

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THREE MONTHS ENDED 31 MARCH 2015

Production, sales and throughput:

Volume and tonnage	Q3 FY2015	Q3 FY2014	yoy	9M FY2015	9M FY2014	yoy
Grain sales, tons	1,331,704	1,310,816	2%	3,955,509	3,530,782	12%
Sunflower oil sales in bulk, tons	249,226	264,497	(6%)	729,917	621,954	17%
Bottled sunflower oil sales, '000 liters	23,790	22,582	5%	80,780	75,358	7%
Sunflower seed crush, tons	704,102	708,877	(1%)	1,910,876	1,667,213	15%
Export terminals throughput, tons ⁽¹⁾	1,222,043	1,038,469	18%	3,872,138	3,085,150	26%

(1) Including 137,592 tons transshipped through Taman port in Q3 FY2015 vs. 221,096 tons in Q3 FY2014 (1,084,244 tons in 9M FY2015 vs. 970,092 tons in 9M FY2014), which represents 50% of the total throughput volume of the Taman facility. Kernel Holding S.A. owns a 50% stake in the Taman grain transshipment facility.

Note: Financial year ends 30 June.

Key highlights:

- Grain sales increased 2% yoy to 1.3 million tons in Q3 FY2015, as a strong export surplus in Ukraine and growth in exports of the company's own farming division's output outpaced the decrease in deliveries from Russia.
- Sunflower oil sales in bulk were at a healthy level of 249.2 thousand tons in Q3 FY2015, down 6% yoy due to a different schedule of forward sales contracts.
- Bottled sunflower oil sales increased 5% yoy to 23.8 million liters, as domestic demand increased due to a hike in inflationary expectations.
- Sunflower seed crush was at 704.1 thousand tons in Q3 FY2015 (down 1% yoy), close to full utilization.
- Export terminals throughput grew 18% yoy to 1.2 million in Q3 FY2015, which reflected a higher share of grain sales going through the company's own export terminals.
- Winter wheat and rapeseed are in good to excellent condition, and the spring planting campaign is ongoing, with a favorable weather environment to date. Total acreage sown for FY2016 is scheduled to be 383.2 thousand hectares, up 3% yoy. Acreage under winter wheat increased to 19% of total in FY2016 (vs. 8% in FY2015), but corn remains a key crop with 41% of total acreage (vs. 48%). Soybean accounts for 17% in FY2016 (flat yoy), sunflower for 15% (vs. 18%) and winter rapeseed for 3% (vs. 0%).

The condensed consolidated interim financial statements for the three months ended 31 March 2015 will be published before market opening on 28 May 2015.

For further information, please contact:

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Appendix 2 – Q3 FY2015 vs. Q2 FY2015

Volume and tonnage	Q3 FY2015	Q2 FY2015	qoq
Grain sales, tons	1,331,704	1,402,950	(5%)
Sunflower oil sales in bulk, tons	249,226	278,099	(10%)
Bottled sunflower oil sales, '000 liters	23,790	34,216	(30%)
Sunflower seed crush, tons	704,102	700,388	1%
Export terminals throughput, tons ⁽¹⁾	1,222,043	1,437,543	(15%)

(1) Including 137,592 tons transshipped through Taman port in Q3 FY2015 (403,603 tons in Q2 FY2015), which represents 50% of the total throughput volume of the Taman facility.

Note: Financial year ends 30 June.

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