

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THREE MONTHS ENDED 31 DECEMBER 2015

Volume and tonnage	Q2 FY2016	Q2 FY2015	y-o-y
Grain sales, tons	1,322,862	1,402,950	(6%)
Sunflower oil sales in bulk, tons	297,048	278,099	7%
Bottled oil sales, '000 liters	31,036	34,216	(9%)
Oilseed crush, tons	915,377	700,388	31%
Export terminals throughput, tons ⁽¹⁾	1,695,699	1,437,543	18%
Grain and oilseeds received in inland silos, tons ⁽²⁾	2,691,886	2,477,978	9%

Note: Financial year ends 30 June.

(1) Including 558,268 tons transhipped through the Taman port in Q2 FY2016 and 403,603 tons in Q2 FY2015, which represents 50% of the total throughput volume of the Taman facility (Kernel Holding S.A. owns 50% of the Taman grain transshipment facility).

(2) For the six months ended 31 December 2015 and 2014, respectively.

Key highlights:

- Grain sales were at strong 1.3 million tons in Q2 FY2016, with a slow pace of farmer selling in Ukraine compensated by strong exports from Russia.
- Sunflower oil sales in bulk reached 297,048 tons in Q2 FY2016, 7% y-o-y growth driven by a record oilseed crush.
- Q2 FY2016 was seasonally strong for bottled sunflower oil sales, as consumer goods sales accelerated toward the holiday season.
- Oilseed crush was up 31% y-o-y and reached a record 915,377 tons in Q2 FY2016, as we additionally utilized a third-party plant to process Ukraine's plentiful sunflower seed harvest.
- Export terminals' throughput was up 18% y-o-y to a record 1.7 million tons, as we debottlenecked and reached record grain throughput at our Transbulkterminal facility in Ukraine.
- Grain and oilseed received in inland silos were up 9% y-o-y to 2.7 million tons in H1 FY2016, as we increased our storage facilities' turnover and attracted more third-party farmers.

Corporate:

- An AGM on 10 December 2015 approved a dividend payout of USD 0.25 per share. The board is due to set up ex and payout dates for the dividend.

Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2015 will be published before market opening on 26 February 2016.

Appendix

H1 FY2016 vs. H1 FY2015

Volume and tonnage	H1 FY2016	H1 FY2015	y-o-y
Grain sales, tons	2,250,308	2,623,805	(14%)
Sunflower oil sales in bulk, tons	455,198	480,691	(5%)
Bottled oil sales, '000 liters	48,719	56,990	(15%)
Oilseed crush, tons	1,333,279	1,206,774	10%
Export terminals throughput, tons ⁽¹⁾	2,863,396	2,650,095	8%
Grain and oilseeds received in inland silos, tons	2,691,886	2,477,978	9%

Note: Financial year ends 30 June.

(1) Including 1,131,143 tons transhipped through the Taman port in H1 FY2016 and 946,653 tons in H1 FY2015, which represents 50% of the total throughput volume of the Taman facility (Kernel Holding S.A. owns 50% of the Taman grain transshipment facility).

Q2 FY2016 vs. Q1 FY2016

Volume and tonnage	Q2 FY2016	Q1 FY2016	q-o-q
Grain sales, tons	1,322,862	927,446	43%
Sunflower oil sales in bulk, tons	297,048	158,150	88%
Bottled oil sales, '000 liters	31,036	17,683	76%
Oilseed crush, tons	915,377	417,902	119%
Export terminals throughput, tons ⁽¹⁾	1,695,699	1,167,697	45%

Note: Financial year ends 30 June.

(1) Including 558,268 tons transhipped through the Taman port in Q2 FY2016 and 572,875 tons in Q1 FY2016, which represents 50% of the total throughput volume of the Taman facility (Kernel Holding S.A. owns 50% of the Taman grain transshipment facility).

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