



AGROTON PUBLIC LIMITED

Explanatory comments to 9m 2010 results statement

Agroton Public Limited, leading agricultural producer in eastern Ukraine, comments on its financial results for the nine months of the year ending 30 September 2010, in particular concerning IAS 41 that the Company applies to be in compliance with IFRS.

Key financial highlights

- Total revenue (sum of sales revenue and fair value change) increased by 31% to US \$92.1 million (9m 2009: US \$70.4 million).
- Gross profit increased by 81% to US \$40.6 million (9m 2009: US \$22.4 million).
- EBITDA increased by 52% to US \$37.7 million (9m 2009: US \$24.8 million).
- Net profit increased by 105% to US \$24.8 million (9m 2009: US \$12.1 million).
- Net profit margin increased by 10 percentage points.

Key operational highlights

- Land bank under control increased to 151 ths hectares (9m 2009: 134 ths hectares).
- 96 ths tonnes of sunflower harvested.
- 114 ths tonnes of wheat harvested.
- Wheat price increased to 172 USD/t (9m 2009: 125 USD/t) (excl. VAT).
- Sunflower price increased to 421 USD/t (9m 2009: 234 USD/t) (excl. VAT).

Financial overview

		9m 2010	9m 2009	Change
Total revenue	USD, ths	92,133	70,419	31%
<i>Fair value change</i>		<i>42,555</i>	<i>22,564</i>	<i>89%</i>
Gross profit	USD, ths	40,615	22,431	81%
<i>Gross margin</i>	<i>%</i>	<i>44%</i>	<i>32%</i>	<i>38%</i>
EBITDA	USD, ths	37,693	24,792	52%
<i>EBITDA margin</i>	<i>%</i>	<i>41%</i>	<i>35%</i>	<i>16%</i>
EBIT	USD, ths	33,843	21,266	59%
<i>EBIT margin</i>	<i>%</i>	<i>37%</i>	<i>30%</i>	<i>22%</i>
Net profit	USD, ths	24,784	12,060	105%
<i>Net profit margin</i>	<i>%</i>	<i>27%</i>	<i>17%</i>	<i>57%</i>

Explanatory comments

As of 30 June 2010 Agroton revalued its crops at fair value. The financial results of the harvesting campaign were reflected in the results for the first 6 months of 2010 (ending 30 June). During the 3 months after 30 June, sales of the revalued inventories (wheat, sunflower, and so forth) took place. Gross profit for the Third Quarter 2010 reflects the fact that most financial results had already been reflected in the First Half 2010 reporting. In order to analyze Agroton's for the profitability, the performance figures for the first 9 months of 2010 should be considered.

For example

For the 6 months ending 30 June

Company cultivated 114 ths tonnes of wheat and incurred costs of \$100 per tonne.

The selling price per one tonne of wheat was \$172 as of 30/06/2010.

Financial results for 6m 2010 will be as follows:

Income Statement

Revenue = \$0

Fair value gain = 114 ths tonnes x \$72 (difference between COS and market price) = \$8.2m

COS = \$0

Gross profit = \$8.2m

The company showed unrealized financial result.

Balance Sheet

	January 1	June 30
Inventory/ Biological assets	114 ths tonnes x \$100 (cash COS) = \$11.4m	114 ths tonnes x \$172 (revalued) = \$19.6m

For the next three months following June 30, the financials are as follows (calculated at the current crop sales value):

Income Statement

Revenue = 114 ths tonnes x \$172 = \$19.6m

Fair value gain = \$0 (it has already been reflected in the 6 months ended June 30)

COS = 114 ths tonnes x \$172 = \$19.6m (this is in accordance with accounting rules under IFRS because inventory was revalued as of June 30, however actual cash cost of sales at the time they occurred = \$100).

Gross profit = \$0 (because COS increased due to the revaluation of inventories in accordance with IAS 41 IFRS rules).

The company realized the financial result of \$8.2m. However, gross profit is equal to \$0 under IAS 41 IFRS rules because the revaluation was already reflected in the 6 months ended June 30.

Balance Sheet

	January 1	June 30	September 30
Inventory/ Biological assets	114 ths tonnes x \$100 (cash COS) = \$11.4m	114 ths tonnes x \$172 (revalued) = \$19.6m	\$0.0m (sales of the crop took place)

For the 9 months ended September 30*Income Statement*

Revenue = 114 ths tonnes x \$172 = \$19.6m

Fair value gain = 114 ths tonnes x \$72 (difference between COS and market price) = \$8.2m

COS = 114 ths tonnes x \$172 = \$19.6m (because inventory has already been revalued at June 30, however actual COS = \$100)

Gross profit = \$8.2m

Balance Sheet

	January 1	June 30	September 30
Inventory/ Biological assets	114 ths tonnes x \$100 (cash COS) = \$11.4m	114 ths tonnes x \$172 (revalued) = \$19.6m	\$0.0m (sales of the crop took place)

Iurii Zhuravlov, Chief Executive Officer of Agroton Public Limited, said:

"Being one month before the year end the Company is fully confident in reaching its 2010 targets."

Link to 9m 2010 results statement:

<http://agroton.com.ua/en/key.htm>

For further information:**Agroton Public Limited**

Bloomberg Ticker: AGT PW

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Note to Editors

The Agroton Group is a diversified vertically integrated agricultural producer in eastern Ukraine. The Group's core business is crop production, comprising principally wheat and sunflower seeds, as well as the processing, storage and sale of such crops. Currently, the Group is the fifth largest producer in Ukraine by land under control among publicly traded agribusinesses. Founded in 1992, the Company harvests 151,000 hectares of black soil farmland in the Luhansk and Kharkiv regions and operates 235,000 tonnes of elevator storage facilities. Agroton Public Limited conducts its operations in three segments: crop farming, livestock, and food processing and food production.