

## COMPANY NEWS

ASTARTA published interim report for the nine months of 2016

## ECONOMIC&SECTOR NEWS

Update on harvesting campaign in Ukraine

Dairy prices extend gains, as world production tightens

Update on sugar production campaign in Ukraine

## TRADING DATA

|                  |         |        |
|------------------|---------|--------|
| Bloomberg ticker |         | AST PW |
| Share price      | PLN     | 52.2   |
| Share price. min | PLN     | 50.0   |
| Share price. max | PLN     | 52.7   |
| Last month ADT   | mIn PLN | 0.2    |

Note: All data is as of November 30, 2016

## SHARE PRICE PERFORMANCE

|                                | Price.<br>\$ | M-o-M.<br>% | Y-o-Y. % |
|--------------------------------|--------------|-------------|----------|
| Astarta                        | 12,4         | -7,4%       | 39,6%    |
| WIG UKR Index                  | 125,8        | -5,6%       | 30,5%    |
| <b>Ukrainian Peers</b>         |              |             |          |
| Agroton                        | 0,7          | -4,6%       | 177,8%   |
| KSG Agro                       | 0,5          | -4,1%       | 90,6%    |
| Milkiland                      | 0,4          | -6,5%       | 5,7%     |
| IMC                            | 1,7          | -5,2%       | 9,7%     |
| Kernel                         | 15,5         | -3,1%       | 29,5%    |
| Ovostar                        | 21,1         | -8,9%       | -2,1%    |
| <b>Global peers</b>            |              |             |          |
| Colian SA                      | 0,8          | -6,8%       | -26,4%   |
| Greencore Group                | 3,6          | -9,9%       | -28,4%   |
| Tate & Lyle                    | 8,5          | -11,2%      | -4,5%    |
| Indykpol                       | 12,9         | -25,4%      | -39,9%   |
| Kruszwica                      | 17,9         | 3,3%        | 47,5%    |
| Suedzucker Agrana Beteiligungs | 22,4         | -12,4%      | 19,0%    |
|                                | 115,6        | -3,5%       | 24,4%    |

## SOFT COMMODITY PRICES IN UKRAINE

|                       | Price, \$/mt | M-o-M,<br>% | Y-o-Y, % |
|-----------------------|--------------|-------------|----------|
| Sugar, EXW            | 555.1        | 4.9%        | -6.6%    |
| Soybean, CPT          | 427.8        | 0.3%        | 12.0%    |
| Wheat 3rd class, EXW  | 180.8        | 11.4%       | 24.0%    |
| Corn, EXW             | 158.1        | -1.6%       | 20.9%    |
| UAH/1\$ exchange rate | 25.75        | -0.2 %      | 18.0%    |

Source: Bloomberg. AAA,NBU

Note: All data is as November 30, 2016

Please contact ASTARTA's IR Team shall you have any questions

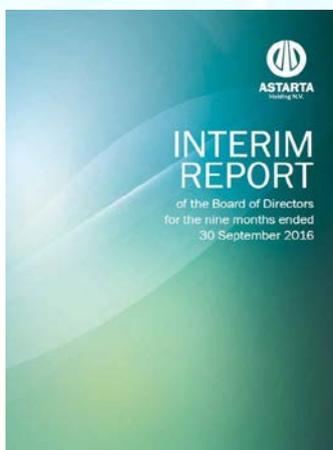
E-mail: [IR@astartakiev.com.ua](mailto:IR@astartakiev.com.ua)

Facebook: Astarta-Kyiv

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## COMPANY NEWS

### ASTARTA published interim report for the nine months of 2016



#### Key Highlights

- Consolidated Revenues increased by 8% to EUR 216 million
- Export sales generated 45% of consolidated revenues (32% for the same period a year ago)
- EBITDA grew by 19% to EUR 129 million
- Net profit increased almost 3 times to EUR 79 million
- Net debt reduced to EUR 156 million (-23% y-o-y)

#### Performance in Key Segments

##### *Sugar production*

Revenues in the sugar segment amounted to EUR 100 million (46% of consolidated revenues). Sugar sales volumes corrected 11% to 237 thousand tons on the advancing market. Almost 45 thousand tons of white sugar (19% of aggregate sales) was exported. At the date of publication of this report, eight ASTARTA sugar plants had processed nearly 2 million tons of sugar beet and produced over

280 thousand tons of white sugar. By the end of the production campaign, the Company intends to have processed over 3.2 million tons of sugar beet, around 70% of which grown by ASTARTA farms.

##### *Agriculture*

Revenues in the agricultural segment were EUR 43 million (20% of consolidated revenues), 20% higher y-o-y. The share of exports was traditionally high, amounting to 80% of the combined segment's sales. At the date of publication of this report, all grains and oilseeds except corn and sugar beet (which are still being harvested) were collected.

##### *Soybean processing*

Revenues in the soybean crushing segment reached EUR 53 million (25% of consolidated revenues, 36% higher y-o-y), fueled mostly by stronger sales volumes. Over last nine months, ASTARTA sold 28 thousand tons of soybean oil (+42% y-o-y), 107 thousand tons of meal (+62%), and 6 thousand tons of husk (+105% y-o-y). Soybean crushing products exports have been growing steadily to 115 thousand tons, almost 81% of the segment's sales.

##### *Dairy Farming*

Revenues from milk sales were EUR 17 million (8% of consolidated revenues, 5% lower y-o-y). The milk production at ASTARTA's dairy farms was 81 thousand tons, which was also 4% higher than the same period a year ago. In an environment of depressed milk prices, ASTARTA's focus in the segment was on growing dairy productivity and cost cutting. Thus the average productivity per cow improved by 7% while the headcount was reduced by 3%.

##### *Comments of CEO Viktor Ivanchyk*

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"In the third quarter, our focus was on several targets, including operational, commercial, and investment. ASTARTA posted a strong start to the new sugar production season and completed two investment projects on expansion of crop storage capacities. The Company materially increased export sales. Our strong commitment to modern agri-technologies, cost control, and the training of personnel foster a solid foundation for further development of ASTARTA".

## ECONOMIC&SECTOR NEWS

### Update on harvesting campaign in Ukraine

As of December, 1st Ukraine harvesting campaign in Ukraine completed on the area of 13.8 million hectares. Total harvest of the crops is estimated at 62.8 million tonnes. Average yield is 4.56 tonnes per hectare that is 0.4 tonnes per hectare higher than year ago. In particular, corn is harvested in the area of 3.7 million tonnes (88% completion). Total harvest of the crop is estimated at 23.6 million tonnes, average yield is 6.32 tonnes per ha. Sunflower harvesting campaign is 99% completed on the area 5.9 million tonnes. Total harvest of the sunflower is 13.4 million tonnes, average yield is 2.27 tonnes per hectare. Soybean is harvested on the area of 1.79 million tonnes (98% completion). The volume of the harvest of the crop is estimated on the level of 4.1 million tonnes, average yield is 2.29 tonnes per hectate.

Moreover, Ukrainian farmers are completing sowing campaign of winter crops. As of December 1st, 6.95 million hectares were already planted.

*APK-inform*

### Dairy prices extend gains, as world production tightens

Milk prices on the GlobalDairyTrade auction site hit their highest level in over two years, as the dairy market recovery continues. Prices for benchmark whole milk powder rose almost 5%, to their highest level June 2014.

Dairy prices have been rallying since July, fuelled by ideas of tighter world supply, and increased buying from Asia. Whole milk powder prices are up 73% in the last four and a half months. And whole milk powder prices are increasing their premium to skimmed milk prices, helped by the good Asian demand as well as ideas that the EU may release stocks of skimmed milk powder onto the market.

"Milk production remains depressed in South America and is waning in Europe," the experts said. And in China, milk production is falling thanks to the falling dairy herd.

*Agrimoney*

### Update on sugar production campaign in Ukraine

As of 13th December sugar plants in Ukraine produced 1.866 millions tonnes of sugar since the beginning of the production campaign. Overall Ukrainian sugar plants processed 12,71 million tonnes of sugar beet. 20 sugar plants already finished their production season and 22 sugar plants continue processing. In the previous production season Ukraine produced 1.43 million tonnes of sugar and the area under sugar beet amounted 238 thousand hectares. In the current production season local farmers planted over 290 thousand hectares under sugar beet.

*Ukrsugar*

*Dear colleagues!!!*

*Please accept our warmest wishes of Merry Christmas and Happy New Year!!!*



Merry Christmas  
and Happy New Year

