



21 April 2017

**Operations Update for the three months ended 31 March 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 first quarter ended 31 March 2017.

As at 31 March 2017 the total flock increased by 14% year-on-year to 7.7 mln hens. The laying hens flock reached 6.7 mln hens, up by 18% year-on-year.

Over the reporting period egg production increased by 28% year-on-year to 404 mln eggs. Sales volume of shell eggs increased by 37% to 276 mln eggs, while the volume of shell eggs exported also went up by 18% to 82 mln eggs and resulted in the export share of 30%. Average selling price of shell eggs decreased by 8% and amounted to 1.400 UAH/egg.

During the 1st quarter of 2017 the volume of shell eggs processed increased by 5% year-on-year to 99 mln eggs. Sales volume of dry egg products increased by 36% to 553 tons, out of which the export volume went up by 83% to 336 tons and resulted in the export share of 61%. Sales volume of liquid egg products declined by 7% to 2 090 tons, out of which the export volume went down by 16% to 537 tons and resulted in the export share of 26%. Average selling price of dry egg products decreased by 11% year-on-year to 117.63 UAH/kg; average selling price of liquid egg products increased by 4% to 32.18 UAH/kg.

*The Company’s CEO Mr. Borys Bielikov commented:*

*“Following the strategy of export markets development, the management is pleased to note that the Company has managed to increase the export volumes of shell eggs by 18% despite the restrictions on import imposed by a number of countries due to the avian influenza cases detected in south-west of Ukraine in December 2016-January 2017. We continue expanding the geography of our sales.”*

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