



Overview of 1Q 2015 results

1 June 2015

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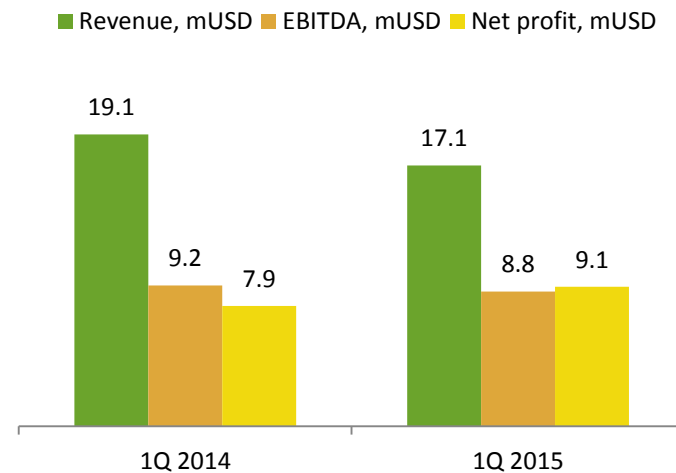
Section 1

Market and segment overview

Key highlights 1Q 2015

- ❖ Despite significant devaluation of the national currency, reasonable results have been delivered in the 1st quarter of 2015
- ❖ Sound deliverables were ensured by a 21% increase in volume of eggs produced as well as a significant increase in export revenue to 25% of total sales volume
- ❖ Structure of revenue was similar to previous year, with slightly higher focus on egg segment (70% egg segment and 23% egg products segment in 1Q 2015; 1Q 2014: 66% and 28%, respectively)
- ❖ Net profit increased by 16% y-o-y to USD 9.1 mln
- ❖ Investment program on the premises of our production facility continues; plans for 2015 include reconstruction of 4 laying hens houses and installation of egg sorting and processing equipment

Key financial results



Key performance indicators

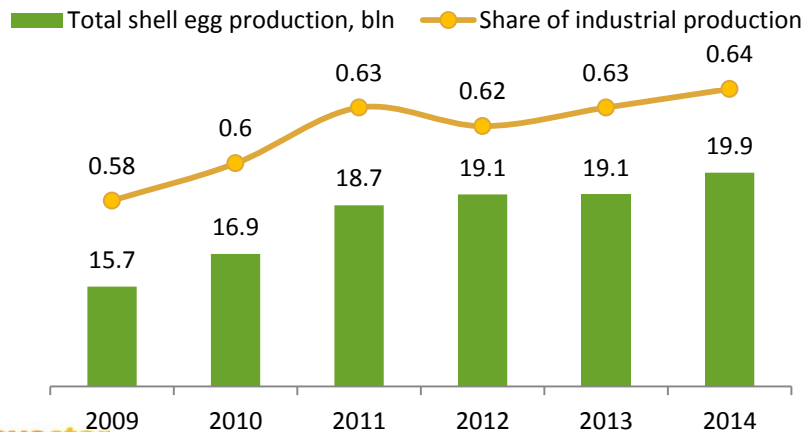
Indicator	Units	1Q 2015	1Q 2014	% growth
Poultry flock:				
Total flock	mln	5.6	4.8	16%
Laying hens	mln	4.5	4.0	13%
Production:				
Shell eggs	mln	277	230	21%
Dry egg products	tons	515	425	21%
Liquid egg products	tons	1,373	1,475	-7%
Processing:				
Shell eggs	mln	79	68	15%

Market overview

Eggs

- ❖ Eggs are produced in households and in industrial farms; industrial format is more efficient benefiting from economies of scale and specialized workforce
- ❖ Ukrainian egg market further consolidates
- ❖ In April 2015, EU has issued regulation 2015/608 thereby allowing Ukraine to be an importer of Class A (consumer) shell eggs
- ❖ Our share in production of eggs in industrial format in Ukraine (2014): **8%**

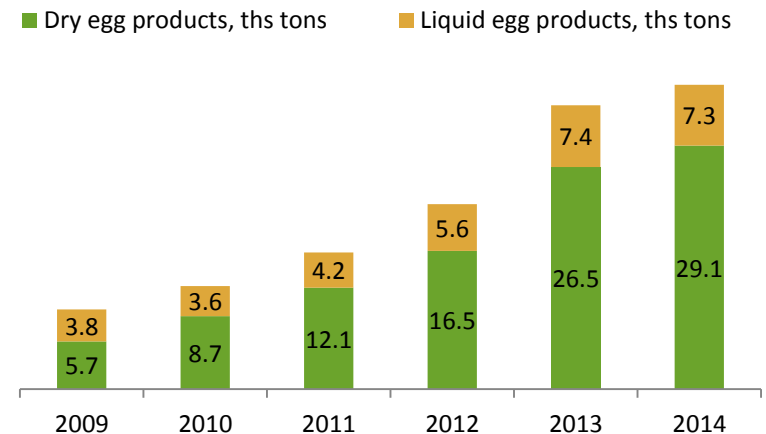
Egg production volumes in Ukraine



Egg products

- ❖ Egg products are primarily used in food processing
- ❖ General deterioration of business environment in Ukraine in 2014 resulted in more focus on export of egg products
- ❖ Dry egg products are in demand on the global market and have a long shelf life
- ❖ Our share in production of liquid and dry egg products in Ukraine (2014): **94%** and **10%**, respectively

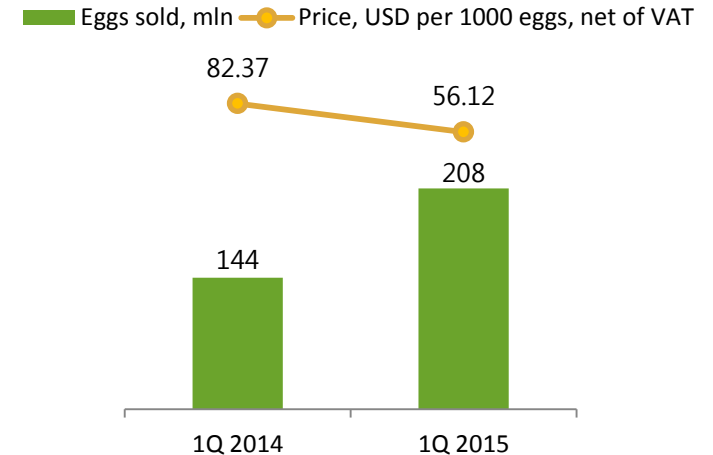
Egg products production volumes in Ukraine



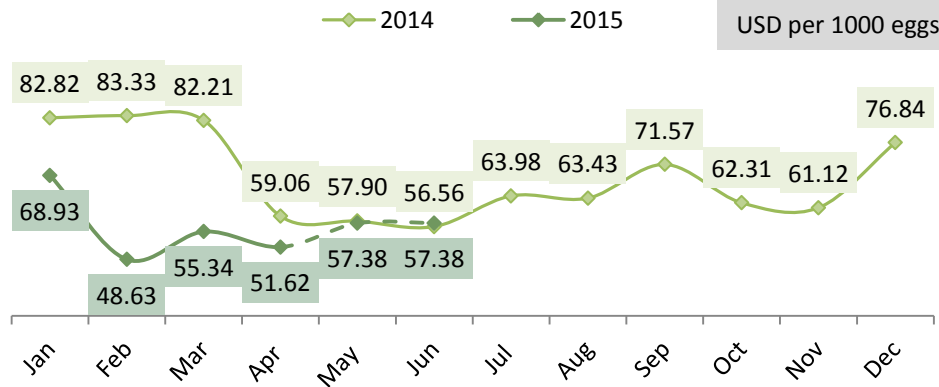
Segment update: eggs

- ❖ Shell egg sales volume increased by 44% y-o-y to 208 mln eggs
- ❖ Volume of eggs exported increased 3 times y-o-y; In 1Q 2015 25% of egg revenue has been generated outside Ukraine (vs 10% in 1Q 2014)
- ❖ Due to 2.3 times UAH devaluation over the reporting period compared to previous year, shell egg price in USD equivalent decreased to USD 0.56 per 10 eggs
- ❖ In UAH denomination average selling price showed a strong increase from UAH 7.30 to UAH 11.85 per 10 eggs
- ❖ Over 2Q 2015 the national currency appreciated to c. UAH 21 per 1 USD and has remained so during the month of May

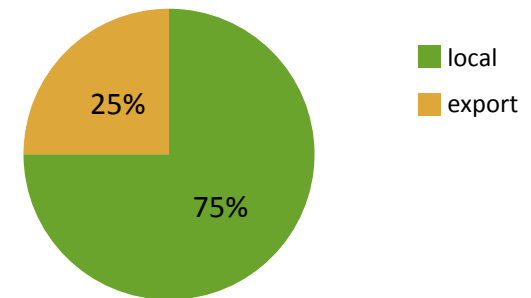
Shell egg prices and volumes sold



Egg sales price dynamics



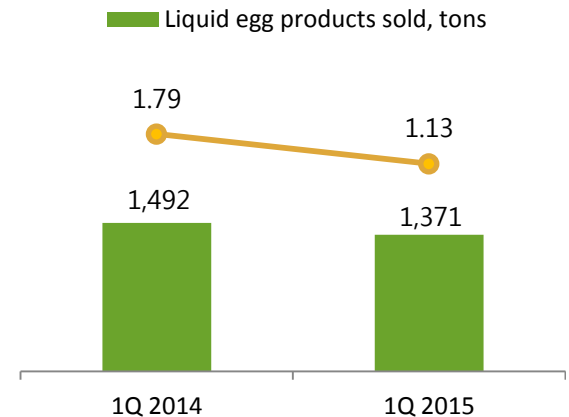
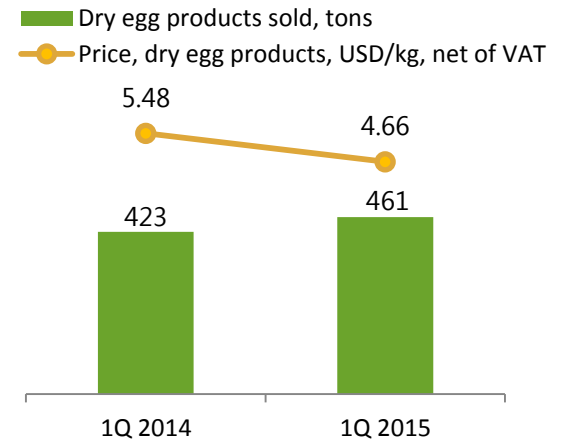
Structure of egg sales



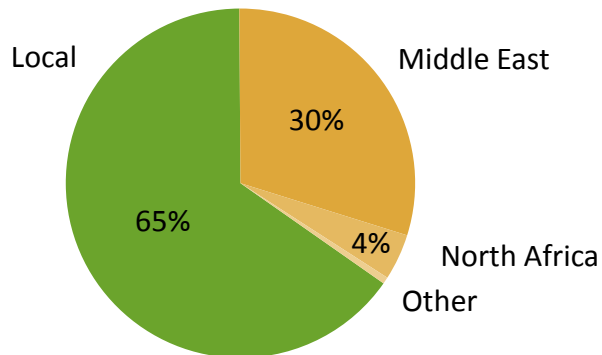
Segment update: egg products

- ❖ Sales volumes of dry egg products increased by 9% year-on-year to 461 tons
- ❖ Average selling price of dry egg products increased 2x y-o-y to 98.34 UAH/kg while in USD equivalent price decreased by 15% to 4.66 USD/kg
- ❖ In 1Q 2015 volume of dry egg products export was sustained compared to the same period previous year; Ovostar Union exported 245 tons of dry egg products, mostly whole egg powder
- ❖ Stronger focus on export of shell eggs and dry egg products resulted in lower sales volume of liquid egg products which decreased by 8% year-on year to 1,371 tons
- ❖ Average selling price of liquid egg products increased by 50% y-o-y to 23.88 UAH/kg while in USD equivalent price decreased by 37% to 1.13 USD/kg

Egg products prices and volumes sold



Egg products revenue structure



Section 2

Financial update

Financial performance overview: 1Q 2015

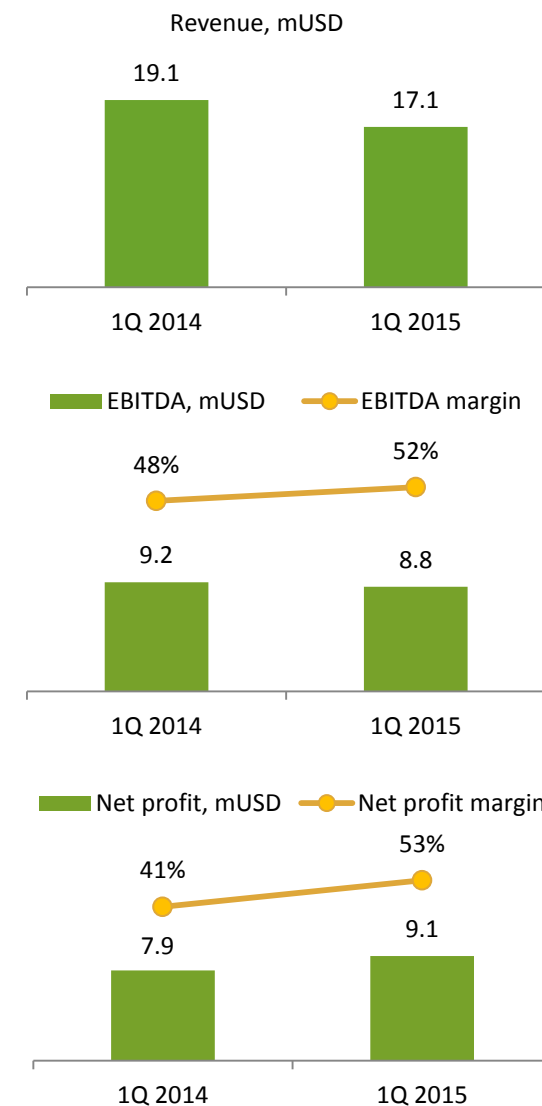
- ❖ Ukrainian hryvnia depreciation year-on-year from 8.9 to 21.1 UAH per 1 USD resulted in compression of the 1Q 2015 revenue in USD terms
- ❖ Adverse effect of UAH depreciation was smoothed out by higher sales volumes, re-orientation to export and recovery of egg price in UAH terms on the local market
- ❖ USD 1.1 million was received in 1Q 2015 under special VAT treatment
- ❖ EBITDA amounted to mUSD 8.8 while EBITDA margin increased to 52% year-on-year
- ❖ Foreign exchange differences that arose from translation of the consolidated financial statements to USD, our presentation currency, amounted to USD 32 million.
- ❖ The first tranche of export financing from AKA Bank / Landes Bank Berlin was acquired in February 2015

Net debt position

Cash and debt position in USD thousands	31/03/2015 (unaudited)	31/12/2014 (audited)	31/03/2014 (unaudited)
Cash and cash equivalents	7,166	2,471	8,704
Total debt	15,628	9,511	13,310
Net debt	8,462	7,040	4,606

*As of 1 June 2015, cash and cash equivalents amounted to c.mUSD 7.8

1Q 2015 financial results



Financial statements 1Q 2015

Balance sheet in USD thousands	31/03/15 (unaudited)	31/03/14 (unaudited)
Non-current assets	49,657	85,910
Non-current biological assets	19,990	34,056
PPE and intangible assets	29,499	51,322
Other non-current assets	168	532
Current assets	31,827	39,194
Current biological assets	7,551	11,444
Inventories	5,851	9,769
Trade and other receivables & prepayments	10,264	9,277
Cash and cash equivalents	7,166	8,704
Total assets	81,484	125,104
Owners' equity	61,823	106,733
Non-current liabilities	12,639	11,043
Current liabilities	7,022	7,328
Total liabilities	19,661	18,371
Total liabilities and equity	81,484	125,104

Income statement in USD thousands	1Q'2015 (unaudited)	1Q'2014 (unaudited)
Revenues	17,064	19,088
Revaluation of biological assets	775	953
Cost of sales	(9,845)	(10,914)
Gross profit	7,994	9,127
SG&A	(646)	(1,235)
Other operating income, net	978	212
Operating profit	8,326	8,104
Depreciation	487	1,094
EBITDA	8,813	9,198
Finance income/(costs), net	846	(197)
Profit before tax	9,172	7,907
Income tax expense	(48)	(43)
Profit for the period	9,124	7,864
Exchange differences	(32,366)	(40,457)
Total comprehensive income	(23,242)	(32,593)

Cash flow statement in USD thousands	1Q'2015 (unaudited)	1Q'2014 (unaudited)
Net cash flows from operating activities	7,801	7,150
Net cash flows used in investing activities	(5,055)	(6,129)
Net cash flows from/(used in) financing activities	2,339	(231)
Net increase/(decrease) in cash and cash equivalents	5,086	790

Section 3

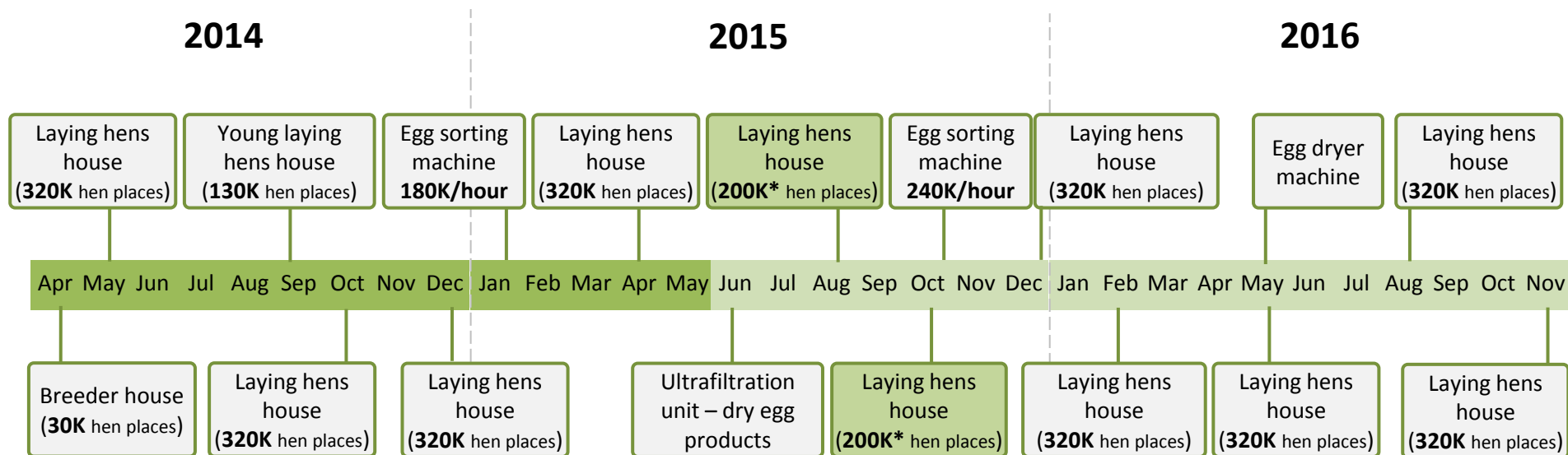
Investment program update

Capacities expansion program update

- ❖ Total of 4 laying hens houses scheduled for reconstruction in 2015; 1 completed in April
- ❖ In our approach, egg capacity expansion is a step-by-step process
- ❖ Interim increase in output will be visible throughout the years of reconstruction and one year after completion of investments as laying hens reach their maximum productivity
- ❖ We intend to receive certification for export of consumer shell eggs to EU by the end of 2015



Reconstruction timeline



* Buildings will be fully compatible with EU requirements for imported Class A eggs

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