

KERNEL HOLDING S.A.

OPERATIONS UPDATE FOR THREE MONTHS ENDED 31 DECEMBER 2014

Volume and tonnage	Q2 FY2015 ⁽¹⁾	Q2 FY2014 ⁽²⁾	yoy
Grain sales, tons	1,402,950	1,335,265	5.1%
Sunflower oil sales in bulk, tons	278,099	261,747	6.2%
Bottled sunflower oil sales, '000 liters	34,216	30,376	12.6%
Sunflower seed crush, tons	700,388	726,087	(3.5%)
Export terminals throughput, tons ⁽³⁾	1,437,543	1,268,517	13.3%
Grain and oilseeds received in inland silos, tons ⁽⁴⁾	2,477,978	2,447,085	1.3%

(1) Three months ended 31 December 2014.

(2) Three months ended 31 December 2013.

(3) Including 403,603 tons transhipped through the Taman port in Q2 FY2015 and 389,787 tons in Q2 FY2014, which represents 50% of the total throughput volume of the Taman facility (Kernel Holding S.A. owns 50% of the Taman grain transshipment facility).

(4) Six months ended 31 December 2014 and 2013 respectively.

Key highlights:

- Grain sales reached a record 1.4 million tons in Q2 FY2015, up 5% yoy, with the growth reflecting our own farming division's improved production.
- Sunflower oil sales in bulk increased 6% yoy to 278,099 tons in Q2 FY2015 and were in line with production levels.
- Bottled oil sales in Q2 FY2015 were seasonally strong at 34.2 million liters, with growth of 13% yoy driven by an increase in export deliveries.
- Sunflower seed crush decreased 4% yoy due to a later start to the season in Russia, with capacity utilization close to full during the period.
- Export terminals' throughput increased 13% yoy to 1.4 million tons, with the growth driven by an increase in grain exports and higher share of grain export going through our own ports.

Corporate:

- An AGM on 10 December 2014 approved a dividend payout of USD 0.25 per share. The board is due to set up ex and payout dates.
- The board approved the management incentive plan, which provides the management team with an option scheme in an aggregate amount of 3.75 million shares (4.71% of current shares), vesting over next five years.

Condensed Consolidated Interim Financial Statements for the six months ended 31 December 2014 will be published before market opening on 27 February 2015.

Appendix

H1 FY2015 vs. H1 FY2014

Volume and tonnage	H1 FY2015 ⁽¹⁾	H1 FY2014 ⁽²⁾	yoy
Grain sales, tons	2,623,805	2,219,966	18.2%
Sunflower oil sales in bulk, tons	480,691	357,457	34.5%
Bottled oil sales, '000 liters	56,990	52,776	8.0%
Sunflower seed crush, tons	1,206,774	958,336	25.9%
Export terminals throughput, tons ⁽³⁾	2,650,095	2,046,681	29.5%
Grain and oilseeds received in inland silos, tons	2,477,978	2,447,085	1.3%

(1) 6 months ended 31 December 2014.

(2) 6 months ended 31 December 2013.

(3) Including 946,653 tons transhipped through the Taman port in H1 FY2015 and 748,996 tons in H1 FY2014, 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 FY2015 vs. Q1 FY2015

Volume and tonnage	Q2 FY2015 ⁽¹⁾	Q1 FY2015 ⁽²⁾	qoq
Grain sales, tons	1,402,950	1,220,855	14.9%
Sunflower oil sales in bulk, tons	278,099	202,592	37.3%
Bottled oil sales, '000 liters	34,216	22,774	50.2%
Sunflower seed crush, tons	700,388	506,386	38.3%
Export terminals throughput, tons ⁽³⁾	1,437,543	1,212,552	18.6%

(1) Three months ended 31 December 2014.

(2) Three months ended 30 September 2014.

(3) Including 403,603 tons transhipped through the Taman port in Q2 FY2015 and 543,050 tons in Q1 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).

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