

28 July 2014

## **OPERATIONAL RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 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 its operational results for the first six months ended 30 June 2014.

As at 30 June 2014 the Company's total flock increased by 12% compared to the same period previous year to 4.9 mln hens (30 June 2013: 4.4 mln hens). Laying hens flock increased by 23% compared to the same period previous year to 4.1 mln hens (30 June 2013: 3.4 mln hens).

Over the reporting period, egg production increased by 11% year on year to 468 million eggs (1H 2013: 422 million eggs). Egg sales volume increased by 16% to 298 million eggs in part because of growth of sales volumes to the retail chains. At the same time, volume of eggs sold to export destinations increased by 74% from 24 to 42 million eggs. Average shell egg sales price increased by 17% to 0.703 UAH/piece compared to 0.602 UAH/piece in the respective period previous year mainly due to larger share of export sales in total revenue and sustained share of branded egg sales.

Over the first half of 2014 the Company processed 150 million eggs (1H 2013: 136 million eggs). Sales volume of dry egg products increased by 10% compared to the same period previous year to 786 tons. Increased sales volume of dry egg products was mainly attributed to growth of export sales by 18% to 391 tons in H1 2014. Sales volume of liquid egg products decreased by 7% to 2,962 tons as a result of temporary decline in purchase volumes for certain clients that have their production capacities located in the Eastern region of Ukraine. Average sales price of liquid egg products increased by 9% to 16.35 UAH/kg; average sales price of dry egg products increased by 17% to 53.19 UAH/kg.

### **Investment program**

During the first six months of 2014 the Company put into operation one laying hens house of 326 ths hen places on Stavysche production site. Also, over the reporting period one poultry house for the parent flock of 29 ths poultry places has been put into operation, thereby increasing total capacity of parent flock farm to 117 ths poultry places. Current capacity of parent flock site is sufficient within the framework of the current investment program.

The Company's CEO Mr. Borys Bielekov has commented:

*«Ovostar Union management is content with the operational results for the first half of 2014, and we expect that financial results to be better compared to the same period of 2013.*

*The company continues its normal operations, increasing production and sales volumes in key segments compared to the previous year. In the second quarter of 2014 we successfully adapted our structure of sales by increasing volumes of eggs and egg products exported thereby somewhat decreasing our currency exchange exposure.*

*Reconstruction of poultry houses on the Stavysche complex continues; we are increasing production capacities by the means of profit reinvestment.*

*I am pleased to announce that Ovostar Union Group has already been officially authorized to export our goods to the European Union.»*

\*All prices in this press-release are indicated net of VAT (20%)