



Agrokompleks Zelena Dolyna
Corporate bond issue



terra FOOD



**Bond Issue
Agrokomplex Zelena Dolyna**

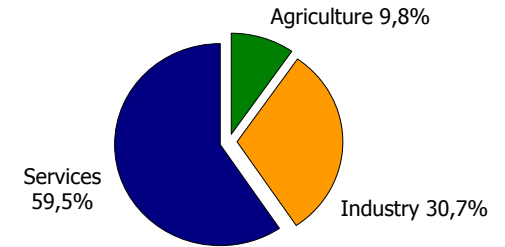


Issue Details	
Issuer	Agrokomplex Zelena Dolyna LLC
Issuer Address	8, Internatsional'na Str., Tomashpil', Vinnytsya oblast', 24200, Ukraine
Type of debt instrument	Domestic non-documentary bonds with free floating
Amount	300 000 000 UAH
Type of placement	Public
Settlement Date	July, 2011
Maturity Date	July, 2014
Coupon	15% annual
Coupon Frequency	2 per year
Early Redemption	Not provided
Use of Raised Capital	Repayment of short-term bank loans Extending of the farming land area for 21 000 ha
Contacts for Investors	Syomik Oleksiy, mob: +380 (67) 404-97-16

Macroeconomic Overview

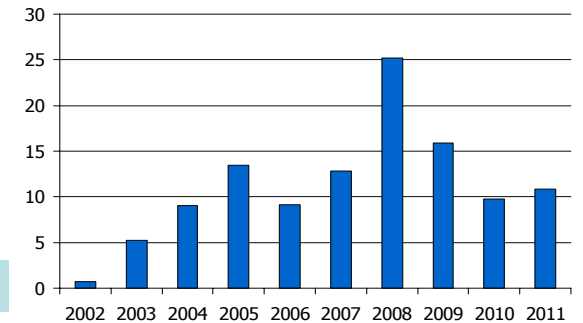
- Ukraine possesses 30% of world’s black soil – 32 million hectares (approx. 104 million acres)
- According to its physical, chemical, agrochemical and mineralogical composition Ukrainian black soil is the best in the world
- Agricultural land is a strategic asset for Ukraine and it’s opportunity to state as a strong player on global economy market
- Agricultural sector takes one of the leading position in structure of Ukrainian GDP
- Domestic agri-food sector is becoming competitive in international agricultural markets
- Ukraine is one of the major producers of grain, sugar, meat and milk products
- It is the largest producer of sunflower oil in the world and one of the largest producers of walnuts
- GDP growth due to agro-food sector contributes effectively to poverty reduction of the population

Ukrainian GDP structure



Source: International Monetary Fund

Consumer price, annual percent range

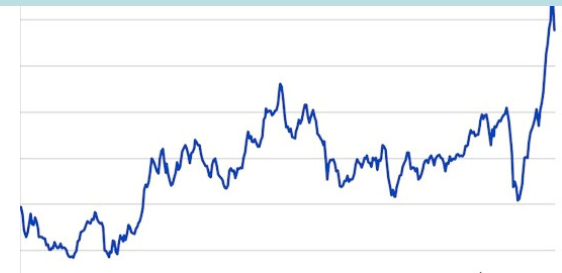


Source: International Monetary Fund

World Food Market

- The United Nations estimates that the world’s population will increase from roughly 6,8 billion people to 9,1 billion people in 2050 year
- Agricultural output will need to double by 2050 to meet the growing global demand
- The commodity bull market is likely going to be reenergized given rising prices. Commodity prices continue to climb, supported not only by an inflationary environment, but broader global demand
- World market prices for major food commodities such as beef and wheat have recovered sharply to historic highs after financial crisis

Price Index of Agricultural Raw Materials, (1980-2010)





General information about the Company

Agrokomplex Zelena Dolyna is one of the largest agricultural producers in Vinnytsya region, located in Tomashpil and Tulchyn district. Zelena Dolyna belongs to Terra Food Company Group. Terra Food is one of the largest players in the Ukrainian food market (# 1 producer of spreads; # 3 producer of cheeses). Terra Food has vertically integrated business model and diversified structure of sales.

TERRA FOOD Company was founded in 2006. Today it is one of the largest industrial and commercial holding companies in Ukraine. During 2008-2010 the company has been steadily increasing its market share in the manufacturing of dairy products and now it shows the highest growth dynamics among the major operators from 3,4% in 2008 to 5,4% in 2010. Terra Food includes three business directions:

- Dairy business – 8 production facilities in Vinnytsya, Zhytomyr, Kyiv, Poltava, Mykolaiv regions
- Meat business – meat plant located in Vinnytsya region
- Agricultural business – Agrokomplex Zelena Dolyna

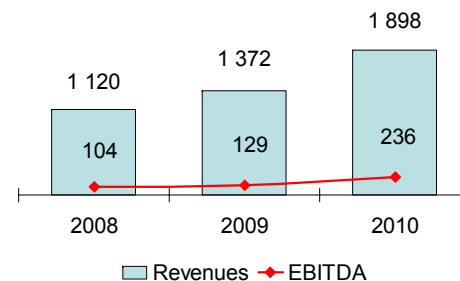
Food products, manufactured at the enterprises of TERRA FOOD, are successfully exported to the CIS countries, Africa and Middle East.

The enterprises of the holding company have the certified quality management system ISO 9001 and the safety management system ISO 22000.

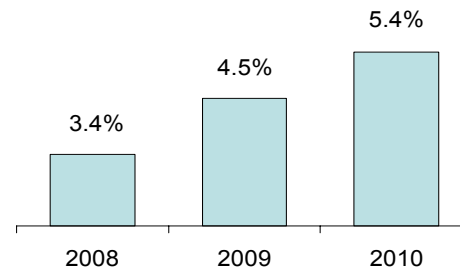
Production facilities include Bilotserkivsky Milk Kombinat (BMK) – a greenfield facility built in 2008, the first dairy asset in Ukraine fully compliant with EU directives. It is the exclusive supplier of milks to Mc Donald's Ukraine.

In 2010 Tulchynka was number 1 popular product brand in Ukraine (according to public vote from journal Delo)

Terra Food key financial indicators, UAH mln



Terra Food share in the Ukrainian dairy market



Terra Food key brands portfolio



Bond Issue Agrokomplex Zelena Dolyna



Zelena Dolyna business overview

The structure of the agro complex consists of 10 agroformations in Tomashpil district, 5 farms in Tulchyn district, Tomashpil sugar factory, 2 engine and tractor subdivisions and Zhuravliev plant of cereal products.

Zelena Dolyna bond issue is the first stage in the Terra Food investment program. The main goal of the issue – extending of the farming land area for 21 000 ths. ha for harvesting cereals, sugar beet, forage crops and other crops. Another part of issue will be directed for repayment of the short-term bank loans of Zelena Dolyna. Next stage of the investment program will be construction of elevator for 40 000 tons storage capacity and increasing of milk herd for 7 000 cows.

Investments in Zelena Dolyna bonds are profitable and reliable because of such reasons as:

- Agrokomplex Zelena Dolyna is a vital component in the vertically integrated model of Terra Food, since it provides raw materials for milk and meat businesses. Therefore agro complex has stable and substantive distribution to enterprises of the Group
- Fast growing of financial indicators and high profitability of Zelena Dolyna business. In 2010 EBITDA grew for 168%, compare with 2009, to amount of 81,9 UAH mln. Index ROE was 73% in 2010
- Low ratio of financial leverage. In 2010 ratio of financial debt to EBITDA was 1,1. In 2011 this indicator will be 2,0 including loans from bond issue and will decrease in next years.
- Borrowed funds will be used for the extending of farming land by already cultivated and planted areas. That will allow to collect harvest in this year and increase Revenues to 456 UAH mln., EBITDA will amount to 150 UAH mln. Net profit will reach the mark in 106 UAH mln. while the net debt will be 300 UAH mln.

Financial statements and forecast

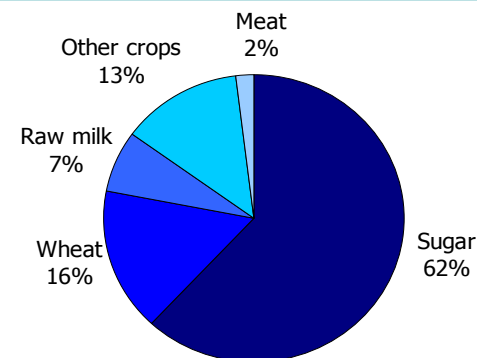
UAH mln	2009	2010	2011 f	2012 f	2013 f	2014 f
Revenue	160	184	456	570	685	809
EBITDA	27.4	81.9	150	202	244	290
Net profit	2.6	44.8	106	133	175	237
EBITDA margin	17%	45%	33%	35%	36%	36%

Financial statements according to IFRS

Production capacities

Total land area	34 ths. ha
Harvested area	29 ths. ha (+ 21 ths. ha)
Livestock	5,5 ths. heads
Milk herd	1,5 ths. heads
Sugar beet processing	2,3 ths. tons per day
Sugar refinery	300 тонн на добу
Storage capacity	32 ths. tons (+ 40 ths. tons)

Structure of sales in 2010



Source: Information of Zelena Dolyna