

21 October 2014

OPERATIONAL RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2014

Ovostar Union N.V. (WSE: OVO) (hereinafter the "Company"), a vertically integrated holding company, one of the leading producers of eggs and egg products in Ukraine announces operational results for the nine months ended 30 September 2014.

As at 30 September 2014 the Company's total flock increased by 20% year-on-year to 5.3 mln hens (30 September 2013: 4.4 mln hens). Laying hens flock increased by 16% year-on-year to 4.3 mln hens (30 September 2013: 3.7 mln hens).

Over the reporting period egg production volume increased by 14% year-on-year to 740 mln eggs (9M 2013: 648 mln). Sales volume increased by 20% to 493 mln eggs. Therewith, volume of eggs exported increased 2.8 times year-on-year, from 26 to 74 mln eggs. Average sales price of shell eggs increased by 16% year-on-year to 0.756 UAH/egg compared to 0.651 UAH/egg during the nine months of 2013.

Over the nine months of 2014 the Company processed 232 mln eggs (9M 2013: 199 mln eggs). Sales volume of dry egg products increased by 5% year-on-year to 1 193 tons while volume of dry egg products exported increased by 27% to 582 tons. Sales volume of liquid egg products decreased by 9% year-on-year to 4 520 tons due to temporarily lower demand for liquid egg products in the Eastern region of Ukraine. Average sales price of dry egg products increased by 28% year-on-year to 57.24 UAH/kg; average sales price of liquid egg products increased by 12% year-on-year to 16.90 UAH/kg.

Investment program

Reconstruction of laying hens capacities on the Stavysche production complex continues. As of the end of October 2014, we launched two new laying hens houses of 326 ths hen places each.

The Company CEO Mr. Borys Bielikov has commented:

«We continue our organic growth progressively increasing our production capacities. Along with that, a solid high demand for our products supports our intention to continue growth in a similar manner, increasing sales volumes to the retail chains and export. Current sales structure that includes a larger share of export sales allows us to hedge our currency risk and supports consolidation of our competitive position on the overseas markets.»

*All prices are indicated net of VAT (20%)