



23 January 2017

Operations Update for 2016

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 2016.

As at 31 December 2016 the total flock increased by 16% to 7.6 mln hens (2015: 6.5 mln hens). The laying hens flock reached 6.5 mln hens, up by 22% year-on-year from 5.3 mln hens.

Over the reporting period egg production volume increased by 24% year-on-year to 1 479 mln eggs (2015: 1 196 mln eggs). Sales volume of eggs went up by 22% to 1 054 mln eggs, while the volume of eggs exported increased by 34%, from 229 to 307 mln eggs. Average selling price of shell eggs remained mostly the same and amounted to 1.348 UAH/egg compared to 1.374 UAH/egg in 2015.

In 2016 the Company processed 407 mln eggs (2015: 347 mln eggs). Sales volume of dry egg products increased by 9% to 2 125 tons (2015: 1 941 tons), while volume of dry egg products exported went up by 45% to 1 320 tons and contributed 62% to total sales volume (2015: 908 tons, 47%). Sales volume of liquid egg products increased by 30% to 8 689 tons (2015: 6 692 tons), while volume of liquid egg products exported amounted to 2 161 tons mostly due to sales to the EU countries. Average selling price of dry egg products increased by 13% year-on-year to 121.44 UAH/kg; average selling price of liquid egg products increased by 10% to 29.56 UAH/kg.

Investment program update

The investment plan for 2016 was fully realized by the Company.

The Company CEO Mr. Borys Bielikov has commented:

“In 2016 the Company continued to follow its organic growth strategy. We managed to achieve significant growth rates in all operating indicators. I would like to note that the Company started to systemically deliver the liquid egg products to the EU countries.”

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