

Yablunevy Dar



Management Presentation
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Key Highlights

Global trends of growing prices on food ...

- 🍏 Rising global demand on fruit juice consumption will push the industry's development;
- 🍏 World growing prices for food leave much room for the sector development in Ukraine

National leader with European ambitions ...

- 🍏 The Company's is the largest Ukrainian producer and exporter of apple concentrate with the shares equal to 15% of total production output and 18 % of export in Ukraine respectively;
- 🍏 Modern production base (all plants constructed in last 3 years)
- 🍏 Own facilities for new plants construction
- 🍏 Management' successful experience of new business development

Favorable location ...

- 🍏 Company's processing capacities are located in Western Ukraine which is the most attractive region in terms of raw material procurement
- 🍏 Proximity to the main markets in Central and Western Europe
- 🍏 Convenience to further development of orchards in Ukraine, particularly in Western region

Clear strategy for further growth

- 🍏 Deepening of vertical integration due to plantation of own orchards
- 🍏 Market consolidator strategy in Ukraine and acquisitions abroad (mainly Poland) .
- 🍏 Extension of raw materials base through the construction of the new plants

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Market Trends

- ❑ In 2007, Ukraine's total production output of fruit concentrates amounted to 101,815 tons, 81,384 of which are exported;
- ❑ The Ukrainian fruit concentrates market equals to 20,431 tons;
- ❑ The Ukrainian fruit concentrates market is very fragmented: only ten out of existing thirty four fruit concentrate producers produced 70% of total fruit concentrates over 2007;
- ❑ Prices for apple concentrate in Ukraine posted a 52% CAGR over the last two years and are equal to USD 3,000 per ton*

FIGURE 1. Key producers of apple concentrate, 2007

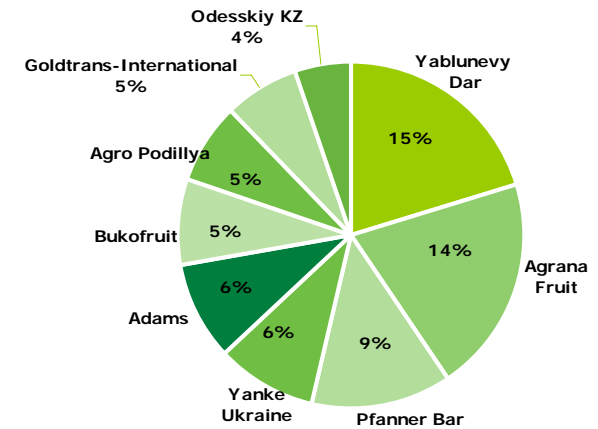
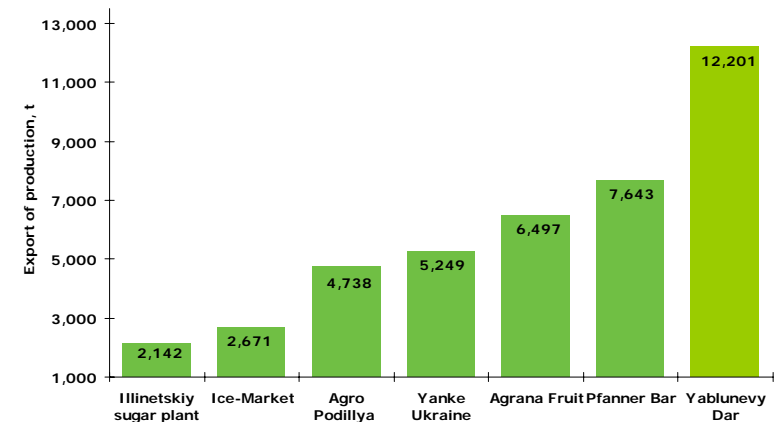


FIGURE 2. Market share of apple concentrate exporters, 2007



Source: APK-Inform



Company Overview



Yablunevy Dar Snapshot

Total Production Capacities

- For the following 2008/2009 marketing year, the Company will increase its production of apple concentrates by 58% to 19,000 tons

Own raw materials base

- The Company controls 180 ha of apple gardens and plans to expand its gardening area up to 1,000-1,500 ha in the near-term

Market Position

- The Company's market share amounts to 15% of fruit concentrates production in Ukraine as for 2007

Sales and Production Distribution

- The Company's export share in total sales equals to 76%, and its products are exported mainly to Austria, Hungary and other European countries

Management

- Experienced management team has been active in fruit concentrates production operations since 2003

Yablunevy Dar was established in May 2003. The production was organized in the territory of its own canning factory

The Company production capacities increased up to 2,145 tons of apple concentrates

Yablunevy Dar occupies the leading position in apple concentrates production and export



Production facilities modernization that enables to produce 1,145 tons of apple concentrates

New production and administrative facilities put into operation. Total production capacities equal to 8,000 tons of apple concentrates

Our Products



Apple concentrate

- Produced from fresh apple raw materials according to NSS 18192
- Mass share of titrated acid amounts to 3,0-3,5%
- Genetic modified products are not used in production



Cherry concentrate

- Produced from fresh cherry raw materials according to NSS 18192
- Mass share of titrated acid amounts to 6,9%
- Genetic modified products are not used in production



Apple aroma

- Flavouring substances received from apple concentrate production through capturing and concentrating fruit flavouring substances at a vacuum-evaporative facility

FIGURE 3. Company sales, (2005-2008E)

Products	Sales, tons					
	2005	2006	2007	2008	2009	2010
Apple concentrate	2,257	3,829	14,330	19,000	25,000	30,000
Cherry concentrate	-	-	166	500	800	1,100
Apple aroma	105	522	807	800	1,000	1,200
Total	2,362	4,351	15,303	20,300	26,800	32,300

* NSS refers to National State Standards

Production Capacities

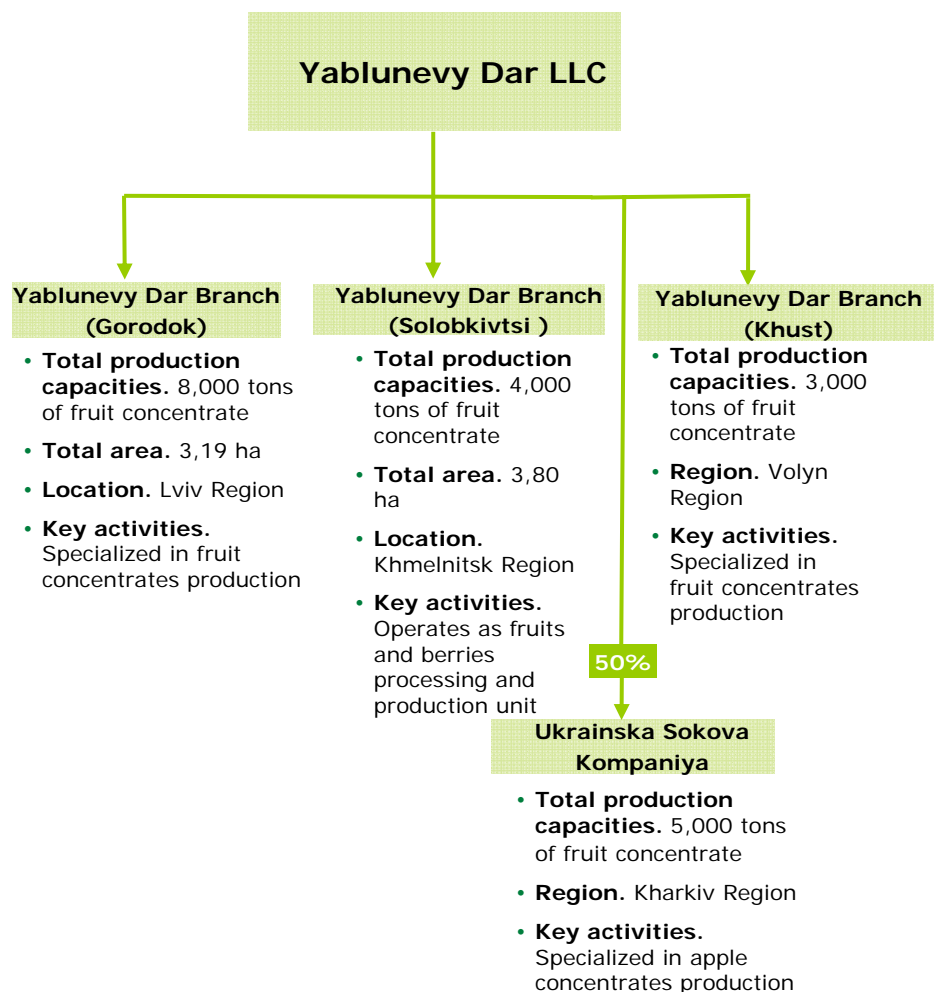


FIGURE 4. Geographical location of the Company's production capacities

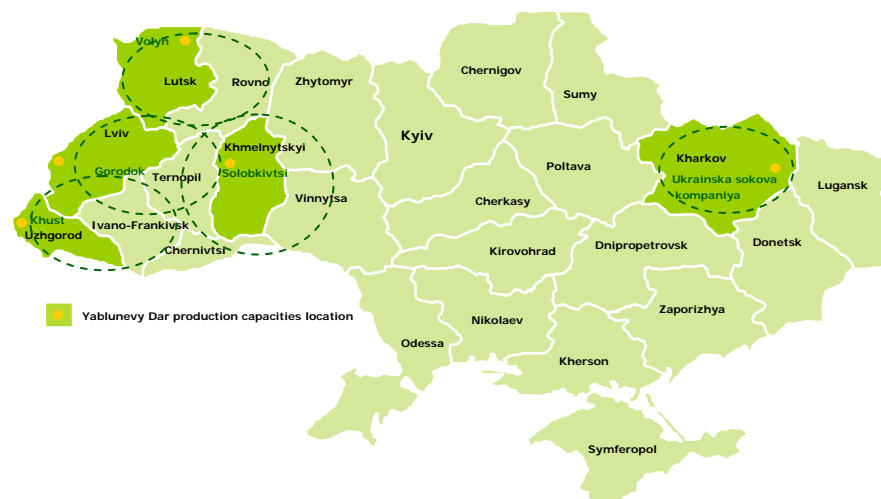


FIGURE 5. Company's projected production capacities, 2007-2012

Company's production capacities, tons						
	2007	2008	2009	2010	2011	2012
Gorodok	8,000	8,000	8,500	8,500	8,500	8,500
Solobkivtsi	4,000	8,000	8,500	8,500	8,500	8,500
Khust	-	3,000	6,000	8,500	8,500	8,500
Volyn	-	-	3,000	6,000	8,500	8,500
Total	12,000	19,000	26,000	31,500	34,000	34,000

Business Model Chain

1. Raw materials purchase



- The Company purchases about 50% of raw materials from long-term suppliers
- Key raw materials - industrial apples cultivated mainly in private gardens located in Western Ukraine with annual harvest around 250,000-300,000 tons of apples



2. Transportation

- Collection and delivery is performed by Company's long-term partners
- In 2008, there are 8 raw materials receiving points, where raw materials are loaded into trucks and transported to manufacturing complexes

3. Raw materials processing

Inspection



- Raw materials are washed through hydraulic conveying and transported to an inspection, where unconditioned apples and are selected

Crushing



- Apples are crushed using a crusher, which contains inside of it a multiblade rotor rotating and throwing off the pulp to knives

Compressing



- The pulp is accumulated in a steel tank with a mixer. Further, the pulp comes to a horizontal basket press BUCHER HP 5000

Pasteurization



Ultrafiltration



- Concentrate is delivered from the above collectors to a vacuum-evaporation facility for its pasteurization and semi-concentrate production

Concentrate boiling



- Refined concentrate flows to the vacuum-evaporation facility for its boiling. Boiling implies some physical and chemical changes to the concentrate

Storage



- Fruit concentrate is stored at a warehouse (finished-products storage area) in food grade stainless steel containers with a capacity of 100 cubic meters each

Delivery to consumers



Our Customers



PepsiCo

- PepsiCo is a large conglomerate with interests in manufacturing, marketing and selling a wide variety of carbonated and non-carbonated beverages



Sandora

- Sandora's share is among 47% of total retail sales of juices, nectars and drinks in Ukraine



Lebedyansky

- Lebedyansky is the largest natural juice producer in Eastern Europe and one of Russian baby-food market leaders



Agrana Juice

- Agrana is a Central European sugar and starch group - since 2003, Agrana has also been globally active in the fruit market, which makes up a third core segment



Ybbstaler Fruchtsaft GmbH

- The Ybbstaler company is a renowned manufacturer of fruit juice concentrates and beverage compounds



Rosinka

- One of the largest Ukrainian companies specialized in non-alcoholic drinks production



Obolon

- Major player in the Ukrainian beer market with a strong position in production of non-alcoholic drinks



Rauch

- Austria's biggest fruit juice and tea drinks producer



Wimm-Bill-Dann

- Leading producer of dairy, baby food and beverage products in Russia and CIS



Roskonzentrat

- The largest Russian apple concentrate producer



Pfanner

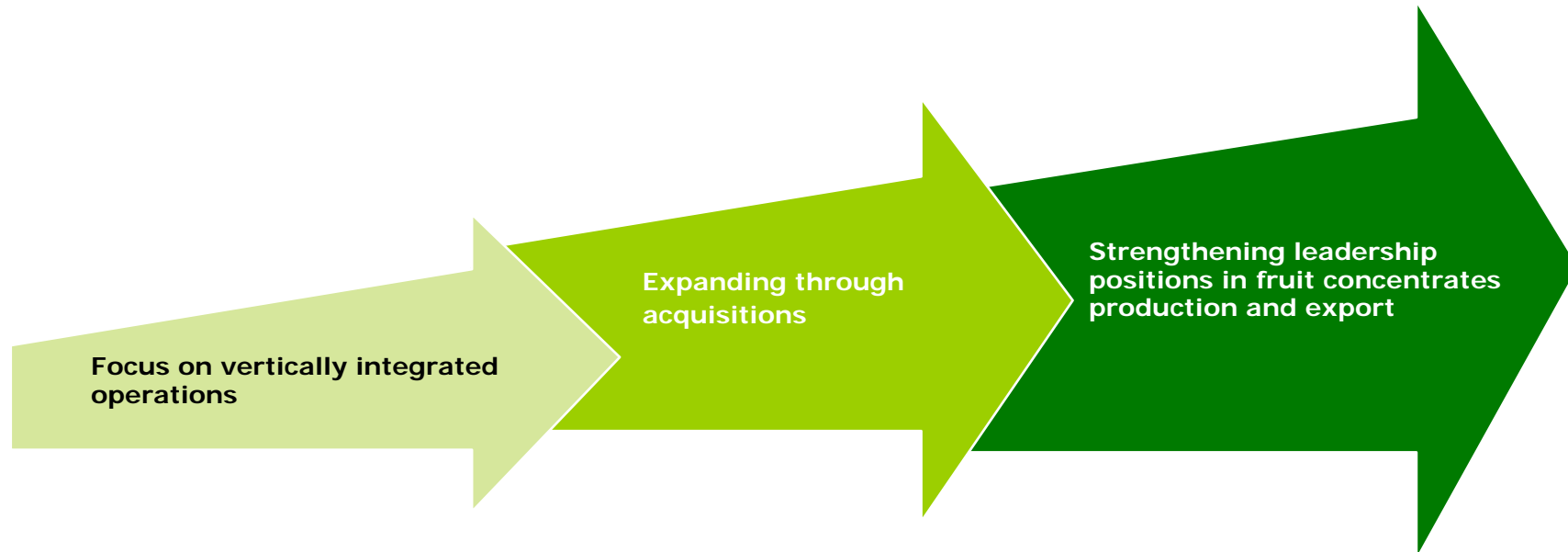
- One of the global leaders in production of juices and juice containing drinks



Strategy



Our Strategy



- Own distribution network that is developed through establishment of affiliated trading companies in Poland
- In-house raw materials supply supported by own gardens since 2009
- 76% of own production is exported mainly to European countries

- We are searching for further acquisitions in order to strengthen our market position and improve our cost efficiency system
- The Company seeks to purchase manufacturing complexes in Poland that will facilitate an increase in the total production capacity up to 13,000 tons of apple concentrate and 8,000 tons of berry concentrate, and engagement of its own apple sauce and fresh concentrate line

- Increasing our processing capacities and lowering costs per ton of our production
- Increasing production capacities up to 34,000 tons per annum in a five-year term
- Strengthening our position in apple concentrate exports via capitalizing on global consumption growth

Investing in Further Expansion to European Countries



- Yablunevy Dar considers vertical integration as a platform to maintain ongoing high-quality standards and reduce costs through implementing economies of scale
- The Company's objective is to become self-sufficient in developing its own gardens starting from 2009 and leasing 1,500 ha of agricultural land in Lviv region in a short-term

**Thank you
for your attention!**