

# KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THREE MONTHS ENDED  
 30 SEPTEMBER 2012

Production, sales and throughput:

Volume and tonnage	Q1 FY2013	Q1 FY2012	yoy
Grain sales, tons	509,509	416,935	22.2%
Bulk oil sales, tons	198,994	105,145	89.3%
Bottled oil sales, '000 liters	26,344	31,175	-15.5%
Sunflower seed crush, tons	458,095	285,936	60.2%
Refined oil production, tons	24,283	33,123	-26.7%
Bottled oil production, tons	20,313	28,284	-28.2%
Export terminal throughput, tons	740,126	391,231	89.2%

### Key highlights:

- 60.2% crushing volumes growth and 89.3% yoy growth in bulk oil sales owing to solid carried-forward sunflower seed and oil inventories from Q4 FY2012; along with lower maintenance period compared to the last year
- Ukraine's historical high carried-forward grain stocks mostly offset the 2012/13 season's production shortfall
- First grain export contract from Russia executed in July 2012
- Export terminal throughput up 89.2% yoy on the faster pace of the grain export from Ukraine

### Corporate:

- 50-50 joint venture formed with Renaisco BV, a subsidiary of Glencore International plc. The joint venture has acquired a 100% interest in a deep water grain export terminal in Taman port, Russia on September 27, 2012 for the enterprise value of US\$265 million, including transaction costs, financed with a combination of equity and debt.
- Liquidity headroom improved to respond to skyrocketing grain prices. Credit lines available as of 30 September 2012 stood at US\$ 1.6 billion compared with US\$ 1.2 billion as of 30 September 2011.

### Selected average commodity prices

3 months ended 30 September	2012	2011	yoy
Sunflower oil, Ukraine FOB, Black Sea	1,191	1,274	-7%
Wheat, Ukraine FOB, Black Sea	300	259	16%
Corn, Ukraine FOB, Black Sea	290	291	0%
Barley, Ukraine FOB, Black Sea	297	271	10%

Source: APK-Inform. Prices could differ from those realized by Kernel

Condensed Consolidated Financial Statements for the 3 months ended 30 September 2012 will be published after the market close on 27 November 2012.

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