

**KSG Agro S.A.**

**Current report No. 7/2011**

**dated 17 June, 2011**

**ACQUISITION OF LLC “AGRO” and LLC “Meat-packing plant “Dnipro”**

The Board of Directors of KSG Agro S.A. (the "Company") informs that on 16th of June 2011 The Antymonopoly Commitee of Ukraine has given a permission to KSG Agricultural and Industrial Holding Limited, Cyprus subholding of the Company, for an execution of the agreements concerning acquisition of 99,9 % of shares in LLC “AGRO”, with its seat in 40B Komsomolska str., Dnepropetrovsk, 49000, Dnepropetrovsk region, Ukraine, and of 99,9 % of shares in LLC “Meat-packing plant “Dnipro”, with its seat in 31 Krasnopilska str., Dnepropetrovsk, 49033, Dnepropetrovsk region, Ukraine. These entities are the part of one agricultural group “AGRO”.

LLC “AGRO” owns 100% of LLC “Vidrodzhennia”, with its seat in 17A, 40 years of October str., smt. Pokrovske, 53600 Dnepropetrovsk region, Ukraine.

LLC “Vidrodzhennia” is an agricultural entity which has approximately 9 700 hectares of arable land under lease. All the lands are sawed with crops for this year harvest. It also owns a pig breeding complex on 6 000 pigs and grain storage capacities for storage of 16 000 tons.

The acquisition will allow the Company to enlarge its land bank and storage capacities in the Dnepropetrovsk region, which is target region for KSG Agro S.A., and to reach its targets in the current year. All the lands are sawed with crops for this year harvest.

After the acquisition of these assets total arable land under lease of the Company will be increased to 52 900 hectares.

LLC “Meat-packing plant “Dnipro” is a sausage-production entity, which owns a meat-packing plant with the newest equipment. It allows to process around 400 tons of sausage per month.

This acquisition is made within the limits of vertical integration of processing capacities inside the holding.

**Legal grounds:** Article 56.1 of Polish Act of 29 July 2005 on Public Offering, Conditions Governing the Introduction of Financial Instruments to Organized Trading, and Public Companies, and Article 14 of the Luxembourg law of 11 January 2008 relating to the transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market.

Signature of individuals authorized to represent the Company:

Alexandr Perov