

## KERNEL HOLDING S.A.

### OPERATIONS UPDATE FOR THREE MONTHS ENDED 31 MARCH 2013

Production, sales and throughput:

| Volume and tonnage                | Q3 FY2013 <sup>(1)</sup> | Q3 FY2012 <sup>(2)</sup> | yoy    |
|-----------------------------------|--------------------------|--------------------------|--------|
| Grain sales, tons                 | 653 745                  | 831 559                  | -21.4% |
| Bulk oil sales, tons              | 162 976                  | 224 590                  | -27.4% |
| Bottled oil sales, '000 liters    | 23 153                   | 29 274                   | -20.9% |
| Sunflower seed crush, tons        | 679 311                  | 730 561                  | -7.0%  |
| Refined oil production, tons      | 26 274                   | 30 441                   | -13.7% |
| Bottled oil production, tons      | 25 166                   | 28 861                   | -12.8% |
| Export terminals throughput, tons | 625 623 <sup>(3)</sup>   | 595 235                  | 5.1%   |

(1) Three months ended 31 March 2013

(2) Three months ended 31 March 2012

(3) Including 33,955 tons trans-shipped through Taman port, which represents 50% of the total throughput volume of the Taman facility. Taman port is owned through a 50%-50% joint venture between Kernel Holding S.A. and a subsidiary of Glencore International Plc.

#### Key highlights:

- The 21.4% yoy decline in grain sales in Q3 FY2013 reflects the normalization of grain export seasonality in the 2012/13 marketing season towards higher shipments in the first months after the harvest. 9M FY2013 grain sales increased 20.8% yoy.
- The 27.4% yoy decrease in bulk oil sales in Q3 FY2013 was due to the significant amount of contracts with delivery terms in Q4 FY2013. 9M FY2013 bulk oil sales increased 32.0% yoy and are in line with production levels.
- Export terminal volumes increased 5.1% yoy in Q3 FY2013 as a result of a higher share of the company's grain sales shipped through its own terminals compared to the previous year. 9M FY2013 export terminal volumes increased 78.1% yoy to 2.6 million tons.

#### Corporate:

- In early April, Kernel Holding S.A. entered into a share purchase agreement to acquire an 80% interest in a farming business that manages 108 000 hectares of leasehold farmland and operates 100 000 tons of grain storage capacity. With a highly concentrated and fully-farmed land bank in the southern Chernihiv and Sumy regions and the northern Poltava region, the business is self-sufficient in working capital and is fully-equipped with modern farming machinery.

#### FY 2013 outlook:

- Although Q4 FY2013 volumes and results are expected to be better than Q3 FY2013, full-year bulk oil sales and sunflower seed crushing volumes should be lower than initially anticipated.
- Based on 9M FY2013 results, management now expects full-year EBITDA and net income to be moderately below earlier guided figures.

**Selected average commodity prices, US\$/t**

3 months ended 31 March

|                                       | 2013  | 2012  | yoy   |
|---------------------------------------|-------|-------|-------|
| Sunflower oil, Ukraine FOB, Black Sea | 1 156 | 1 134 | 1.9%  |
| Wheat, Ukraine FOB, Black Sea         | 343   | 258   | 33.0% |
| Corn, Ukraine FOB, Black Sea          | 292   | 258   | 13.1% |
| Barley, Ukraine FOB, Black Sea        | 314   | 262   | 19.8% |

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

Condensed Consolidated Financial Statements for the 3 months ended 31 March 2013 will be published after the market close on 30 May 2013.

For further information, please contact:

**Investors & Analysts:**
**Yegor Samusenko**

+38 044 461 88 01, ext. 70-88

y.samusenko@kernel.ua

**Yuriy Kovalchuk**

+38 044 461 88 01

y.kovalchuk@kernel.ua

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**Appendix 1 – 9M FY2013 vs. 9M FY2012**

| <b>Volume and tonnage</b>         | <b>9M FY2013<sup>(1)</sup></b> | <b>9M FY2012<sup>(2)</sup></b> | <b>yoy</b> |
|-----------------------------------|--------------------------------|--------------------------------|------------|
| Grain sales, tons                 | 2 230 830                      | 1 846 759                      | 20.8%      |
| Bulk oil sales, tons              | 739 062                        | 559 691                        | 32.0%      |
| Bottled oil sales, '000 liters    | 84 197                         | 107 463                        | -21.7%     |
| Sunflower seed crush, tons        | 1 897 550                      | 1 766 107                      | 7.4%       |
| Refined oil production, tons      | 85 065                         | 113 004                        | -24.7%     |
| Bottled oil production, tons      | 77 300                         | 101 799                        | -24.1%     |
| Export terminals throughput, tons | 2 589 360 <sup>(3)</sup>       | 1 454 248                      | 78.1%      |

(1) Nine months ended 31 March 2013

(2) Nine months ended 31 March 2012

(3) Including 234,998 tons trans-shipped through Taman port, which represents 50% of the total throughput volume of the Taman facility. Taman port is owned through a 50%-50% joint venture between Kernel Holding S.A. and a subsidiary of Glencore International Plc.

| <b>Selected average commodity prices, US\$/t</b> | <b>9M FY2013<sup>(1)</sup></b> | <b>9M FY2012<sup>(2)</sup></b> | <b>yoy</b> |
|--|--------------------------------|--------------------------------|------------|
| Sunflower oil, Ukraine FOB, Black Sea            | 1 166                          | 1 171                          | -0.4%      |
| Wheat, Ukraine FOB, Black Sea                    | 328                            | 253                            | 29.5%      |
| Corn, Ukraine FOB, Black Sea                     | 294                            | 264                            | 11.2%      |
| Barley, Ukraine FOB, Black Sea                   | 308                            | 267                            | 15.3%      |

(1) Nine months ended 31 March 2013

(2) Nine months ended 31 March 2012

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

**Appendix 2 – Q3 FY2013 vs. Q2 FY2013**

| <b>Volume and tonnage</b>         | <b>Q3 FY2013<sup>(1)</sup></b> | <b>Q2 FY2013<sup>(2)</sup></b> | <b>qoq</b> |
|-----------------------------------|--------------------------------|--------------------------------|------------|
| Grain sales, tons                 | 653 745                        | 1 067 576                      | -38.8%     |
| Bulk oil sales, tons              | 162 976                        | 377 092                        | -56.8%     |
| Bottled oil sales, '000 liters    | 23 153                         | 33 760                         | -31.4%     |
| Sunflower seed crush, tons        | 679 311                        | 760 144                        | -10.6%     |
| Refined oil production, tons      | 26 274                         | 34 508                         | -23.9%     |
| Bottled oil production, tons      | 25 166                         | 31 818                         | -20.9%     |
| Export terminals throughput, tons | 625 623 <sup>(3)</sup>         | 1 022 567 <sup>(4)</sup>       | -38.8%     |

(1) Three months ended 31 March 2013

(2) Three months ended 31 December 2012

(3) Including 33,955 tons trans-shipped through Taman port, which represents 50% of the total throughput volume of the Taman facility. Taman port is owned through a 50%-50% joint venture between Kernel Holding S.A. and a subsidiary of Glencore International Plc.

(4) Including 201,043 tons trans-shipped through Taman port, which represents 50% of the total throughput volume of the Taman facility.

| <b>Selected average commodity prices, US\$/t</b> | <b>Q3 FY2013<sup>(1)</sup></b> | <b>Q2 FY2013<sup>(2)</sup></b> | <b>qoq</b> |
|--|--------------------------------|--------------------------------|------------|
| Sunflower oil, Ukraine FOB, Black Sea            | 1 156                          | 1 152                          | 0.3%       |
| Wheat, Ukraine FOB, Black Sea                    | 343                            | 340                            | 0.8%       |
| Corn, Ukraine FOB, Black Sea                     | 292                            | 299                            | -2.4%      |
| Barley, Ukraine FOB, Black Sea                   | 314                            | 312                            | 0.9%       |

(1) Three months ended 31 March 2013

(2) Three months ended 31 December 2012

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