



## **Black Earth Farming Ltd 2011 Year End Report 1 Jan - 31 Dec 2011**

St Helier, Jersey, 2012-02-24 08:00 CET (GLOBE NEWSWIRE) --

### **Disappointing 2011 Result - Crop Yield and Quality**

*Initial 2011 dry spell damaged wheat, barley & rape yields followed by wet autumn conditions affecting crop quality negatively.*

*Infrastructure bottlenecks hampered export program with knock-on effects due to lack of storage turnover.*

*High moisture crop quality issues amplified by inefficiencies concerning harvest & storage logistics.*

#### **4Q 2011 Highlights** (vs. 4Q 2010)

- Sales volumes of 208.7 thousand tons (56.4) but at lower y-o-y average price per ton of USD\* 162 (326) due to effects of poor crop quality
- Sales revenue of USD\* 34.3 million (18.7)
- Operating loss of USD\* -11.8 million (-14.2)
- Net loss of USD\* -13.1 million (-15.1)
- Net loss per share of USD\* -0.11 (-0.12)

#### **12M 2011 Highlights** (vs. 12M 2010)

- Sales revenue of USD\* 64.2 million (44.4)
- Operating loss of USD\* -25.3 million (-25.7)
- Net loss of USD\* -41.7 million (-36.4)
- Net loss per share of USD\* -0.33 (-0.29)
- Proposal of no dividend for 2011

#### **Events after the Reporting Period**

- **2012 Crop**; 82 thousand hectares of winter wheat well established with decent snow cover so far. Total 2012 crop area planned at approximately 230 thousand hectares.

#### **CEO Comment Highlights** (p.2 in report)

- Dissapointing Results
- 2011 Performance Analysis
- FY 2011 Results
- 2012 Crop
- Strategy Going Forward

### **Financial Overview (p. 5 in report)**

<i>USD* million</i>	<b>4Q 2011</b>	<b>4Q 2010</b>	<b>12M 2011</b>	<b>12M 2010</b>
Total Revenues & Gains	39.8	25.6	77.6	59.9
Gross Result	(3.5)	(0.5)	5.2	8.8
EBITDA	(6.4)	(2.7)	(12.3)	(6.9)
EBIT	(11.8)	(14.2)	(25.3)	(25.7)
Net Income	(13.1)	(15.1)	(41.7)	(36.4)

*\* The USD equivalent figures are provided for information purposes only and do not form part of the interim consolidated financial statements — refer to note 2 (d).*

***Please see attachment for complete report.***

### **Webcasted Telephone Conference Details:**

**Date:** Friday 24 February 2012

**Time:** 10:00 CET

**Hosts:** Black Earth Farming CEO — Richard Warburton  
CFO — Alexander Betsky  
IR Director — Erik Lystedt

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**Conference Title:** Black Earth Farming 2011 Year End Report

**Conference ID:** 451 66 10

**Webcast link:**

<http://event.on24.com/r.htm?e=407083&s=1&k=8377CA3A7008F8AEA44DF699BA3A15D0>

**Please quote the Conference ID or Conference title to access the call.**

Please call in 5 minutes before the conference starts

**For additional information, please contact:**

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**Notes to Editor:**

Black Earth Farming Ltd. is a leading farming company, publicly listed on Nasdaq OMX Stockholm and operating in Russia. It acquires, develops and farms agricultural land assets primarily in the fertile Black Earth region in southwest Russia. Black Earth Farming has gained a strong market position in the Kursk, Tambov, Lipetsk and Voronezh areas, controlling some 326,000 hectares of what perhaps is the world's most fertile soil.

In 2011 Black Earth Farming harvested approximately 230,000 hectares, effectively making it one of the world's largest farming companies by cropped area. The Company's main products are wheat, barley, sunflower and rape seeds which account for 90% of production volumes.

Corporate website: [www.blackearthfarming.com](http://www.blackearthfarming.com)