

Business description -

1 producer of shell eggs and dry egg products in Ukraine and Europe* :

- 31% share of the industrial production of shell eggs in Ukraine in H1 2016
- 84% share of the production of dry egg products in Ukraine in H1 2016

Vertically integrated business model and production facilities across Ukraine:

- Total production capacity of **8.6 bln eggs** and **30.1 mln laying hens****
- New full cycle poultry complexes Avis and Chornobaivske with total production capacity of **3.5 bln eggs** and **11.2 mln laying hens**
- Shell egg processing capacity of **6 mln eggs per day**

The largest exporter of shell eggs and dry egg products from Ukraine:

- **67%***** share of the export market of shell eggs and dry egg products in Ukraine in H1 2016
- Diversified geographical sales outreach of **18 countries** in the EU, Asia, the Far East, MENA and the CIS in H1 2016
- Sales to the EU generated **43%** of the export revenue

Diversified sales structure:

- Sales through supermarkets chains and exports **rose to 54%** and **17%** of total sales respectively. The share of less profitable wholesale sales reduced to **29%**

*According to data from SSCU, Pro-Consulting, Egg Industry Journal (www.WATTAgNet.com)

** Including temporarily closed facilities in the East and Crimea

*** The Company's calculations

Our brand

Packaged shell eggs under the "Kvochka" umbrella brand are represented in the most popular consumer price segments



Financial summary

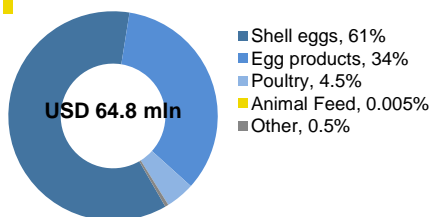
USD'000	H1 2015	H1 2016
Revenue	121,397	64,777
Gross profit	7,512	2,676
EBITDA	(98,191)	(12,608)
Net Income/(Loss)	(152,432)	(32,607)
EPS, USD	(23)	(5)

Operational summary

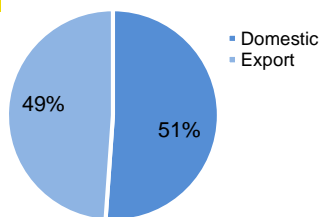
	H1 2015	H1 2016
Total flock, mln heads	16.0	13.7
Laying hens, mln heads	12.1	10.8
Shell egg production, mln pcs	1,892	1,249
Shell egg sales, mln pcs	1,700	751
Shell egg av. sales price, UAH/egg (excl. VAT)	1.08	1.34
Dry egg product production, tonnes	3,562	5,406
Dry egg product sales, tonnes	5,691	3,918
Egg product av. sales price, USD/kg	5.40	5.65

Key diagrams

Revenue by segments, %



Export revenue, %

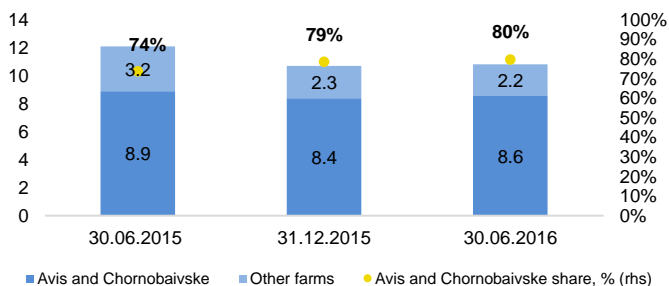


Poultry flock

One of the largest numbers of laying hens globally*:

- 13.7 mln total flock as at 30.06.2016
- 10.8 mln laying hens flock as at 30.06.2016
- 80% of laying hens are at the Avis and Chornobaivske complexes

Total number of laying hens, mln heads



*According to data from SSCU, Pro-Consulting, Egg Industry Journal (www.WATTAgNet.com)

Macro and industry overview

H1 industry overview:

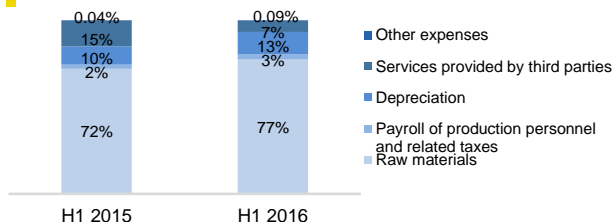
- Industrial production of shell eggs **declined 24% YoY** due to weakened domestic demand, increased household supplies and decreased exports from Ukraine
 - Private consumption remains subdued due to decreased purchasing power owing to inflation and seasonality
 - The share of household production rose to 49% in H1 2016
- In Q2 2016, the shell egg price **fell 7.5% YoY** as a result of the increased domestic competition triggered by a reduction in shell egg exports from Ukraine and weaker consumer demand. The Company expects shell egg prices and consumption to **gradually recover in H2 2016**

H1 macro fundamentals:

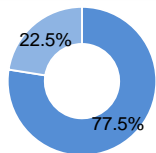
- Moderate recovery of the Ukrainian economy, with GDP up 0.1 YoY in Q1 2016 and 1.3% YoY in Q2 2016
- FX market stable since March 2016. As at 30.06.2016 the weighted average exchange rate of the Ukrainian Hryvnia stabilised at **UAH 24.85 per US dollar**
- Retail trade turnover on a slow recovery since February and rose to **2.3% YoY** in June
- Inflation **decelerated to 6.9% YoY** in June due to a weakened domestic demand, a strengthening of the Ukrainian Hryvnia and the peak agricultural season. It is expected to moderately accelerate during H2 2016, driven by increased utility tariffs. According to IMF, inflation **will not exceed 15.1%** at the year end

Source: SSCU, Company data

Cost of sales by elements, %



Shareholder structure -



■ Uklandfarming PLC ■ Free Float



Eurobonds

On 28 October 2015, via Scheme of Arrangement the Company extended maturity of its Eurobonds from 29 October 2015 to 29 October 2018

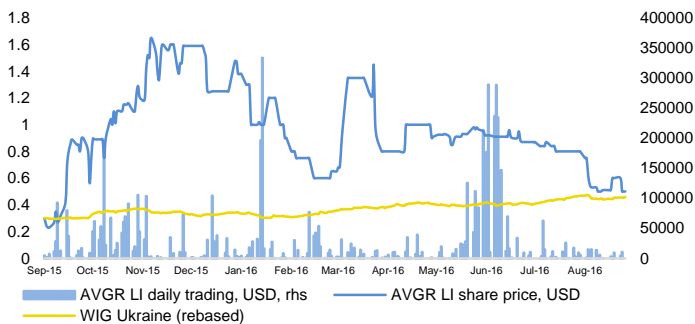
Format	Reg S																					
Amount	USD 200 mln																					
Maturity	29 October 2018																					
Coupon	<ul style="list-style-type: none"> The 5% coupon payable on 29 October 2015 (representing the semi-annual payment of the existing 10% coupon) was paid as follows: (i) 2% in cash and (ii) 3% as payment in kind ("PIK"); 10% payable semi-annually in arrears on 29 April and 29 October of each year, commencing 29 April 2016, but subject to the following PIK and cash payment provisions: <table border="1"> <thead> <tr> <th>Interest payment date</th> <th>PIK interest %</th> <th>Cash interest %</th> </tr> </thead> <tbody> <tr> <td>29.04.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.10.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.04.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.10.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.04.18</td> <td>25</td> <td>75</td> </tr> <tr> <td>29.10.18</td> <td>0</td> <td>100</td> </tr> </tbody> </table>	Interest payment date	PIK interest %	Cash interest %	29.04.16	75	25	29.10.16	75	25	29.04.17	50	50	29.10.17	50	50	29.04.18	25	75	29.10.18	0	100
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Listing	LSE
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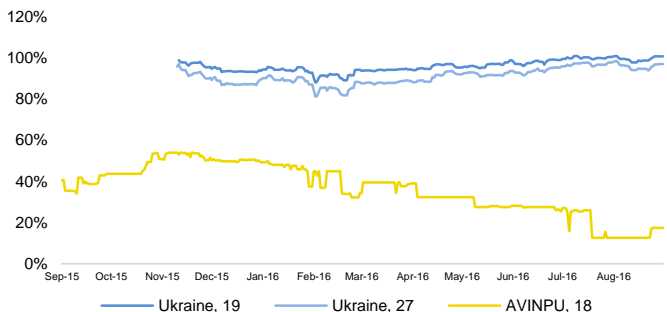
GDRs

Ticker	AVGR
Stock exchange	LSE
Deal size	1,437,500 new ordinary shares in the form of GDRs
Use of proceeds	Finalization of new capacity expansion programs
Proceeds	USD 208 mln
Offer price	USD 15.0 per GDR

GDR performance -



Eurobond price -



Board of directors -



Oleg Bakhmatyuk
Chairman of the Board
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Mr. Bakhmatyuk graduated from the Chernivtsi Institute of Economics and Law with a degree in business administration and from the Ivano-Frankivsk National Technical University of Oil and Gas with a degree in engineering, physics and management.

Oleg Bakhmatyuk founded Avangard in 2003 and Uklandfarming PLC in 2007. Between 2010 and 2013 Mr. Bakhmatyuk served as Chairman of the Board of Directors of AVANGARDCO IPL, remaining on the Board after this time. Mr. Bakhmatyuk again took over as Chairman of the Board of Directors of AVANGARDCO IPL in April 2016. Since 2010 Mr. Bakhmatyuk has served as Chairman and CEO of UkrLandFarming PLC. Oleg Bakhmatyuk owns several other companies in the food, transport, real estate and finance sectors.



Oleg Pohotsky
Board Member
Independent director
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Mr. Pohotsky holds a MBA from the Harvard University Graduate School of Business and a Juris Doctor degree from the University of Miami Law School. He also holds a BSChE degree from Clarkson University. Mr. Pohotsky has been the managing partner of Right Bank Partners, a corporate governance and strategy advisory firm. He serves as Chairman of the Board of the H&Q Healthcare and Life Sciences Funds and as a director of the New America High Income Fund. All three closed-end funds are NYSE-listed. Mr. Pohotsky also serves on the Board of Advisors of Kaufman & Co., a Boston-based boutique investment banking firm and in the position of Senior Advisor to Governance Metrics International.

Mr. Pohotsky has served as an independent non-executive Director of the Company since 2011.



Nataliya Vasylyuk
Board Member, CEO
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Ms. Vasylyuk obtained a Finance and Accounting degree from the Ivano-Frankivsk National Technical University of Oil & Gas in 2005. She began her career in 2004 as sales and marketing director at LLC Prykarpattya Financial Company, then from 2004 to 2007 she served as CFO at LLC Stanislavska Trade Company. Nataliya Vasylyuk joined Avangard in 2007. Between 2007 and 2010 she served as CEO and from April 2010 to January 2013 while staying on as CEO she also became a member of the Board of Directors of AVANGARDCO IPL. Nataliya Vasylyuk served as Chair of the Board from January 2013 to April 2016. She retook the position of CEO in April 2016.

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