



25 January 2018

**Operations Update for 2017**

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 operating results for the year 2017.

As at 31 December 2017 the total flock increased by 1.7% y-o-y to 7.69 mln hens (2016: 7.56 mln hens). The laying hens flock reached 6.62 mln hens, up by 1.2% from 6.54 mln hens.

Over 2017 egg production volume increased by 12% y-o-y to 1 659 mln eggs (2016: 1 479 mln eggs). Sales volume of eggs went up by 13% to 1 195 mln eggs, out of which the volume of eggs exported amounted to 529 mln eggs, a 72% increase from 307 mln eggs. Sales of class A eggs to the EU during 4Q have partially contributed to the export growth in egg segment. Average selling price of shell eggs increased by 14% to 1.533 UAH/egg compared to 1.348 UAH/egg in 2016.

During the reporting period the Company processed 541 mln eggs, 33% more y-o-y (2016: 407 mln eggs). Sales volume of dry egg products increased by 55% to 3 300 tons (2016: 2 125 tons), out of which the volume of dry egg products exported went up by 80% to 2 377 tons and contributed 72% to total sales volume (2016: 1 320 tons, 62%). Sales volume of liquid egg products increased by 32% to 11 497 tons (2016: 8 689 tons), out of which the volume of liquid egg products exported more than doubled to 5 009 tons mostly due to growing sales to the EU countries (2016: 2 161 tons). Average selling price of dry egg products decreased by 5% y-o-y to 115.45 UAH/kg; average selling price of liquid egg products increased by 13% y-o-y to 33.33 UAH/kg.

*The Company CEO Mr. Borys Bielikov has commented:*

*“In 2017 along with increasing production volumes the Company was developing its export markets with stronger focus on the European Union. I am pleased to highlight that during 2017 the export volume of liquid egg products to the EU amounted to 42% of their total sales. Additionally, having started to export the class A eggs to the EU since October, their sales over just 3 months equaled to 5% of annual volume of eggs exported.”*

*\*All prices in this press release are indicated net of VAT*