

Sintal Agriculture successfully completes 2008/09 harvest campaign

Sintal Agriculture is pleased to announce the successful completion of the 2008/09 harvest campaign in Kharkiv and Kherson regions with a total harvest of 323,000 tonnes (mt) of grains and oilseeds from an area of 82,000 hectares (ha).

Crop	2007/08		2008/09		2009/10E*	
	Harvested area, ths ha	Yield, mt/ha	Harvested area, ths ha	Yield, mt/ha	Harvested area, ths ha	Yield, mt/ha
Wheat	13.8	4.6	47.7	4.7	38.1	4.9
Barley	24.0	3.4	9.0	3.7	7.1	3.9
Rapeseed	-	-	-	-	5.4	3.0
Corn	10.8	6.0	6.2	6.1	4.8	7.3
Soybean	5.5	2.0	7.6	1.9	7.4	2.7
Sunflower	7.0	2.3	5.7	1.6	14.6	2.8
Buckwheat	0.5	1.3	2.3	0.9	0.3	1.6
Peas	1.7	2.5	1.2	1.6	2.2	2.1
Sugar beet	1.1	39.7	0.8	24.3	2.1	40.8
Other crops	-	-	1.7	-	5.7	-
Total	64.4	-	82.0	-	87.7	-

* Accounts only for the existing land bank and will be expanded after new farm acquisitions are completed.

Sintal's 2008/09 principal crop yields increased, or remained flat, compared with the previous year's harvest. In spite of less favourable weather conditions, yields for our key crops, wheat and barley, improved 2-9%. In addition, our achieved wheat and barley yields are 45% and 50% higher than the Ukrainian average, respectively.

The soybean yield was in-line with the last year's results. Our agronomists believe next year's yield will improve thanks to new techniques and accumulated experience for planting soybean.

Adverse weather conditions, namely a severe drought in April-July in Kherson region, depressed the sunflower yield 36% compared with the previous year, but the achieved yield was still 6% above the Ukrainian average. The corn yield remained flat with a 45% premium to the Ukrainian average.

As of November 19, Sintal sowed 5,414 ha of winter rapeseed, 38,077 ha of winter wheat and 7,133 ha of winter barley. All field works were completed in optimal terms and crop maturities were aided by relatively mild temperatures in October and November.

The table above shows Sintal's projected crop rotation for the 2009/10 marketing year. The plan may be subject to revisions based on weather conditions during the spring sowing campaign, expected to be launched in February by our entities in Kherson region.

Vadim Mogila, CEO:

"One year on from the record harvest in 2008, it was a challenge to achieve similar results. However, we are very pleased with the results of our harvest campaign, which are broadly in-line with our expectations. Despite September's dry weather conditions, we completed our sowing campaign later in the sowing window, and the warm weather in October and November allowed our crops to benefit from late planting.

Our approved crop rotation plan mirrors our intention to decrease the share of wheat and barley, and move to more profitable technical crops – rapeseed and sunflower. In addition, we are moving forward positively in terms of development plans, and we are looking forward to finalizing deals on land bank expansion and the acquisition of the Krasnoperekopsk elevator in the near future."