



KSG Agro

Operational & Financial results for 1Q 2013 and 2012

June 2013

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- Further implementation of the Group's strategy – goals achieved in 2012
 - Strategic acquisitions (Pererobnyk Complex, Agroplaza Group, Agrotech)
 - Land bank increased by 50% to 92k ha
 - Increase in storage capacities by additional 60k tones up to 120k tones
 - Vertical integration
 - pig breeding complex
 - oil seeds processing facilities
 - agro-pellets production
 - milling complex (flour production)
- Revenue of USD 37,2m and net profit of USD 11,7m in 2012
- Solid performance in 1Q 2013 (+77,8% revenue increase and +52,7% operating profit increase)

Consolidated results



(USD m)	1Q 2013	1Q 2012	Change	2012	2011	Change
Revenue	8,2	4,6	+78,3%	37,2	34,7	+7,2%
Net change in fair value of bio. assets	3,9	1,7	+129,4%	22,1	14,8	+49,3%
Cost of sales	-7,4	-3,3	+124,2%	-39,8	-35,6	+11,8%
Gross profit	4,7	3,0	+56,7%	19,6	13,9	+41,0%
Selling, general and administrative expenses	-1,4	-1,0	+40,0%	-5,7	-4,7	+21,3%
Operating profit	3,7	2,4	+54,2%	18,2	28,3	-35,7%
Operating profit adjusted *	3,7	2,4	+54,2%	17,6	12,0	+46,7%
Net profit	1,8	1,8	0,0%	11,7	27,4	-57,3%
Net profit adjusted **	1,8	1,8	0,0%	11,1	11,1	0,0%

■ 2012 results

- increase in revenue and net change in fair value of bio assets as a result of business expansion (increase in land bank and other operations)
- lower than expected yields in 2012 due to bad weather conditions resulted in minor revenue increase
- 21,3% SG&A yoy increase related to the development of the organizational structure

■ 1Q 2013 results

- solid revenue improvement followed by increase in gross profit and operating profit
- stable net profit yoy due to higher financing cost (USD 1,7m in 1Q 2013 vs USD 0,6m in 1Q 2012)
- First 2 Buildings fully reconstructed and started operations in Pig Breeding Complex
- 1 466 of saws delivered to the Pig Breeding Complex

* Operating profit adjusted is calculated as Operating profit decreased by gain on acquisition of subsidiaries.

** Net profit adjusted is calculated as Net profit decreased by gain on acquisition of subsidiaries.

Segmented revenue gainers



Farming, 000'USD

<u>Main crops</u>	<u>2011</u>	<u>2012</u>
Grain crops	2,893	7,391
Sunflower	19,719	12,583
Others	971	62
Total	23,583	20,036



Food processing, 000'USD

<u>Key products</u>	<u>2011</u>	<u>2012</u>
Flour	3,308	5,247
Bulk oil	1,084	3,087
Meat	2,527	3,996
Others	1,301	97
Total	8,220	12,427



Other products, 000'USD

<u>Key products</u>	<u>2011</u>	<u>2012</u>
Milk	0	777
Fruit & Vegetables	867	236
Agro-pellets	121	278
Others	1,874	3,468
Total	2,862	4,759

<u>Sales ,000\$</u>	<u>2011</u>	<u>2012</u>
Farming	23,583	20,036
Food processing	8,220	12,427
Others	2,862	4,759
Total	34,665	37,222

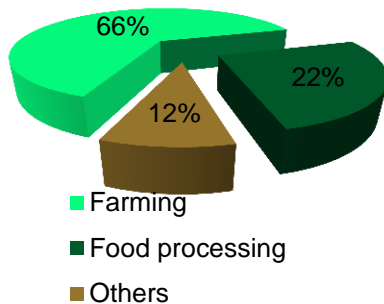
Stock at 31/12/2012

<u>Main crops</u>	<u>Tons</u>	<u>000\$</u>
Wheat	6,852	1,215
Sunflower	13,300	6,243

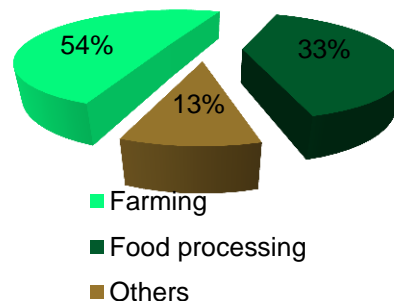
Crop rotation, ha

<u>Main crops</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Wheat	11,651	18,476	23,842
Sunflower	23,423	24,767	24,224
Barley	5,418	7,267	8,574
Corn	1,550	6,809	5,002
Rapeseed	1,270	2,645	15,717
Others	1,530	2,770	7,696
Total	44,842	62,734	85,055

Sales of 2011



Sales of 2012



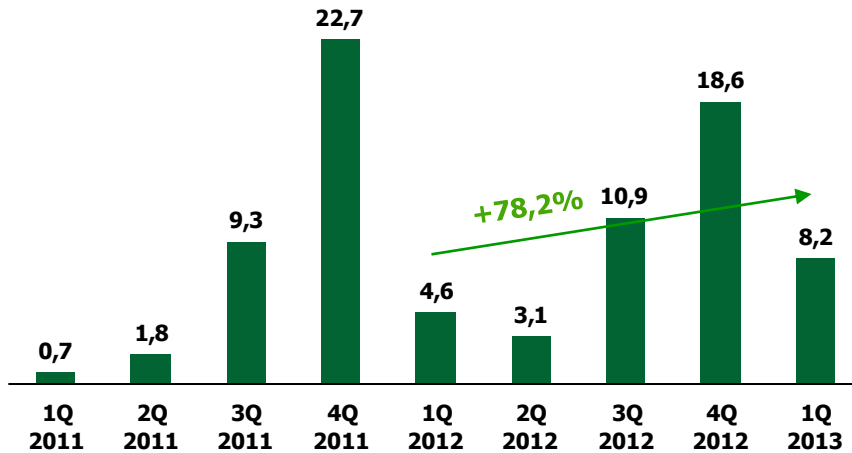
Crops production, tons

<u>Main crops</u>	<u>2011</u>	<u>2012</u>
Wheat	36,177	42,563
Sunflower	51,372	42,006
Barley	10,318	9,892
Corn	6,519	5,167
Rapeseed	1,579	3,978
Others	1,310	2
Total	107,275	103,608

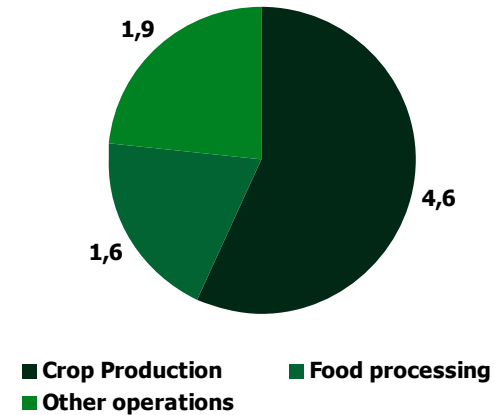
Revenue 1Q 2013



Revenue (USD m)



Revenue breakdown (USD m)



- Key revenue drivers in 1Q 2013
 - Crop production (+150% revenue growth yoy)
 - Other operations (+110% revenue growth yoy)
- Crop production segments constituted 56% of Group's revenue in 1Q 2013
- Further development of other segments to limit the revenue seasonality

CAPEX 2012



#	CAPEX in 2012	Total investment in 2012 (USD m)	Cash paid in 2012 (USD m)	Cash paid in 2013 (USD m)	Source of financing	Operating cash flow (USD m)	Borrowed capital (USD m)
1	Land bank increase (from 61k ha to 92k ha)	9,6	4,3	5,3	Depreciation charge, profit of the period	4,3	-
2	Agricultural equipment	1,9	1,9	-	Trade financing & Leasing: J.Deere Credit, Unicredit. Depreciation charge, profit of the period	1,9	-
3	Milling complex (Pererobnyk)	5,4	5,4	-	Loan from bank Cambio for 4,4 mln EURO, profit of the period	-	5,4
4	Oil-processing complex (Agrotechnologiya)	1,1	1,1	-		1,1	-
5	Bread baking complexes (minority interest)	2,5	2,5	-		2,5	-
6	Pig breeding complex, including:	5,4	5,4	-	Trade financing: Banks LBBW and Nordea, insurance agencies: Hermes and EFK. Depreciation charge, profit of the period	5,4	-
	- <i>equipment for pig breeding</i>	1,9	1,9	-		1,9	-
	- <i>sows</i>	0,4	0,4	-		0,4	-
	- <i>reconstruction of buildings of pig breeding</i>	3,1	3,1	-		3,1	-
7	Pellets factory for 60 thous tonnes output	0,4	0,4	-		0,4	-
	Total	26,3	21,0	5,3		15,6	5,4

CAPEX 2013



CAPEX in 2013	Total investment in 2013 (USD m)	Cash paid as of 1Q 2013 (USD m)	Cash to be paid in 2013 (USD m)	Source of financing	Operating cash flow (USD m)	Borrowed capital (USD m)
1 Land bank increase (from 92 ths ha to 120 ths ha)	9,8	-	9,8	Depreciation charge, profit of period	9,8	-
2 Agricultural equipment	2,9	0,2	2,7	Trade financing & Leasing: J.Deere Credit, Unicredit. Depreciation charge, profit of period	2,9	-
3 Irrigation systems	0,5	-	0,5	Loan from bank	-	0,5
4 Pig breeding complex, including:	29,2	1,9	27,3	Trade financing: Banks LBBW and Nordea, insurance agencies: Hermes and EFK. Depreciation charge, profit of the period	4,9	24,3
- <i>equipment for pig breeding</i>	10,8	1,0	9,8		-	10,8
- <i>sows</i>	2,0	-	2,0		-	2,0
- <i>reconstruction of buildings of pig breeding</i>	16,4	0,9	15,5		4,9	11,5
7 Pellets factory for 60 thous tonnes output	5,2	1,0	4,2		0,6	4,6
Total, mln USD	47,6	3,1	44,5		18,2	29,4

Selected financial data



In thousands of US dollars	2012	2011
Income Statement summary		
Revenue	37,222	34,665
Profit for the year	11,660	27,372
EBITDA	25,228	30,119
Balance Sheet summary		
Property, plant and equipment	76,489	50,663
Total non-current assets	109,341	72,727
Cash and cash equivalents	711	1,122
Term deposits	5,747	4,380
Inventories	20,354	14,800
Current biological assets	38,882	13,363
Total current assets	89,392	49,206
Total assets	203,766	121,933
Total equity attributable to owners of the parent Company	80,502	71,685
Total equity	106,120	89,987
Loans and borrowings	9,914	5,201
Total non-current liabilities	13,105	6,345
Loans and borrowings	48,709	18,145
	2012	2011
Net debt/EBITDA	1.97	0.63
Return of equity	0.11	0.30
Current ratio	1.06	1.92

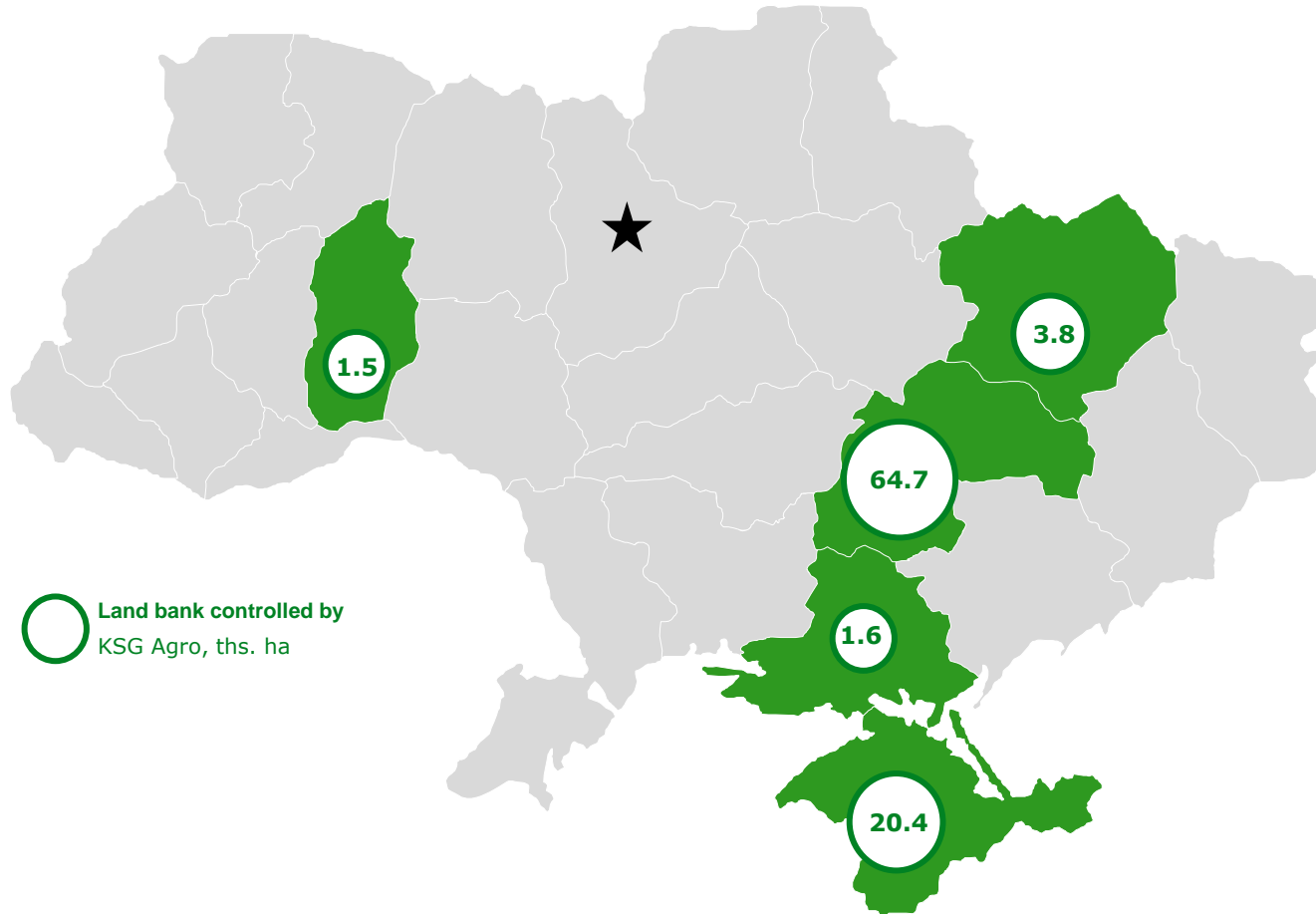
Total Bank Loans 1q 2013 – 63 823 mln USD

- *loans secured by deposits – 10 825 mln USD*
- *loans for investment projects – 24 233 mln USD*
- *loans under operating activities – 28 765 mln USD (313 USD/ha)*



Annexes

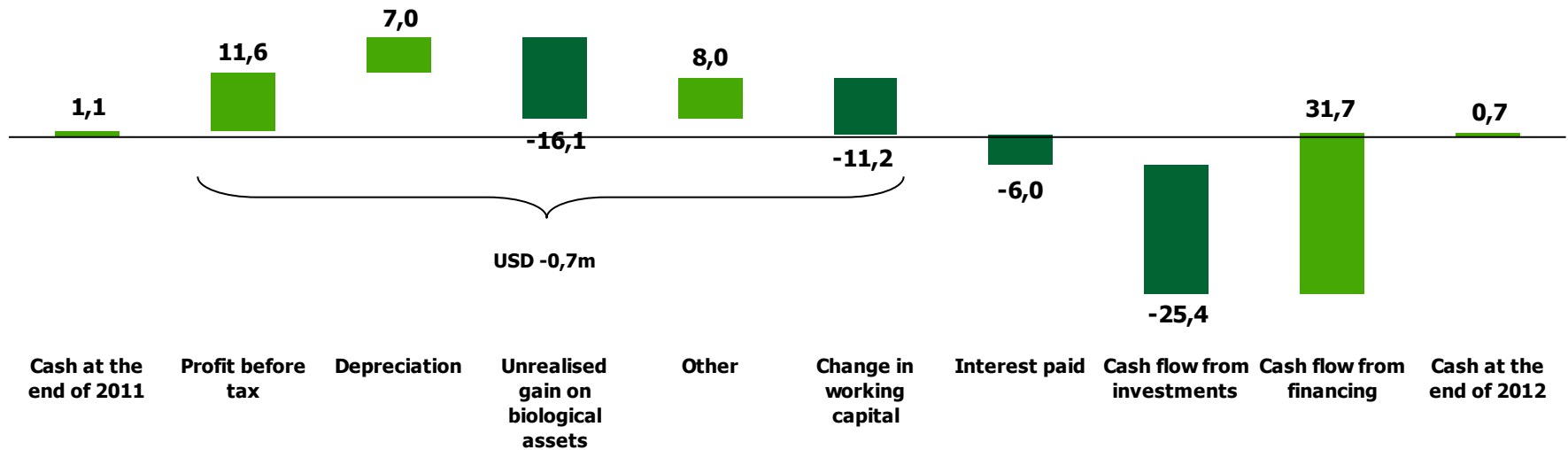
KSG Agro S.A. land bank



Cash flow 2012



(USD m)



- USD -0,7m cash flow from operating activities before interest payments in 2012 due to:
 - investments in the working capital as a result of extending business operations
 - profit before tax and depreciation offset by unrealised gain on biological assets
- CAPEX financed with the loans and borrowing (cash flow from financing)