

COMPANY NEWS

- ASTARTA continues implementation of bio-energy projects
- ASTARTA fosters cooperation with leading Ukrainian banks
- ASTARTA published interim report for the nine months ended September 30, 2014
- ASTARTA supports project “Healthy child – strong country” according to Group’s CSR policy

ECONOMIC&SECTOR NEWS

- Harvesting campaign in Ukraine
- ISO sugar market estimation

Please contact ASTARTA’s IR Team shall you have any questions.

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KEY TRADING DATA

Bloomberg ticker		AST PW
Share price	PLN	31.5
Share price, min	PLN	31.5
Share price, max	PLN	37.5
Last month ADT	mIn PLN	0,1

Note: All data is as of October 31, 2014

SHARE PRICE PERFORMANCE

	Price, \$	M-o-M, %	Y-o-Y, %
ASTARTA	9.4	-17%	-54.3%
WIG UKR Index	82.3	-3.0%	-51.0%
Ukrainian Peers			
Agroton	0.6	-4.4%	-17.4%
KSG Agro	0.4	7.4%	-89.9%
Milkiland	1	-17.3%	-78.5%
IMC	2.2	7.6%	-51.1%
Kernel	7.9	4.7%	-41.7%
Ovostar	22.2	5.2%	-31.9%
Global peers			
Duda	2.1	-2.1%	-24.0%
Colian SA	0.9	-4.5%	-2.1%
Greencore Group	4.2	10.6%	45.2%
Tate & Lyle	9.7	1.0%	-23.7%
Indykpol	13.0	4.5%	2.3%
Kruszwica	17.4	-7.5%	20.2%
Suedzucker	15.7	-12.2%	-56.8%
Agrana Beteiligungs	90.2	-10.7%	-26.3%

Source: Bloomberg

SOFT COMMODITY PRICES IN UKRAINE (VAT included)

	Price, \$/mt	M-o-M, %	Y-o-Y, %
Sugar, EXW	560,2	-6.6%	-19%
Soybean, EXW	391.9	2.3%	-21.7%
Wheat 3rd class, EXW	187.3	2.6%	-5.8%
Corn, EXW	130.5	6.6%	-13.1%
UAH/1\$ exchange rate	12,95	0.4%	82%

Source: Bloomberg, Agriagency

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COMPANY NEWS

ASTARTA continues implementation of bio-energy projects



ASTARTA has put into operation modern Bio-energy complex in Globyno (Poltava region). Sevki Acuner, Director of European bank of reconstruction and development visited complex on October, 22nd.

The project is the first of its kind in the CIS to produce biogas by fermentation of sugar beet pulp. Production capacity of the complex – 150 thousand m³ of biogas per day that is of 75 thousand m³ natural gas equivalent. This highly advanced technology will provide for replacement for natural gas consumption by sugar plant in Globyno by almost 50% during beet processing campaign.

Biogas is produced from excessive wet beet pulp which is a residue of beet sugar production. Besides it is planned to utilize other types of biomass feedstock in the near future. It is also planned that after completing of beet processing campaign biogas will be used by the nearby located soybean processing plant in Globyno.

Sevki Acuner, Director of EBRD: "Astarta is our long-term client in Ukraine and we are very pleased that it establishes an important benchmark for the rest of the industry by launching this biogas complex."

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Such examples of renewable energy generation manifest a new mentality of the energy efficiency conscious Ukrainian businesses."

Viktor Ivanchyk, CEO: "Implementation of modern bio-technologies allows us to expand utilization of renewable energy during production cycle which is increasingly important for sugar industry. It is an alternative to imported gas and is an example of efficient resources management considering the fact that fermentation residues are used as high-quality fertilizer."

ASTARTA fosters cooperation with leading Ukrainian banks



ASTARTA continues cooperation with reputable financial institutions of Ukraine. One of these partners is Raiffeisen Bank Aval, providing wide range of services for ASTARTA for more than 10 years.

Recently the conference «Agribusiness. Stories of Success» took place in Myrgorod (Poltava region). During the conference, customers of the bank and partners visited ASARTA's subsidiaries. Local management shared its experience in achieving high production results. Dairy complex in Gogolevo (Shyshaky district, Poltava region) was the first place to visit. The complex accounts for about 1 thousand dairy cattle

heads that produce more than 20 tons of milk per day. The guests also visited Yaresky sugar plant. With designed storage capacity of 50 thousand tonnes, it is ranked among the largest in Ukraine.

After visiting ASTARTA's production units, participants had an opportunity to listen to speeches of leading agrarian experts and monitor current trends in banking sector. Handful of urgent problems were raised, in particular tax changes, advantages and probably risks for agribusiness in the view of euro integration process.

Viktor Gorbachov, deputy chairman of Raiffeisen Bank Aval: «In my opinion, agri business is the most promising sector of Ukrainian economy. The experience of our partner ASTARTA proves it. Raiffeisen Bank Aval plans to foster close cooperation with companies of agri sector, that's why such kind of events for clients and partners for us in time».

Viktor Ivanchyk, CEO of ASTARTA: «Long-term cooperation with Raiffaisen Bank Aval allows us to develop our business and create new working places and therefore contribute to the development of infrastructure and support local communities».

ASTARTA published interim report for the nine months ended September 30, 2014

Consolidated revenues for the nine months of 2014 increased 7% to EUR 279 million, gross profit was EUR 116 million (+ 1% y-o-y), and EBITDA EUR 102 million (-2% y-o-y). Cash provided by operations increased 67% to EUR 81 million. Exports generated 20% of sales.

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Sugar segment's sales were EUR 140 million (50% of the consolidated revenues). ASTARTA started sugar production campaign in late August. As of now, the company's sugar refineries processed more than 2 million tonnes of sugar beets and produced over 300 thousand tonnes of white sugar. To secure higher degree of operating sustainability through energy materials diversification, two sugar plants are switched to coal fired scheme. ASTARTA has also put into operation a Bio-energy complex reducing natural gas consumption by the Globyno sugar plant.

Soybean processing segment delivered EUR 57 million (20% of consolidated revenues). Sales volumes were: 98 thousand tonnes of soybean meal and 22 thousand tonnes of soybean oil. The compliance of plant's production with international standards, smooth performance, efficient technological process and high-quality products allowed the plant to rank the top position among Ukrainian soybean crushers.

Agriculture segment's external revenues were EUR 51 million. About 80% of grains were exported. As of the date of publication, ASTARTA finishes harvesting of corn and sugar beets. Winter crops are planted on c. 50 thousand hectares and are in good conditions.

The dairy segment generated revenues of EUR 26 million. Dairy headcount at ASTARTA's farms increased 3% y-o-y to 31 thousand heads. Milk yields per cow increased 11%. Sales volumes of milk increased 14% to 75 thousand tonnes.

Comments of CEO, Viktor Ivanchyk

«ASTARTA's performance was consistent and sustainable despite the challenging economic environment. Now we focus on operational efficiency improvements and implementation of targeted energy-

efficiency projects. Balanced investments over the past several years and sound business-model provide a reliable foundation for future development”.

ASTARTA supports project “Healthy child – strong country” according to Group’s CSR policy



Local Community of Ivcha village (Vinnytsa Region) where ASTARTA operates, took part in XI Regional communities development project competition. The contest is aimed to increase the interaction of local authorities and communities in identifying and resolving urgent issues.

The project "Healthy Child-Strong Country" initiated by Ivcha local community was ranked among the best. ASTARTA’s subsidiary “Khmilnitske” provided financial support to the winners.

The project’s overall goal is to promote healthy way of life among local residents. Within the framework of the project it is planned to construct a sports ground with modern fitness equipment in the village. Moreover, local community was actively involved in the project implementation. The youth assisted in preparing the territory before construction of a sport ground. At present the sports ground serves as recreation area for citizens.

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Access to high quality open spaces and opportunities for sport and recreation can make an important contribution to the health and well-being of communities. The Company plans to continue supporting such initiatives and promote the positive experience obtained in the project.

SEGMENT NEWS

Harvesting campaign in Ukraine

As of November, 13st Ukrainian farmers harvested 60 million tonnes of grains (+13.6% y-o-y) on the total area of 14.2 million hectares (96% of the forecasted area).

Oilseeds harvesting campaign is finishing as well. In particular, sunflower is harvested on the area of 5 million hectares (97% of the forecasted area) and amounted 9.8 million tonnes; 3.7 million tonnes of soybean were harvested on the area of 1.76 million tonnes.

As of 13th November 14 million tonnes of sugar beet were harvested on the area 307 thousand hectares (92% of the forecasted area). Average yield of sugar beet improved 14% y-o-y and amounted 45.7 tonnes per hectare. As of date, 42 sugar plants are operating on the market and produced 1.47 million tonnes of white sugar.

Source: Proagro

ISO sugar market estimation

The International Sugar Organization cut its estimate for the world sugar surplus over the past two seasons by a combined 1.2m tonnes, and forecast an output shortfall in 2015-16 - but voiced caution on price prospects nonetheless.

The intergovernmental group, in a "preliminary" briefing on prospects for the sugar market next season, which starts in October 2015, forecast the "beginning of a new deficit phase in the world sugar cycle".

Signally, output in Brazil, the top producing country, has been hurt this year by persistent drought in the key Centre South region, responsible for some 90% of volumes, which has hurt cane yields.

Indeed, the ISO downgraded its forecast for Brazilian sugar production in 2014-15 by 1.93m tonnes to 37.57m tonnes, a drop of 2.06m tonnes year on year.

Source: Agrimoney

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