1,236**	512
Net deferred tax assets	**21,563**	**7,298**
DEFERRED TAX LIABILITY ARISING FROM :		
Valuation of property, plant and equipment	**(24,766)**	(18,148)
Valuation of intangible assets	**(4,097)**	(1,656)
Valuation of other temporary differences	**(329)**	(890)
Deferred tax liability	**(29,192)**	**(20,694)**
Net deferred tax liability	**(7,629)**	**(13,396)**

9. Acquisition and Disposal of Subsidiaries

The following entities were acquired during the 3 month period ended 30 June 2012:

Subsidiary	Principal activity	Country of incorporation	Group's effective ownership interest on the date of acquisition	Date of acquisition
Inter-Agro Capital LLC	Holding companies.	Ukraine	100%	April 2012
Juridical company Decort LLC	Grain elevators. Provision of grain and oilseed cleaning, drying and storage services.	Ukraine	100%	April 2012
LLC Trading House Inter-Agro Ltd		Ukraine	100%	April 2012
Mriya LLC	Agricultural farms. Cultivation of agricultural products: corn, wheat, sunflower seeds, barley, soya beans and sugar beets.	Ukraine	100%	April 2012
LLC by the name of Shorsa		Ukraine	100%	April 2012
Lazirky LLC		Ukraine	100%	April 2012
Denysivske LLC		Ukraine	100%	April 2012
Savyntsi LLC		Ukraine	100%	April 2012
Smotrysivske LLC		Ukraine	100%	April 2012
Agrocompany Zorya LLC		Ukraine	100%	April 2012
Garant 5 LLC		Ukraine	100%	April 2012
Chernyakhivske LLC		Ukraine	100%	April 2012
Ukraina LLC		Ukraine	100%	April 2012
Agrocompany Ukrkhlibdar LLC		Ukraine	100%	April 2012
Agrocompany Vorskla LLC		Ukraine	100%	April 2012
Agro BTK LLC		Ukraine	100%	April 2012
Agrosvit LLC		Ukraine	100%	April 2012
Phoenyx LLC		Ukraine	100%	April 2012
PRAC Nadiya		Ukraine	100%	April 2012
PRAC Kolos		Ukraine	100%	April 2012
PRAC Vitchyzna		Ukraine	100%	April 2012

9. Acquisition and Disposal of Subsidiaries (continued)

Assets acquired include:
39,300 ha of leasehold farmland is located in the Poltavsky region. On the date of acquisition of subsidiaries, the fair value of land lease rights amounted to USD 13,001 thousand. The management believes that the acquisition will have a positive effect on the company's performance.

The Company is currently under operating management of the Group. The acquisition transaction should be formally executed within 12 months following the commencement of the administration of this company.

Fair value of assets, liabilities and contingent liabilities acquired during the 3 month period ended 30 June 2012 was as follows:

	Fair value
ACQUIRED NET ASSETS:	
Cash	755
Trade accounts receivable, net	6,530
Prepayments to suppliers and other current assets, net	6,726
Taxes recoverable and prepaid, net	2,183
Inventory	9,041
Biological current assets	7,863
Property, plant and equipment, net	21,035
Intangible assets, net	13,221
Other non-current assets	5,693
Deferred tax assets	2,705
Trade accounts payable	(2,349)
Advances from customers and other current liabilities	(34,798)
Short-term borrowings	(100)
Obligations under finance lease	(1,250)
Other non-current liabilities	(53)
Fair value of net assets of acquired Subsidiaries	**37,202**
Non-controlling interest	
Goodwill	**2,098**
Total cash considerations due and payable	**39,300**
Less: acquired cash	(755)
Less: cash paid	-
Net cash due and payable	**38,545**

The Group assigned provisional values of the assets and liabilites acquired based on estimates of the independent appraisal. The Group will finalise the purchase price allocation within 12 month from the acquisition date.

In accordance with IFRS 3, the Group does not disclose revenue and profit or loss of the acquired Subsidiaries for the 12-month period prior to 30 June 2012, as they formed part of a larger Group and their financial statements for such period would not reflect the effective economic contribution to the Group.

On 22 June 2012 as a results of the optimisation process of its legal structure, the Group relinquished operational control over Troyanda Podillya LLC.

10. Transactions with Related Parties

Related parties are the Beneficial Owner, companies under common control of the Beneficial Owner and the Group's key management personnel, that represented by members of Board of directors and Management Team of Group.

The Group had the following balances outstanding with related parties:

	Related party balances	Total category as per consolidated statement of financial position	Related party balances	Total category as per consolidated statement of financial position
	as of 30 June 2012		as of 30 June 2011	
Trade accounts receivables, net	2,138	143,458	-	111,586
Prepayments to suppliers and other current assets, net	5,782	117,867	4,378	81,334
Other non-current assets	210	13,700	90,641	97,862
Trade accounts payable	-	26,498	265	27,055
Advances from customers and other current liabilities	29,704	139,742	31,082	102,029

Transactions with related parties were as follows:

	Amount of operations with related parties	Total category per consolidated income statement	Amount of operations with related parties	Total category per consolidated income statement
	3 months ended 30 June 2012		3 months ended 30 June 2011	
Cost of sales	(70)	(458,889)	(126)	(366,975)
General, administrative and distribution expenses	(1,466)	(77,933)	(955)	(50,343)
Finance costs, net	88	(20,669)	315	(8,128)
Other income/(expenses), net	8	(1,209)	15	(4,564)

Transactions with related parties are performed on terms that would not necessarily be available to unrelated parties.
As of 30 June 2012, the Board consists of the following seven directors: the Chairman of the Board, two independent directors, and four directors employed by Subsidiaries.

Remuneration of the Board (7 Directors) for the 3-month period ended 30 June 2012 amounted to USD 220 thousand (for the 3-month period ended 30 June 2011: 6 Directors amounted to USD 145 thousand).

The Chairman of the Board and four directors employed by Subsidiaries are not entitled to remuneration for their services as Board members but are refunded, to a reasonable extent, for any expenses incurred by them in performing their duties, including reasonable travelling expenses. Four directors employed by Subsidiaries are entitled to remuneration for their services as members of the Management Team of the Group. Remuneration of the Management Team of the Group, totaling 14 people, amounted to USD 441 thousand for the 3-month period ended 30 June 2012 (3-month period ended 30 June 2011: 14 people, amounted to USD 374 thousand).

The Members of the Board of Directors and the Management Team members are not granted any pensions or retirement or similar benefits by the Group.

11. Commitments and Contingencies

In the ordinary course of business, the Group is subject to legal actions and complaints. As of 30 June 2012, the Group`s companies had ongoing litigations with the tax authorities mainly related to the disallowance of certain amounts of VAT refunds claimed by the Group, the deductibility of certain expenses for corporate income tax purposes and other tax issues. According to the assessment performed by the management of the Group, the maximum exposure of the Group to such risks as of 30 June 2012 amounted to USD 51 million. Out of this amount, USD 42.5 million relates to cases where court hearings took place and where the court in either the first or second instance has already ruled in favor of the Group. Management believes that based on the past history of court resolutions of similar lawsuits by the Group, it is unlikely that a significant settlement will arise out of such lawsuits and no respective provision is required in the Group's financial statements as of the reporting date.

Capital Commitments

As of 30 June 2012, the Group had commitments under contracts with European and Ukrainian suppliers for a total amount of USD 5,910 thousand for the supply of equipment and services required for the construction of a new silo.

As of 30 June 2011, the Group had commitments under contracts with European and Ukrainian suppliers for a total amount of USD 7,000 thousand for supply of equipment and services required for construction of a new silo.

Contractual Commitments on Sales

As of 30 June 2012, the Group had entered into commercial contracts for the export of 326,372 tons of grain and 391,474 tons of sunflower oil and meal, corresponding to an amount of USD 103,742 thousand and USD 208,433 thousand respectively at prices as of 30 June 2012.

As of 30 June 2011, the Group had entered into commercial contracts for the export of 389,000 tons of grain and 205,000 tons of sunflower oil and meal, corresponding to an amount of USD 119,820 thousand and USD 127,419 thousand respectively in prices as of 30 June 2011.

12. Subsequent events

On 21 August 2012, Kernel Trade LLC, a subsidiary of Kernel Holding S.A. signed an addendum to a USD 500 million credit agreement ("the Addendum") with a syndicate of banks, with respect to the renewal of a USD 222 million short-term tranche. The USD 500 million Facility is structured as a dual tranche credit, including (1) a USD 278 million long-term tranche available to the Company until 31 July 2014 and (2) a USD 222 million one-year tranche which is renewable subject to the lending syndicate's approval. The purpose of the Facility is to finance the Company's purchase, storage and processing of sunflower seed into sunflower oil and meal for domestic sale or export.