



# ASTARTA Monthly

No. 83 September 6, 2013 Shareholders corporate newsletter\*

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## Contents

|   |   |
|---|---|
| Corporate News .....  | 2 |
| <i>ASTARTA harvested early grain crops</i> .....                            | 2 |
| <i>ASTARTA published semiannual report for the first half of 2013</i> ..... | 2 |
| Sector's & Economic News .....  | 3 |
| <i>Quality indexes of grain rather high – Prysiazhniuk</i> .....            | 3 |
| <i>Caution on soy prices despite waning US crop hopes</i> .....             | 3 |
| ASTARTA in Figures .....  | 5 |
| <i>Quotation information for the period 1-31 August 2013</i> .....          | 5 |
| Quotes of Sugar & Food Companies .....                                      | 7 |
| <i>European Stock Exchanges</i> .....                                       | 7 |
| Agricultural & Sugar Prices .....   | 8 |

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## Corporate News

### *ASTARTA harvested early grain crops*



ASTARTA's subsidiaries finished harvesting early grain crops on about 60 thousand hectares. The average yield of wheat is about 4.8 tonnes per ha, barley and rye - 3 tonnes per ha.

The yields in ASTARTA's farms increased 25-30% year over year and are more than 40% higher than the Ukrainian averages. Application of advanced agricultural technologies and investments in training of personnel strongly contributed to efficient crop growing and timely harvesting.

The best results are obtained in Poltava region. Yields of wheat at 6 tonnes per ha and barley at 4 tonnes per ha were achieved at some big farms. In the Western regions, yields stood behind due to excessive rains and extended cold weather in spring.

At present, the Group's subsidiaries are set to harvest technical crops and perform soil preparation for a new season. Condi-

tions of corn, sugar beet, soybean and sunflower plantings are good and support optimism about the harvest.

### *ASTARTA published semi-annual report for the first half of 2013*



In the reporting period ASTARTA increased revenues by 15% to 164 million EUR and EBITDA by 7% to 77 million EUR.

#### Sugar segment

Driven by expansion of client base and strengthening of cooperation with retail chains, ASTARTA increased volumes of sugar sales by 31%. Volumes of sugar exports grew by 20%. Revenues in the segment expanded 21%. In a few weeks time a new sugar production campaign will start. Sugar beet condition in our fields is regarded as good and we are now focusing on proper preparation of plants.

#### Agricultural segment

Despite decrease in volumes of crop sales by 17% driven by slim harvest in 2012, revenues in the segment remained stable. Almost half of grains and oilseeds sold in the reporting period were exported. Proper application of mod-

ern agri-technologies in ASTARTA and favorable weather conditions in this season provided for the material increase in yields of main crops. Total harvest of grain crops is expected to reach 900 thousand tonnes.

#### Cattle farming segment

Revenues in the segment grew by 25%. Volumes of milk sales increased by 8%. Consistent improvements in the segment provided for dynamic growth of cow livestock headcount and milk yields.

#### New projects

A lot of effort is being made for the timely industrial commissioning of two new facilities: a biogas production plant and soybean processing mill. Construction and fitting on the sites is being performed according to a plan, and both plants shall be launched in autumn. When fully operational, these facilities will strongly contribute to business diversification and increased energy efficiency.



## Sector's & Economic News

**Quality indexes of grain rather high – Prysiazhniuk**



Out of total wheat, which came to storage facilities since the beginning of the marketing year, 87% is milling wheat.

Agricultural Policy Minister Mykola Prysiazhniuk stressed this at a press conference at Ukrinform on Tuesday, a Ukrinform correspondent reports.

*"The quality of grain, in particular, of wheat is estimated as high. Suffice it to say that out of 6 million tons of wheat, which came to grain storages since the beginning of the marketing year, 87 percent is milling wheat. It should be noted that Ukrainian grain had achieved high quality indicators stably over several recent years,"* the government head noted.

He informed that harvesting of early grain crops completed in Ukraine, over 30 million tons of grain was gathered. Currently, harvesting of buckwheat

continues (92,000 tons) and millet (76,000 tons). In southern regions, harvesting of corn started, the yield makes up 141,000 tons with crop capacity of 50.3 centners/ha (in 2012 - 32.4 centners/ha). Sunflower seeds gathered to the amount of 1.045 billion tons, its crop capacity is almost one third up against the previous year.

According to the Minister, sowing of winter rape continues, 394,000 ha or 43% of the acreage. Sowing of winter wheat, barley and rye will start in the second ten-day period of September.

*Ukrinform*

### **Caution on soy prices despite waning US crop hopes**



Brokers queued up to warn against expectations of higher soybean prices, even as hopes for the US harvest continued to come into question, with Macquarie the latest to lower its forecast for the US yield.

Macquarie cut to 40.9 bushels per acre, from 42.5 bushels per acre, its forecast for the US soybean yield, citing the setbacks to prospects from

dryness in Illinois and Iowa, the top producing states.

*"If we see no precipitation through the next 1-2 weeks in this region [eastern Iowa and western Illinois], we could though see the prospect of the national average yield in the US falling towards the 40-bushels-an-acre level,"* Macquarie analyst Chris Gadd said.

The downgrade is the latest in a series from brokers, such as Lanworth, this week, with FCStone overnight pegging the yield at 41.2 bushels per acre, and an Allendale survey showing a figure of 39.0 bushels per acre, which would represent a fourth successive year of decline.

Nonetheless, despite the downgrade, Macquarie warned against forecasts of higher prices, flagging the role of rising prices in encouraging South American farmers to raise plantings of the oilseed, and for users to ration supplies.

*"The market has been too willing to price in the most pessimistic views and we would be bearish from current levels in all but the most extreme scenarios,"* Mr Gadd said.

Macquarie forecast Brazil's soybean output hitting a record 87.0m tonnes in 2013-14, with the recovery in price meaning farmers - for whom costs of producing and developing mar-



ginal land in Mato Grosso have fallen to \$11.70 a bushel thanks to a depreciating currency – should "expand aggressively".

The Brazil harvest forecast is above that from many other commentators, including the USDA, which pegs the crop at 85.0m tonnes.

Caution over soybean prices was also voiced by

commentators such as Darrel Good, professor in the agricultural and consumer economics department at the University of Illinois, who said that the potential for another disappointing US soybean meant that futures should echo their path of last year.

"Soybean prices are expected to unfold in more of a short-crop pattern like that of last year," he said.

*"Under such a pattern, prices would be expected to peak very early in the marketing year in order to discourage consumption and decline as the year progresses, particularly if the South American crop is large again in 2014."*

*Agrimoney*

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## ASTARTA in Figures

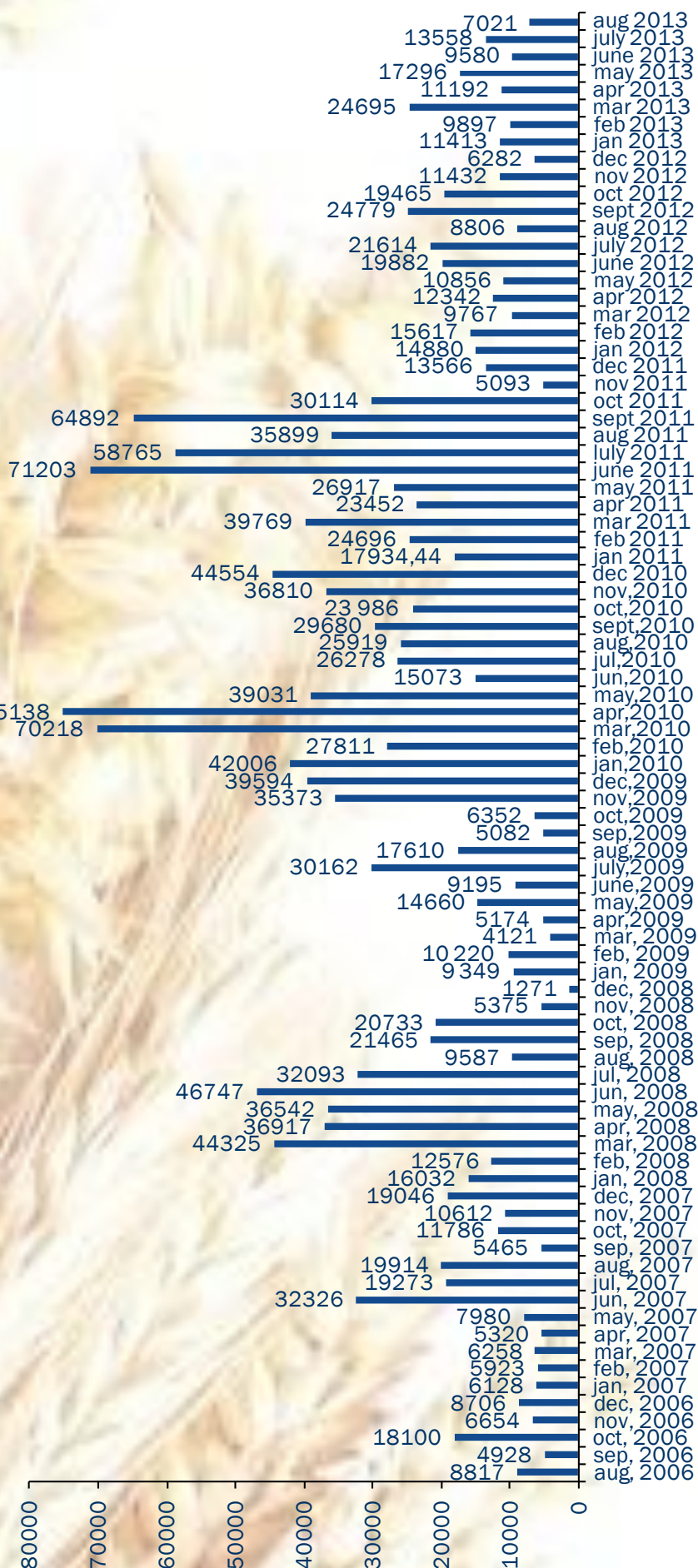
Quotation information for the period 1-31 August 2013

Trading session results AST as of 31.08.2013

|   |                                    |
|---|------------------------------------|
| Last Trade                                | 67.57                              |
| Last Change                               | +0.1%                              |
| Day's Range                               | 69.50 – 69.57 PLN                  |
| 1 Month Range / Change                    | 67.57 – 77.4 PLN/ -10.38%          |
| Turnover (1 month)                        | 7 021 028 PLN/ 96 246 shares       |
| Avg. Day Turnover (1 month)               | 501 502 PLN / 6 875 shares         |
| Avg. Price (1 month)                      | 72.95                              |
| Market Cap. 30.08.2013                    | 1 689 250 000 PLN/ 524 351 254 USD |
| Number of trade sessions                  | 14                                 |
| Transactions from 01.08.2013 - 31.08.2013 | 538                                |
| Avg. Transactions for session             | 38                                 |
| 20-Day Moving Average AST                 | 73.14                              |
| 100-Day Moving Average AST                | 63.25                              |
| 200-Day Moving Average AST                | 61.83                              |



Monthly turnover, 17/08/2006-31/08/2013, '000 PLN



## Quotes of Sugar & Food Companies

### European Stock Exchanges

| Name                   | 31.07.2013 | 30.08.2013 | Change. % |
|------------------------|------------|------------|-----------|
| TATE & LYLE            | 8.39       | 8.05       | -4.1%     |
| AGRANA<br>BETEILIGUNGS | 96.02      | 94.94      | -1.1%     |
| SUEDZUCKER             | 24.40      | 24.34      | -0.2%     |
| GREENCORE GROUP        | 1.70       | 1.48       | -12.9%    |
| INDYKPOL               | 36.45      | 43.49      | 19.3%     |
| COLIAN SA              | 2.34       | 2.57       | 9.8%      |
| KRUSZWICA              | 39.97      | 44.00      | 10.1%     |
| MIESZKO                | 4.08       | 4.17       | 2.2%      |
| DUDA                   | 0.73       | 0.68       | -6.8%     |
| KERNEL                 | 50.12      | 47.40      | -5.4%     |
| AGROTON                | 2.14       | 2.38       | 11.2%     |
| MILKILAND              | 12.40      | 11.60      | -6.5%     |
| IMC                    | 15.60      | 14.83      | -4.9%     |
| KSG Agro               | 11.60      | 10.36      | -10.7%    |
| OVOSTAR                | 76.50      | 84.00      | 9.8%      |



## Agricultural & Sugar Prices

| White sugar |  |                                      |
|-------------|--|--------------------------------------|
|             | Ukraine<br>EXW. UAH per ton            | LIFFE<br>(FOB. futures). USD per ton |
| 31 July '13 | 5800                                   | 490.7                                |
| 30 Aug '13  | 5400                                   | 477.9                                |
| Raw sugar   |  |                                      |
|             | NYBOT<br>(FOB. futures)<br>USD per ton |                                      |
| 31 July '13 | 374.1                                  |                                      |
| 30 Aug '13  | 360.2                                  |                                      |
| Wheat       |  |                                      |
|             | Ukraine<br>CPT. UAH per ton            | Hungary,<br>EXW. USD per ton         |
| 31 July '13 | 1700                                   | 195                                  |
| 30 Aug '13  | 1675                                   | 193                                  |
| Feed Barley |  |                                      |
|             | Ukraine<br>CPT. UAH per ton            | France,<br>FOB. USD per ton          |
| 31 July '13 | 1800                                   | 238                                  |
| 30 Aug '13  | 1700                                   | 239                                  |
| Sunflower   |  |                                      |
|             | Ukraine<br>CPT. UAH per ton            | Argentina<br>FOB. USD per ton        |
| 31 July '13 | 4500                                   | 500                                  |
| 30 Aug '13  | 3000                                   | 420                                  |
| Corn        |  |                                      |
|             | Ukraine<br>CPT. UAH per ton            | Hungary.<br>USD per ton              |
| 31 July '13 | 1900                                   | 226                                  |
| 30 Aug '13  | 1500                                   | 218                                  |
| Soybeans    |  |                                      |
|             | Ukraine<br>CPT. UAH per ton            | CBOT<br>(EXW. futures). USD per ton  |
| 31 July '13 | 4550                                   | 505                                  |
| 30 Aug '13  | 3700                                   | 499                                  |

Source: [agriagency.com.ua](http://agriagency.com.ua), [isco-i.ru](http://isco-i.ru), [apk-inform.com](http://apk-inform.com), [proagro.com.ua](http://proagro.com.ua)

NBU exchange rate:

31.07.13: 1 USD = 7,99 UAH

30.08.13: 1 USD = 7,99 UAH