



III WSE International Companies Conference Presentation

4 December 2012

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OMNIA FT 500

Section 1

Key highlights



- ✓ IPO investment program completed in September 2012

Egg segment:

- ✓ Egg price increased by 9% YoY to USD 0.79*/10 pcs
- ✓ Sales through retail chains accounted for 58% of eggs revenue

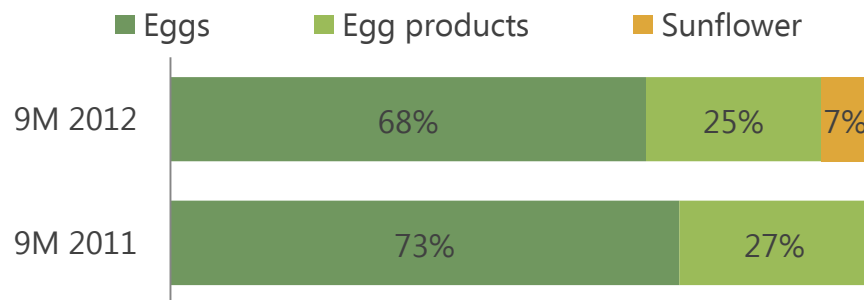
Egg products segment:

- ✓ Liquid egg products price grew by 22% to USD 1.89*/kg
- ✓ Dry egg products price increased by 9% to USD 5.31*/kg

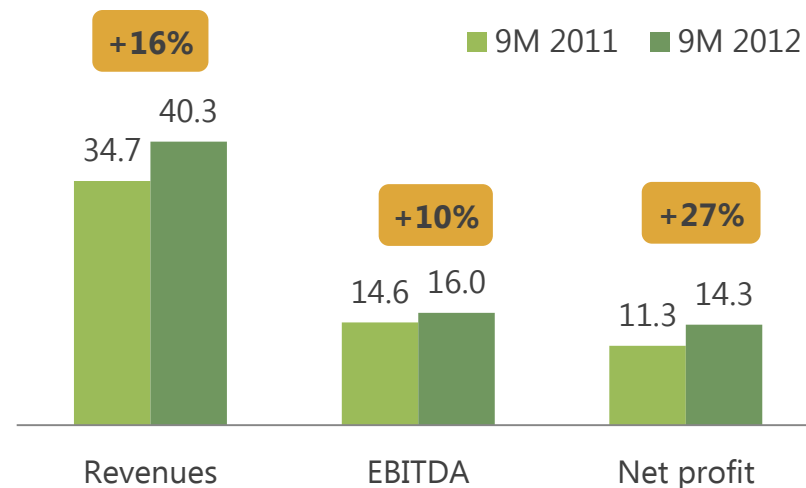
Market highlights:

- ✓ Ukrainian egg market further consolidates
- ✓ Liquid egg products gain more popularity among food processing companies in Ukraine

Revenue structure



Revenues, EBITDA and net profit, mUSD



Key performance indicators

Indicator	Units	9M 2012	9M 2011
Total flock (eop)	mln	3.6	2.5
Laying hens flock (eop)	mln	2.7	2.1
Shell eggs production volume	mln	491	443
Shell egg processing volume	mln	176	159
Sunflower seed processing	tons	8,552	-

**All prices are indicated net of VAT*

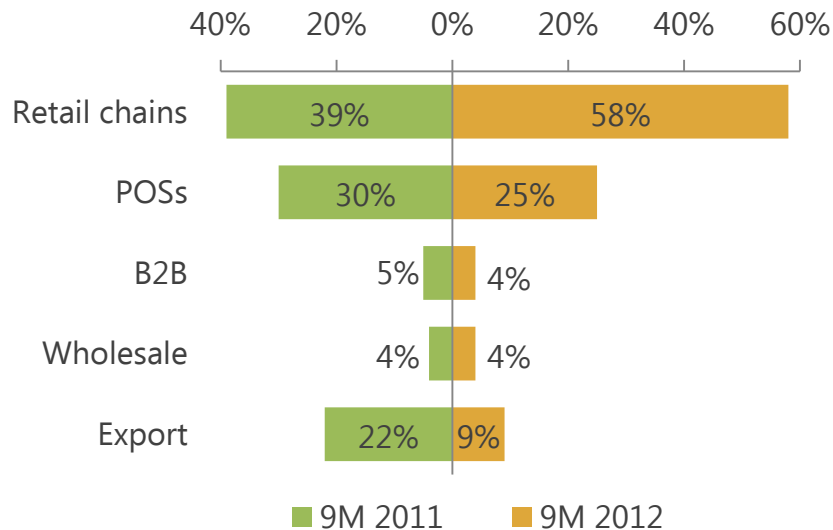


Section 2

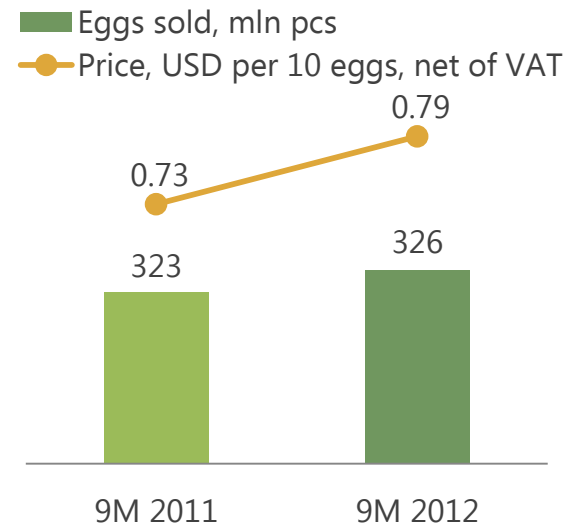
Segment results

- ✓ Egg sales contributed mUSD 26 to total sales revenue in 9M 2012 (9M 2011: mUSD 24)
- ✓ Retail chains and own points of sale (POSs) remain key sales channels, yielding 83% of egg sales revenue
- ✓ Increased sales to retail chains supported increase in average egg selling price
- ✓ Continuing brand loyalty ensured by permanent high quality of eggs
- ✓ Decreasing share of export sales due to more favorable prices on the local market

Shell egg sales channels



Shell egg prices and volumes sold



Eggs: products and key clients

- ✓ Yasensvit™ is the most recognized egg brand in Ukraine
- ✓ Key clients in egg segment are leading retail chains
- ✓ Retail Day in October 2012: the Company strives to bring in even more value to well-established relationships with leading Ukrainian retail chains
- ✓ In Q3 2012 Yasensvit™ started cooperation with two local retail chains



Key retail clients

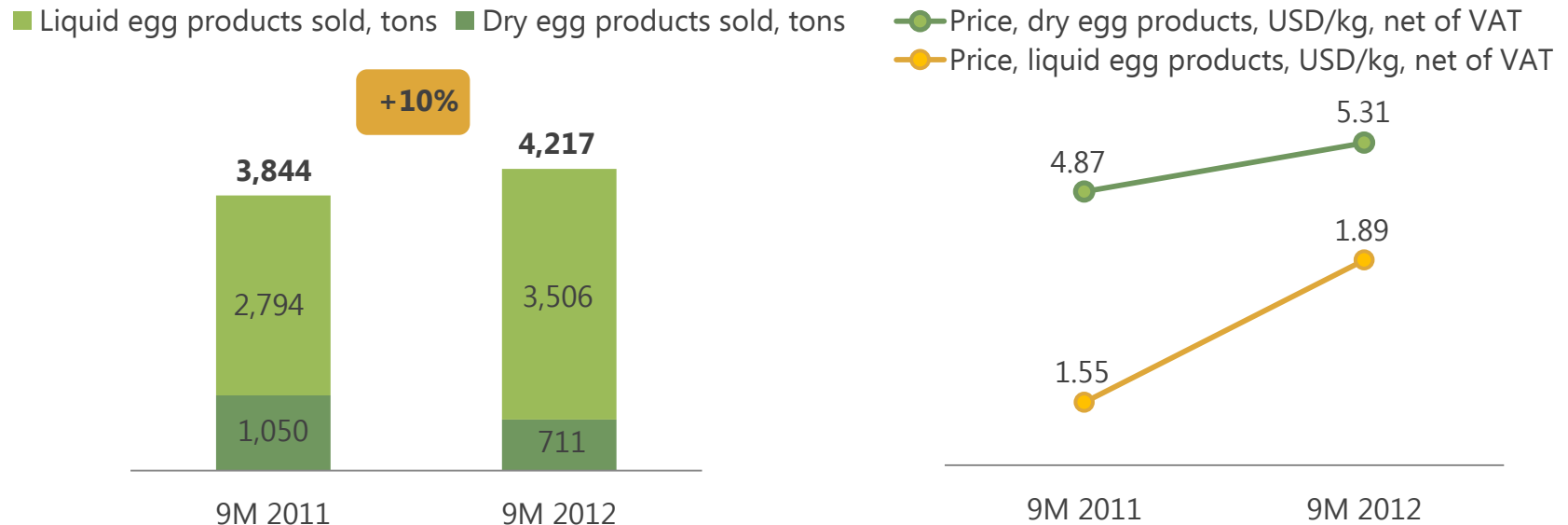
Client name	Description
	649 stores in 171 cities
	234 stores in 59 cities
	22 supermarkets in 13 cities
	114 stores in 63 cities
	43 stores in 20 cities
	8 hypermarkets in 5 cities
	20 stores in 8 cities
	32 stores in 22 cities
	102 stores in 39 cities
	14 stores in 1 city

Shell egg product portfolio

Segment	Number of sub-brands
Premium	7
Standard	7
Economy	3
Private label	11

- ✓ Food companies in Ukraine switch from shell eggs and dry egg products to liquid egg products
- ✓ Ovostar focuses on production of liquid egg products over dry egg products
- ✓ Extended production capacities in egg products allow to satisfy the demand for all types of egg products on the local market
- ✓ Price is expected to continue growth supported by increasing demand for egg products from expanding food companies and unique position of the Company on Ukrainian market

Liquid and dry egg products prices and volumes sold



- ✓ Ovostar Union offers the widest range of egg products on the local market
- ✓ Egg products are sold under Ovostar™ brand
- ✓ Ukraine is the target market for the Company
- ✓ Liquid egg products market is expanding
- ✓ Most clients are B2B companies operating on the Ukrainian food market
- ✓ An annual audit performed by Bureau Veritas confirmed that Ovostar egg products remain compliant with ISO 9001:2008 and ISO 22000:2005 Quality management systems
- ✓ Ovostar successfully met the standards of The McDonald's Supplier Quality Management System under the annual food safety audit
- ✓ In 2012 Egypt is introduced as the new export market for the Company's egg products

Egg products portfolio

Dry egg products	Liquid egg products
Dry egg white	Liquid egg white
Whole egg powder	Liquid whole egg
Dry egg yolk	Liquid egg yolk
Dry egg yolk fermented	Liquid egg yolk fermented

Key clients

Client name	Industry
	Confectionery
	Mayonnaise, sauces, pasta
	HoReCa
	Mayonnaise, sauces
	Confectionery
	Confectionery
	Confectionery
	Frozen foods and ice cream
	Confectionery
	Confectionery

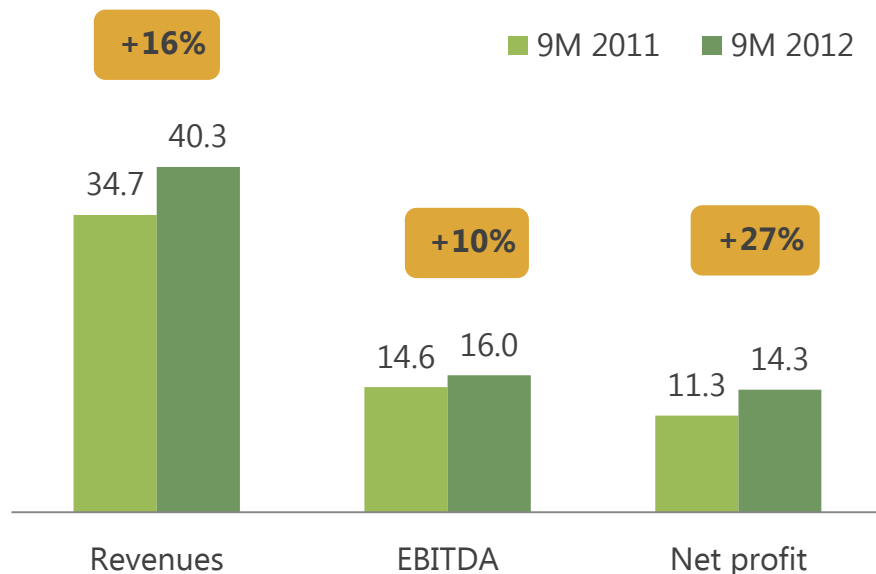
Section 3

Financial highlights

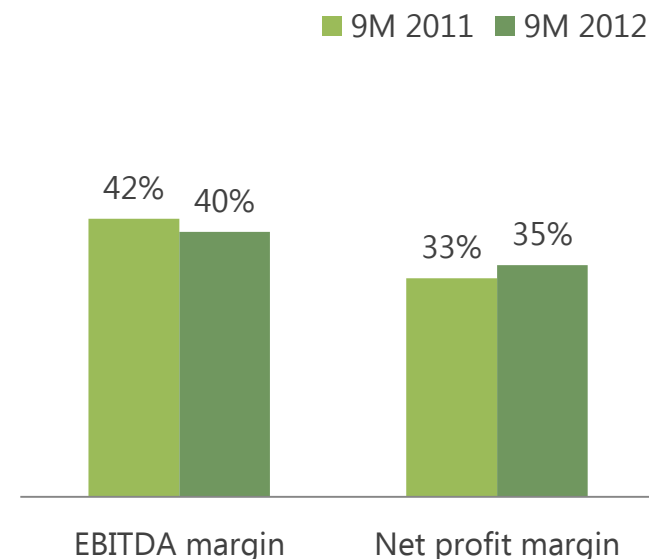
Financial results and profitability overview

- ✓ Increase in revenue by 16% YoY to mUSD 40.3 was attributed to the growth in volumes sold and selling prices of eggs and egg products as well as revenue from sunflower processing segment
- ✓ Cost of sales increased at a faster pace (22% YoY) compared to revenue mainly as a result of higher realized feed cost in the 3rd quarter of 2012 (more information on CoS structure on page 14)
- ✓ EBITDA increased by 10% YoY to mUSD 16 in 9M 2012. Lower VAT income attributed to a decrease in EBITDA margin
- ✓ Net profit margin increased to 35% in 9M 2012. Less finance costs have been incurred due to decrease in loans and borrowings (more information on debt position on page 16)

Revenues, EBITDA and net profit, mUSD

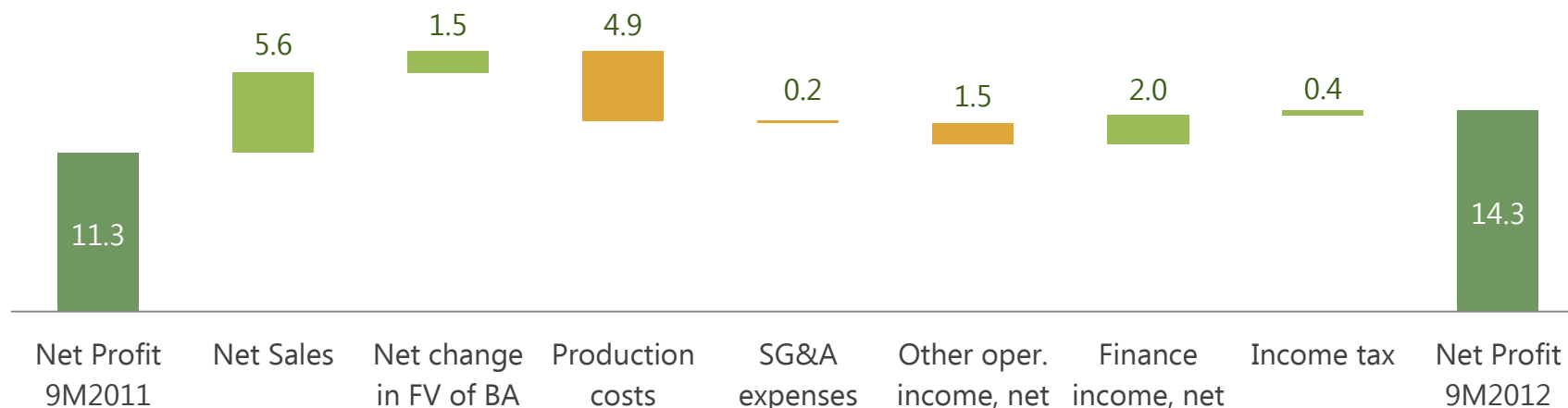


EBITDA and net profit margins

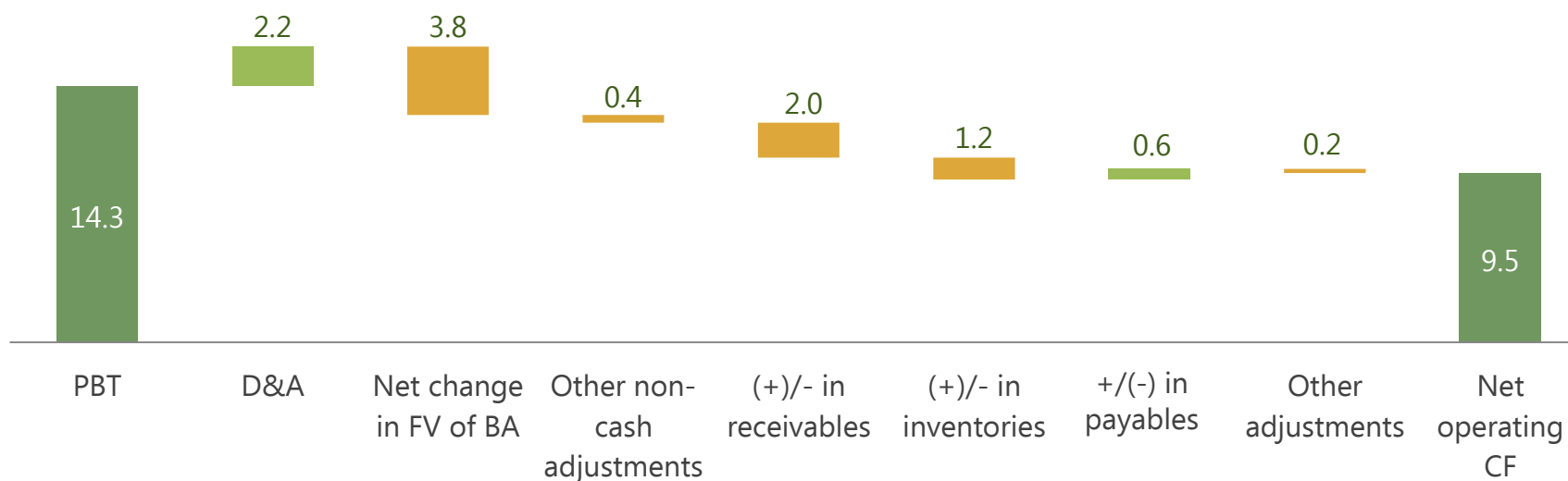


Net profit and operating cash flow

Net profit, 9M 2011 vs. 9M 2012, mUSD



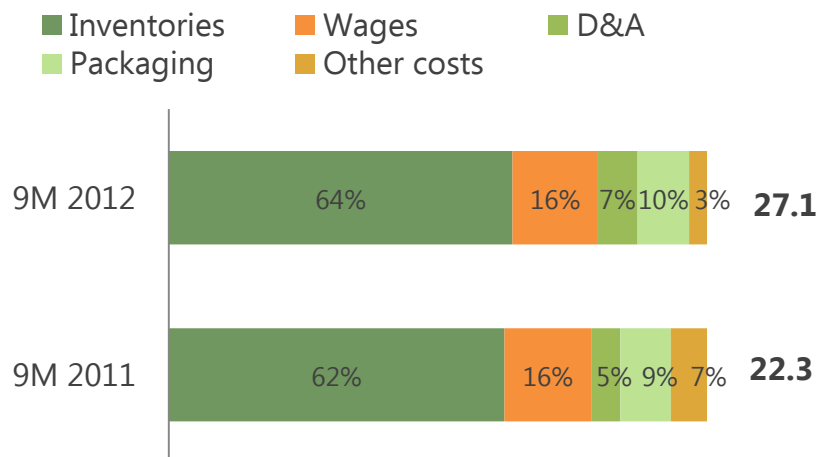
Operating Cash Flow, 9M 2012, mUSD



Cost of sales:

- ✓ Inventories expense increased mainly due to growth in raw materials prices
- ✓ Packaging costs increased since more packaged products were sold
- ✓ D&A increased due to substantial PPE investments in 2012
- ✓ Wages of production personnel increased due to improved operational results

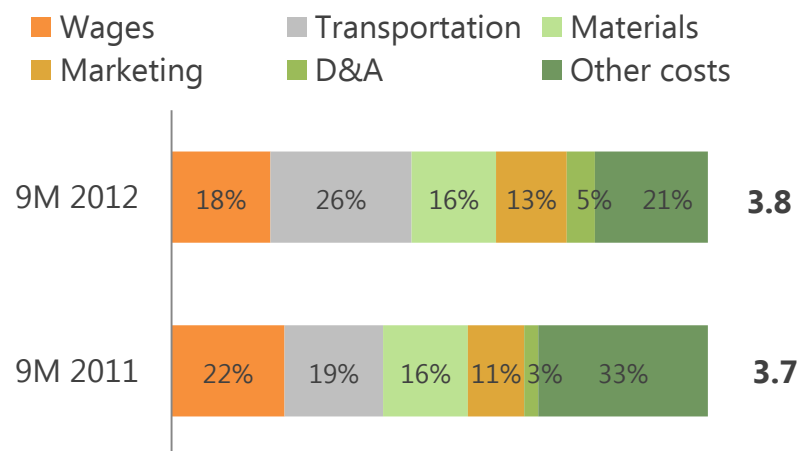
Cost of sales structure, mUSD



Selling, General and Administrative expenses:

- ✓ Transportation costs increased in line with growth in volumes of goods sold
- ✓ D&A increased as more transportation vehicles were purchased
- ✓ Other costs decreased due to reclassification of cost items

SG&A expenses structure, mUSD



Income statement and cash flow statement

Income statement

in USD thousands	9M 2012 (unaudited)	9M 2011 (unaudited)
Revenues	40,300	34,651
Net change in fair value of BA	3,820	2,289
Cost of sales	(27,102)	(22,166)
Gross profit	17,018	14,774
SG&A	(3,802)	(3,652)
Other operating income, net	618	2,113
Operating profit	13,834	13,235
Depreciation	2,212	1,311
EBITDA	16,046	14,546
Finance income/(costs), net	505	(1,533)
Profit before tax	14,339	11,702
Income tax expense	(65)	(425)
Profit for the period	14,274	11,277
Exchange differences	(12)	(4)
Total comprehensive income	14,262	11,273

Cash flow statement

in USD thousands	9M 2012 (unaudited)	9M 2011 (unaudited)
Profit before tax	14,339	11,702
Depreciation	2,212	1,311
Net change in fair value of BA	(3,820)	(2,289)
Finance income, net	(505)	1,533
Other non-cash adjustments and income tax paid	(13)	646
Increase in receivables and prepayments	(2,095)	(2,275)
Increase in inventories	(1,229)	(699)
Increase/(Decrease) in payables and advances received	594	(6,956)
Net cash flows from operating activities	9,482	2,976
Purchase of PPE	(23,728)	(5,804)
Increase in BA	(4,281)	(4,022)
Other adjustments	642	202
Net cash flows used in investing activities	(27,367)	(9,623)
Proceeds from borrowings	-	12,103
Repayment of borrowings	(628)	(12,342)
Interest paid	(119)	(338)
Increase in share premium and share capital	-	30,954
Net cash flows from/(used in) financing activities	(748)	30,377
Net increase/(decrease) in cash and cash equivalents	(18,362)	23,731

Source: Ovostar Union N.V Consolidated Condensed Interim Financial Statements

Balance sheet and debt position

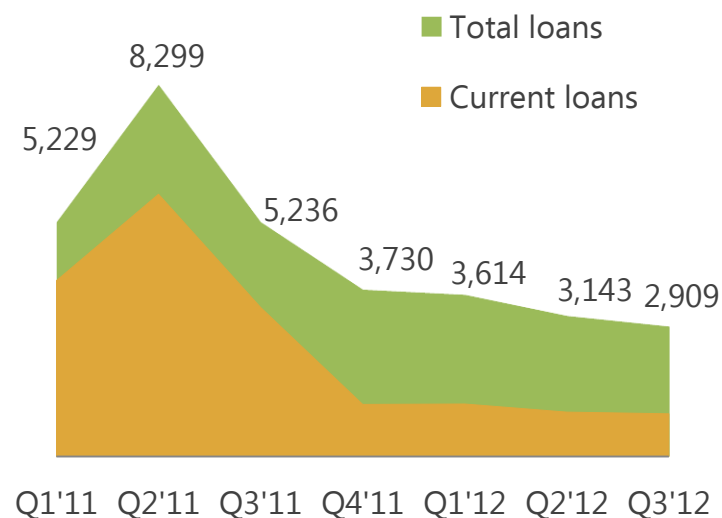
Balance sheet

in USD thousands	30/09/2012 (unaudited)	31/12/2011 (audited)	30/09/2011 (unaudited)
Non-current assets	62,881	45,909	34,010
Non-current biological assets	15,972	20,517	15,581
PPE and intangible assets	45,483	23,976	16,983
Other non-current assets	1,342	1,324	1,434
Deferred tax assets	84	92	12
Current assets	42,361	45,382	49,896
Current biological assets	14,567	1,921	1,876
Inventories	11,874	10,645	9,688
Trade and other receivables	12,347	10,688	13,265
Prepayments	740	587	1,083
Cash and cash equivalents	2,833	21,541	23,984
Total assets	105,242	91,291	83,906
Owners' equity	96,695	82,433	73,652
Non-current liabilities	986	2,604	2,289
Non-current loans and fin. liabilities	951	2,569	1,909
Deferred tax assets	35	35	380
Current liabilities	7,561	6,254	7,965
Current loans and borrowings	1,958	1,161	3,327
Trade and other payables	5,485	4,939	4,537
Advances received	118	154	101
Total liabilities	8,547	8,858	10,254
Total liabilities and equity	105,242	91,291	83,906

Source: Ovostar Union N.V Consolidated Condensed Interim Financial Statements

- ✓ Investment program is currently financed only with own cash flow
- ✓ Low debt levels imply potential for growth using external debt financing
- ✓ Most debt is denominated in foreign currency

Debt position, kUSD



Section 4

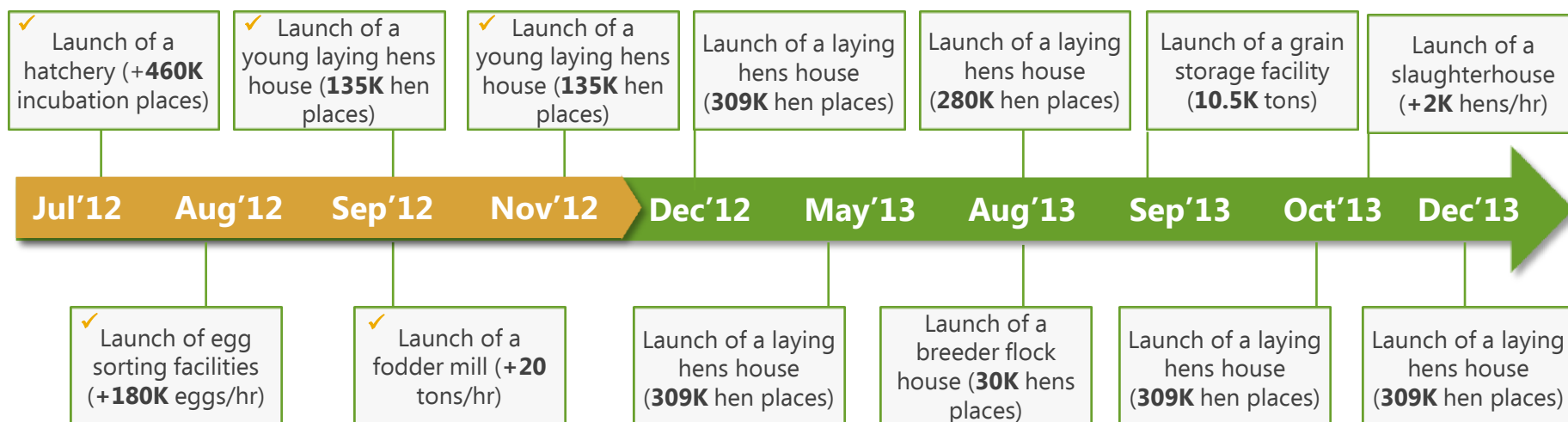
Investment program and future outlook

- ✓ Egg production capacities will be increased by 38% from 3.9 mln to 5.4 mln hen places
- ✓ Five laying hens houses to be reconstructed
- ✓ Expansion of slaughter, grain storage, young laying hens and breeder flock facilities to be completed by the end of 2013
- ✓ Expansion of incubation, sorting and fodder mill capacities is already completed in 3Q 2012

Capacity increase for 2H2012-2013

Activity	Current capacity	Target capacity	Units
Infrastructure development			
Egg sorting facilities	220	400	ths eggs/hour
2 young laying hens houses	1.39	1.66	mln hen places
1 slaughterhouse	2	4	ths hens/hour
1 breeder flock house	58	88	ths hen places
1 hatchery	540	1,000	ths egg places
Grain storage facility	18	28.5	ths tons
Fodder mill	36	56	tons/hour
Increase in laying hens	3.9	5.4	mln laying hens
Five laying hens houses	3.9	5.4	mln hen places
Total			

Implementation timeline for 2H2012-2013



Forecasted operational and financial results

- ✓ In 2012 the Company will produce less eggs and egg products than previously forecasted
- ✓ 2012 egg production levels were affected by the following:
 - two month delay with launch of two laying hens houses in the IPO investment program
 - decommissioning of five laying hens houses for their upgrade as a part of the 2012-2013 investment program
- ✓ 2012 dry egg products production levels were affected by commissioning works on egg processing plant Ovostar performed in January-February 2012 instead of December 2011
- ✓ The projected production results for 2013 will remain on the same levels as previously forecasted

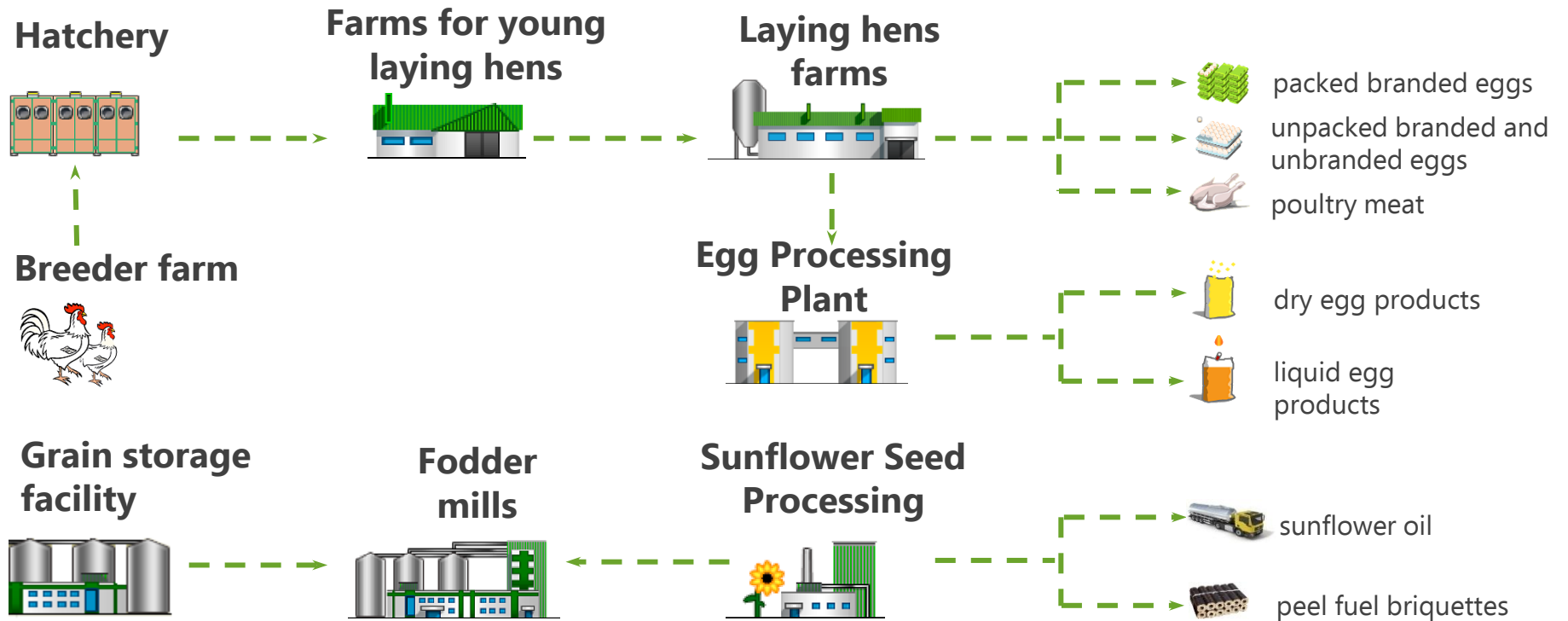
Key results, 2012F

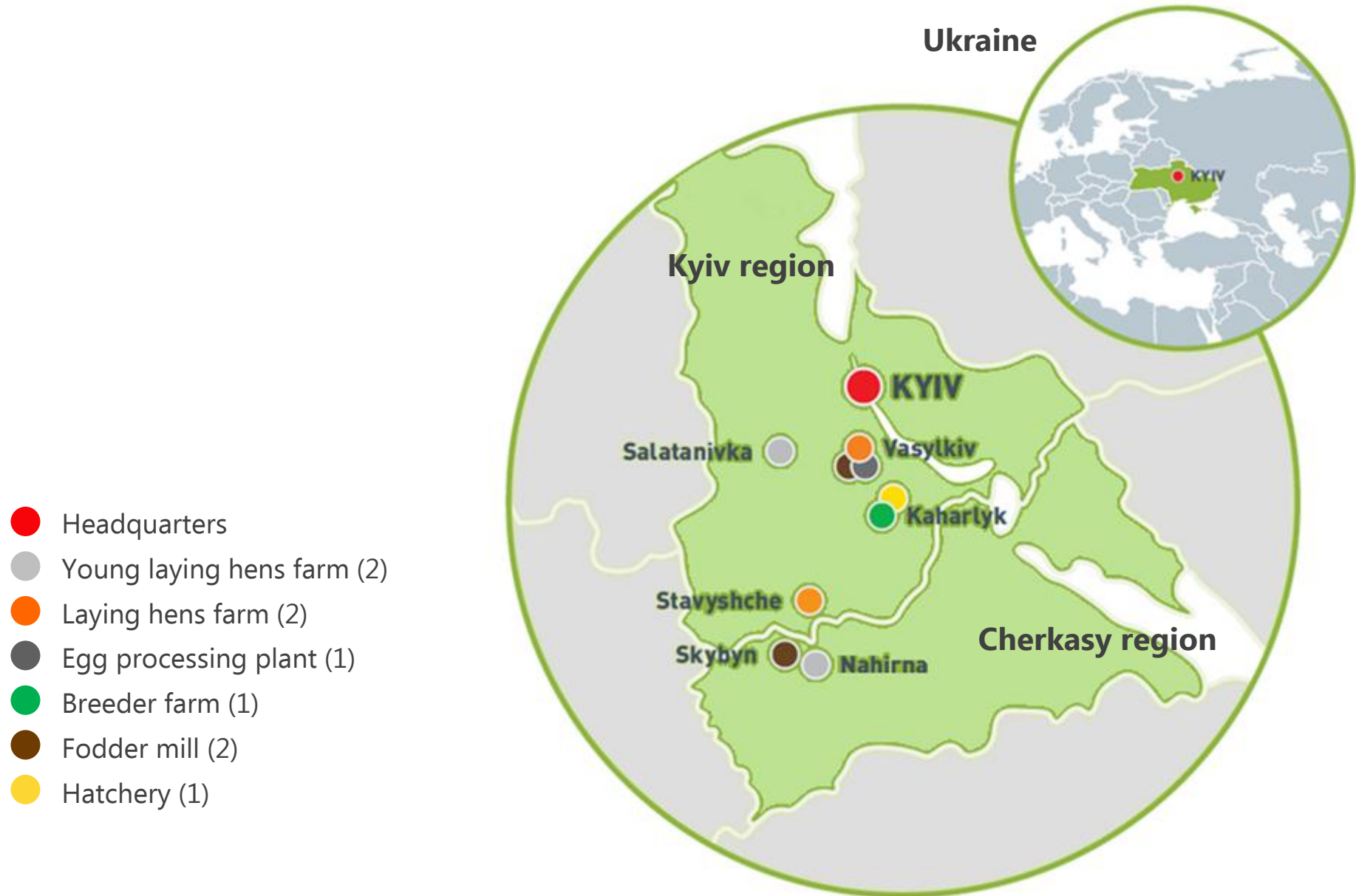
Indicator	Units	2012F revised
Total flock (eop)	mln	4.1-4.2
Laying hens flock (eop)	mln	3.4-3.5
Shell eggs production volume	mln	720-730
Shell egg processing volume	mln	250-270
Shell egg sales volume	mln	450-470
Liquid egg products sales volume	tons	4,500-4,600
Dry egg products sales volume	tons	1,000-1,050

Section 5

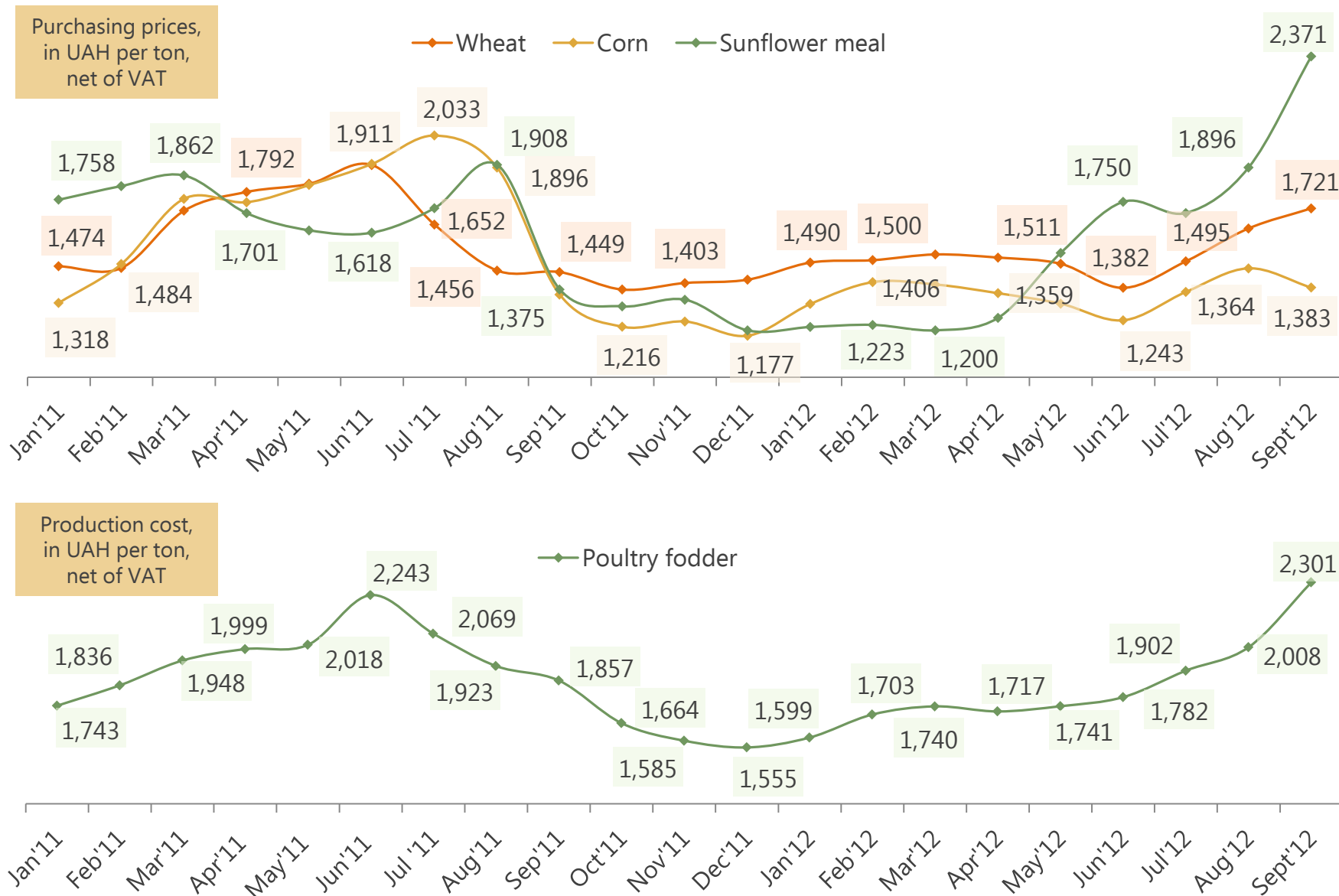
Appendices







Fodder and its key components: price dynamics



Source: Ovostar Union

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