

Consolidated financial results (unaudited) of Ovostar Union N.V. and its subsidiaries for the year ended December 31, 2011

Ovostar Union N.V. (WSE: OVO) (hereinafter, the Group), a vertically integrated holding company, one of the leading egg and egg products producers in Ukraine, announces consolidated financial results (unaudited) for the year ended 31 December 2011.

Key financial highlights for the year 2011 (unaudited):

- The Group's revenue increased 37% y-o-y to USD 50.6 million.
- The Group's gross margin increased to 44% compared to 27% in 2010.
- The Group's EBITDA increased 88% y-o-y to USD 21.7 million.

Revenue

The Group's revenue increased 37% y-o-y to USD 50.6 mln due to the increase in volumes of eggs and egg products sold as well as the increase in average selling prices for eggs on the Ukrainian market.

The egg segment contributed 70% (USD 35.5 mln) while the egg products segment contributed 27% (USD 13.7 mln) to the total revenue of the Group. Sunflower processing segment contributed 3% (USD 1.4 mln) to the Group's total revenue. Retail chains accounted for 43% of eggs revenue (2010: 39%).

Gross profit

The gross profit increased 124% to USD 22.5 mln. The Group's gross margin increased to 44% (2010: 27%), mainly due to the increase of selling prices and decrease in production costs as a result of improvement of production performance.

EBITDA

The Group's EBITDA increased to USD 21.7 mln in 2011 (2010: USD 11.6 mln) mainly due to the increase in volumes sold and consequently increase in revenue. The EBITDA margin increased to 43% compared to 31% in 2010.

The Group's CEO Borys Bielikov has noted:

«2011 has become the year of Ovostar Union's steady growth in the key business segments. Currently we focus on implementing the investment program that will double our production of eggs and egg products by the end of 2013. The effectiveness of our business model is verified by steadily growing financial and operational results».