

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

To the Shareholders of
KSG Agro S.A.
Société Anonyme
46A, avenue J.F. Kennedy
L-1855 Luxembourg

Report on the annual accounts

Following our appointment by the General Meeting of the Shareholders, we have audited the accompanying annual accounts of KSG Agro S.A., which comprise the balance sheet as at 31 December 2011 and the profit and loss account for the year then ended, and a summary of significant accounting policies and other explanatory information.

Responsibility of the Board of Directors' for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Responsibility of the réviseur d'entreprises agréé

Our responsibility is to express an opinion on these annual accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the réviseur d'entreprises agréé's judgment, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. In making those risk assessments, the réviseur d'entreprises agréé considers internal control relevant to the entity's preparation and fair presentation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.



An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors as well as evaluating the overall presentation of the annual accounts.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the annual accounts give a true and fair view of the financial position of KSG Agro S.A. as of 31 December 2011, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation of the annual accounts.

Report on other legal and regulatory requirements.

The management report, which is the responsibility of the Board of Directors, is consistent with the annual accounts.

The accompanying attached Corporate Governance Statement which is the responsibility of the Board of Directors is consistent with the annual accounts and includes the information required by the law with the respect to the Corporate Governance Statement.

Luxembourg, 28 June 2012

BDO Audit
Cabinet de révision agréé
represented by

Jacques Peffer

KSG Agro S.A.

Société anonyme

Registered address: 46A, Avenue J. F. Kennedy, L-1855 Luxembourg,
The Grand Duchy of Luxembourg
R.C.S. Luxembourg: B 156864
(the "Company")

Corporate Governance Statement

Directors:

Name	Date of Appointment	Date of Resignation
Mr Robert van 't Hoeft – Sole Director	16 November 2010	08 March 2011
Mr Sergiy Kasianov – Director A	08 March 2011	
Mr Oleksandr Shakhmatov – Director A	08 March 2011	30 March 2012
Mr Sergii Mazin – Director A	08 March 2011	
Mr Waldemar Cezary Wasiluk – Director A	30 March 2012	
Mrs Gwenaelle, Bernadette, Andree, Dominique Cousin – Director B	08 March 2011	
Mr Jacob Mudde – Director B	08 March 2011	

Audit Committee:

Name	Date of Appointment	Date of Resignation
Mr Oleksandr Shakhmatov	22 March 2011	30 March 2012
Mr Jacob Mudde	22 March 2011	
Mrs Gwenaelle, Bernadette, Andree, Dominique Cousin	22 March 2011	
Mr Waldemar Cezary Wasiluk	30 March 2012	

The Board of Directors (the "Board") states its application of Warsaw Stock Exchange corporate governance rules included in the "Code of Best Practice for WSE Listed Companies" to the form and extent determined by the Resolution No. 20/1287/2011 of the Exchange Supervisory Board dated 19 October 2011. Code of Best Practice for WSE Listed Companies is available at the official website of the Warsaw Stock Exchange: www.corp-gov.gpw.pl

The Board is responsible for establishing and maintaining adequate internal and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing an independent administrator (the "Administrator") to maintain the accounting records of the Company independent of KSG Agro S.A. . The Administrator has a duty of care to maintain proper books and records and prepare for review and approval by the Board the financial statements intended to give a true and fair view. The Board has appointed TMF Luxembourg S.A. as Administrator.

The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and ensuring that the processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

The Board maintains control structures designed and aimed to manage the risks which are significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes in the Company's annual report.

The Company's policies and the Board's instructions with relevance for financial reporting are updated and communicated via appropriate channels, such as e-mail, correspondence and meetings to ensure that all financial reporting information requirements are met in a complete and accurate manner. The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

There are no restrictions on voting rights.

The company's internal control over financial reporting includes those policies and procedures that pertain to the maintenance of financial records that, in reasonable detail, accurately and fairly reflect the transactions and disposals of the assets of the company; provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with Luxembourg legal and regulatory requirements, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposals of the company's assets that could have a material effect on the financial statements.

In order to ensure, that established controls over financial reporting system worked effectively during 2011, a summary of the work performed by the internal audit department was reviewed by the Audit Committee.

Besides, the Internal Audit plan for 2012 was also analyzed and approved by the Board of Directors, in order to make sure, that:

- Existing information system is able to identify and manage risk of misstatement in financial data once occurred, including override of controls and fraud;
- Information is communicated to management regularly and timely.

No person has any special rights of control over the Company's share capital.

Appointment and replacement of Directors and amendments to the Articles of Association

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association (hereafter referred as the "Articles of Association") and Luxembourg Companies Law 1915. The Articles of Associations may be amended from time to time by a general meeting of the shareholders under the quorum and majority requirement provided for by the law of 10 August 1915 on commercial companies in Luxembourg, as amended.

Powers of Directors

The Board is responsible for managing the business affairs of the Company within the clauses of the Articles of Association. The Directors may only act at duly convened meetings of the Board of Directors or by written consent in accordance with article 9 of Articles of Association.

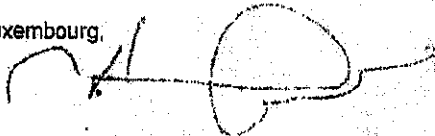
Rights of the shareholders

The operation of the shareholders meetings and their key powers, description of their rights are governed by Articles of Association and national laws and regulation.

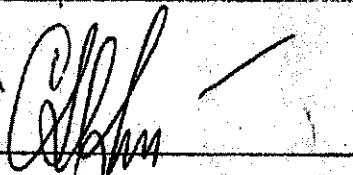
Transfer of shares.

Transfer of shares and is governed by Articles of Association of the Company.

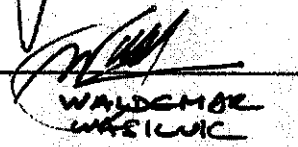
Luxembourg,



Director A

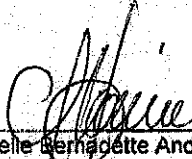


Director A



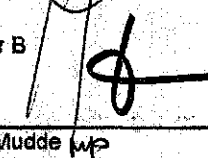
WALDMOR
WATLWIC

Director A



Gwenzelle Bernadette Andree Dominique
Cousin

Director B



Jacob Mudde *MP*

Director B