

20 October 2011

## **OPERATIONAL RESULTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2011**

Ovostar Union N.V. (WSE: OVO) (hereinafter "the Company"), a vertically integrated holding company, one of the leading egg and egg products producers in Ukraine, announces its operational results for the nine months of 2011.

### **Egg production**

As of September 30, 2011, the Company had a flock of 2.45 million laying hens (9M2010: 1.96 million laying hens; a 25% increase).

During the nine months of 2011 the Company produced 443 million shell eggs, an 11% growth compared to the same period the year before (9M2010: 400 million shell eggs). Shell egg sales increased by 19% to 323 million pieces (9M2010: 272 million eggs). The Company sold eggs at an average price of UAH 0.578 per 1 egg\* while during the nine months of 2010 the Company's average selling price of shell eggs was UAH 0.506 per 1 egg (a 14% increase).

The Company exported 71 million shell eggs during the nine months of 2011, 65% more than during the nine months of 2010 (9M2010: 43 million eggs).

### **Egg products production**

The Company has processed 159 million eggs during the nine months of 2011 which is 30% more than in the comparable period the year before. In the nine months of 2011 the Company sold 1 050 tons of dry and 2 794 tons of liquid egg products. The average selling price for dry egg products increased 7% and was UAH 38.80 per kg while the price for liquid egg products increased by 15% and was UAH 12.39 per kg (9M2010: UAH 36.25 per kg of dry and UAH 10.74 per kg of liquid egg products).

### **Investment program**

The investment program is being implemented according to schedule. The first one of six laying hens houses with a capacity of 309 ths bird places has been launched in August 2011. One more poultry house of 281 ths bird places will be launched by the end of October 2011.

All of the equipment required for the expansion of capacities of the egg processing plant has been already purchased and now is being delivered and getting ready for installation.

Additional capacities are being constructed on the young laying hens site. The construction works on two buildings have been already finished and equipment installation will be completed by the end of the year. The third building will be launched by March 1, 2012.

### **Other recent developments**

The first stage of the sunflower processing unit has been launched in September 2011.

The Company has signed a contract for delivery of liquid egg products with Kraft Foods Ukraine in August 2011.

In July 2011 the Company has increased its presence in the retail chains by signing a contract for delivery of eggs with ATB-Market, one of the largest retail chains in Ukraine.

Overall, the management is optimistic about the 2011 targets given the prices for eggs and egg products on the market are increasing, the prices for corn and sunflower (which are the main feed components) are going down.

\*All prices net of VAT (20%)

UAH/USD exchange rate (30.09.2011) = 7.9727

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