

# KERNEL HOLDING S.A.

## OPERATIONS UPDATE FOR THREE MONTHS ENDED 31 DECEMBER 2016

Volume and tonnage	Q2 FY2017	Q2 FY2016	y-o-y
Grain sales, tons	1,525,377	1,322,862	15.3%
Sunflower oil sales in bulk, tons	336,022	297,048	13.1%
Bottled oil sales, '000 liters	36,227	31,036	16.7%
Oilseed crush, tons	908,541	915,377	(0.7%)
Export terminals throughput, tons <sup>(1)</sup>	1,662,072	1,695,699	(2.0%)
Grain and oilseeds received in inland silos, tons <sup>(2)</sup>	2,931,703	2,691,886	8.9%

Note: Financial year ends 30 June.

(1) Including 416,882 tons transshipped through the Taman port in Q2 FY2017 and 558,268 tons in Q2 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).

(2) For the six months ended 31 December 2016 and 2015, respectively.

### Key highlights:

- Grain exports reached a record 1.5 million tons in Q2 FY2017, up 15% y-o-y, with the growth attributable to our farming division's increased production volumes.
- Sunflower oil sales in bulk increased 13% y-o-y to 336 thousand tons in Q2 FY2017 as more export contracts were executed while production levels remained flat y-o-y and were in line with production levels.
- Bottled oil sales in Q2 FY2017 delivered healthy 17% y-o-y growth mostly driven by an increase in exports.
- Sunflower seed crush remained flat y-o-y at 908 thousand tons, reflecting processing at nearly full utilization.
- Export terminal throughput stood at robust level of 1.7 million tons, marginal 2% y-o-y decrease, reflecting higher utilization of Ukrainian ports, offset by lower utilization of Taman grain transshipment facility.
- Silo infrastructure is benefiting from Ukraine's record high harvest, with grain and oilseeds received in inland silos up 9% y-o-y reaching a record 2.9 million tons as of 31 December 2016.

### Corporate:

- An AGM on 12 December 2016 approved dividend of USD 0.25 per share for the financial year ended June 30, 2016. The board is due to set up ex and payout dates for the dividend.
- AGM appointed Mrs. Nathalie Bachich as a new independent director of the Company.

Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2016 will be published before market opening on 28 February 2017.

## Appendix

### H1 FY2017 vs. H1 FY2016

Volume and tonnage	H1 FY2017	H1 FY2016	y-o-y
Grain sales, tons	2,706,314	2,250,308	20.3%
Sunflower oil sales in bulk, tons	503,289	455,198	10.6%
Bottled oil sales, '000 liters	57,555	48,719	18.1%
Oilseed crush, tons	1,188,492	1,333,279	(10.9%)
Export terminals throughput, tons <sup>(1)</sup>	3,055,546	2,863,396	6.7%
Grain and oilseeds received in inland silos, tons	2,931,703	2,691,886	8.9%

Note: Financial year ends 30 June.

(1) Including 890,661 tons transhipped through the Taman port in H1 FY2017 and 1,131,143 tons in H1 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).

### Q2 FY2017 vs. Q1 FY2017

Volume and tonnage	Q2 FY2017	Q1 FY2017	q-o-q
Grain sales, tons	1,525,377	1,180,937	29.2%
Sunflower oil sales in bulk, tons	336,022	167,267	2.0x
Bottled oil sales, '000 liters	36,227	21,328	69.9%
Oilseed crush, tons	908,541	279,951	3.2x
Export terminals throughput, tons <sup>(1)</sup>	1,662,072	1,393,474	19.3%

Note: Financial year ends 30 June.

(1) Including 416,882 tons transhipped through the Taman port in Q2 FY2017 and 473,779 tons in Q1 FY2017, 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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