



9M2013 Financial result
Management Presentation
29 November, 2013



Disclaimer

You must read the following before continuing.

The following applies to the company presentation (the "company presentation") following this important notice, and you are therefore advised to read this important notice carefully before reading, accessing or making any other use of the company presentation. In accessing the company presentation, you agree to be bound by the following terms and conditions, including any modifications to them any time that you receive any information from us as a result of such access. The information contained in this company presentation has been prepared by Avangardco investments public limited ("Avangard" or the "company").

This document does not contain or constitute an offer of, or the solicitation of an offer to buy or subscribe for, securities to any person in Australia, Canada, Japan, Ukraine or the United States or in any jurisdiction to whom or in which such offer or solicitation is unlawful. This presentation is not an offer for sale of securities in the United States or any other jurisdiction. Any securities which are the subject of such offer have not been, and will not be, registered under the U.S. Securities act of 1933, as amended (the "securities act"), or the securities laws of any state of the United States or other jurisdiction and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as defined in regulation s under the securities act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the securities act and any applicable state or local securities laws. Any offer of such securities will be made by means of an offering document that will contain detailed information about the company and its management, including financial statements. Any investment decision should be made on the basis of the final terms and conditions of the securities and the information contained in such offering document and not on the basis of this presentation which does not constitute or form part of an offer or solicitation of an offer to purchase or subscribe for any securities. Subject to certain exceptions, the securities referred to herein may not be offered or sold in Australia, Canada, Japan, or Ukraine or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, Japan, or Ukraine. The offer and sale of the securities referred to herein has not been and will not be registered under the securities act or under the applicable securities laws of Australia, Canada, Japan, or Ukraine. There will be no public offer of the securities in the United States.

This company presentation is only addressed to and directed at persons in member states of the European economic area who are "qualified investors" within the meaning of article 2(1)(e) of the prospectus directive (directive 2003/71/ec) ("qualified investors"). In addition, in the United Kingdom, this company presentation is being distributed only to, and is directed only at (i) investment professionals within the meaning set out in article 19(5) of the financial services and markets act 2000 (financial promotion) order 2005, as amended (the "order") and qualified investors falling within article 49(2)(a) to (d) of the order, and (ii) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as "relevant persons"). This company presentation must not be acted on or relied on (i) in the United Kingdom, by persons who are not relevant persons, and (ii) in any member state of the European economic area other than the United Kingdom, by persons who are not qualified investors. Any investment or investment activity to which this company presentation relates is available only to (i) in the United Kingdom, relevant persons, and (ii) in any member state of the European economic area other than the United Kingdom, qualified investors, and will be engaged in only with such persons.

This company presentation may not be used in any jurisdiction where such use is not authorised or is unlawful. The distribution of this company presentation in certain jurisdictions may be restricted by law. Persons in whose possession this company presentation may come are required to inform themselves about and to observe such restrictions. Each recipient hereof, by virtue of receiving this company presentation, will be deemed to have acknowledged, represented and agreed that it is not a U.S. Person and is acting for its own account or for the account of a non U.S. Person in an offshore transaction (as defined in regulation s under the securities act) and (a) if it is in the United Kingdom, it is a relevant person, and/or a relevant person who is acting on behalf of, relevant persons in the United Kingdom and/or qualified investors to the extent it is acting on behalf of persons or entities in the United Kingdom or the European economic area; or (b) if it is in any member state of the European economic area other than the United Kingdom, it is a qualified investor and/or a qualified investor acting on behalf of, qualified investors or relevant persons, to the extent it is acting on behalf of persons or entities in the European economic area or the United Kingdom.

This company presentation is confidential and is being provided to you solely for your information and may not be reproduced in any form or forwarded or further distributed to any other person or published, in whole or in part, for any purpose whatsoever. Any forwarding, distribution or reproduction of this company presentation in whole or part is unauthorised. Failure to comply with this directive may result in a violation of the securities act or the applicable laws of other jurisdictions. The provision of this company presentation doesn't constitute or shall not be relied upon as constituting, the giving of investment (or other) advice by the company or any other shareholders, employees representatives or affiliates thereof. Neither Avangard nor its respective subsidiaries, associates, directors, employees, agents or advisors (such directors, employees, agents or advisors being hereafter referred to as "representatives"), makes any representation or warranty (express or implied) as to the adequacy, accuracy, reasonableness or completeness of the information contained in this company presentation or of any additional information, and such parties or entities expressly disclaim any and all responsibility or liability (other than in respect of fraudulent misrepresentation) based on or relating to the accuracy or sufficiency thereof, or for any errors or omissions from, this company presentation or any additional information or based on or relating to the recipient's reliance or use or the reliance or use by any of its associates or representatives on or of this company presentation or any additional information, or any other written or oral communications transmitted to the recipient or any of its associates or representatives or any other person in the course of its or their evaluation of an investment in the company.

Forward looking statements this company presentation includes statements that are, or may be deemed to be, "forward looking statements". These forward looking statements can be identified by the use of forward looking terminology, including the terms "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case their negative or other variations or comparable terminology. These forward looking statements include all matters that are not historical facts. They appear in a number of places throughout this company presentation and include statements regarding the intentions, beliefs or current expectations of the company. By their nature, forward looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward looking statements are not guarantees of future performance. The company's actual performance, results of operations and financial condition may differ materially from the impression created by the forward looking statements contained in this company presentation.

Subject to its legal and regulatory obligations, Avangard expressly disclaims any obligation to update or revise any forward looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based. Neither troika nor any of its respective affiliates undertake to provide the recipient hereof with access to any additional information or to update this company presentation or to correct any inaccuracies herein which may become apparent.

Any recipient of this company presentation is solely responsible for assessing and keeping under review the business, operations, financial condition, prospects, creditworthiness, status and affairs of the company. In no circumstances shall the delivery of this company presentation imply that no negative change may occur in the business of the company after the date of issuance of this company presentation, or any date of amendment and/or addition thereto. Financial information and rounding

Certain financial information contained in this company presentation has been extracted from the company's unaudited management accounts and financial statements prepared in accordance with Ukrainian Accounting Standards ("UAS"). The areas in which management accounts or UAS financial statements differ from International Financial Reporting Standards ("IFRS") and/or U.S. Generally accepted accounting principles could be significant and you should consult your own professional advisors and/or conduct your own due diligence for a fuller understanding of the significance of such differences and any impact such differences may have on the relevant financial information contained in this company presentation. Some numerical figures included in this company presentation have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them. Certain information presented herein (including market data and statistical information) has been obtained from various sources which the company considers to be reliable. However, the company makes no representation as to, and accepts no responsibility or liability whatsoever for, the accuracy or completeness of such information.

Table of contents



1. Avangard at a glance
2. Market positioning
3. Investment projects update
4. Financial results

Appendix: financial snapshot



1. Avangard at a glance

1.1. Avangard's overview

#1 egg / dry egg products producer in Ukraine*

- 57% share in the industrial production of shell eggs in 9M2013
- 91% share in the production of dry egg products in 9M2013
- 90% share in export of eggs and dry egg products from Ukraine in 9M2013

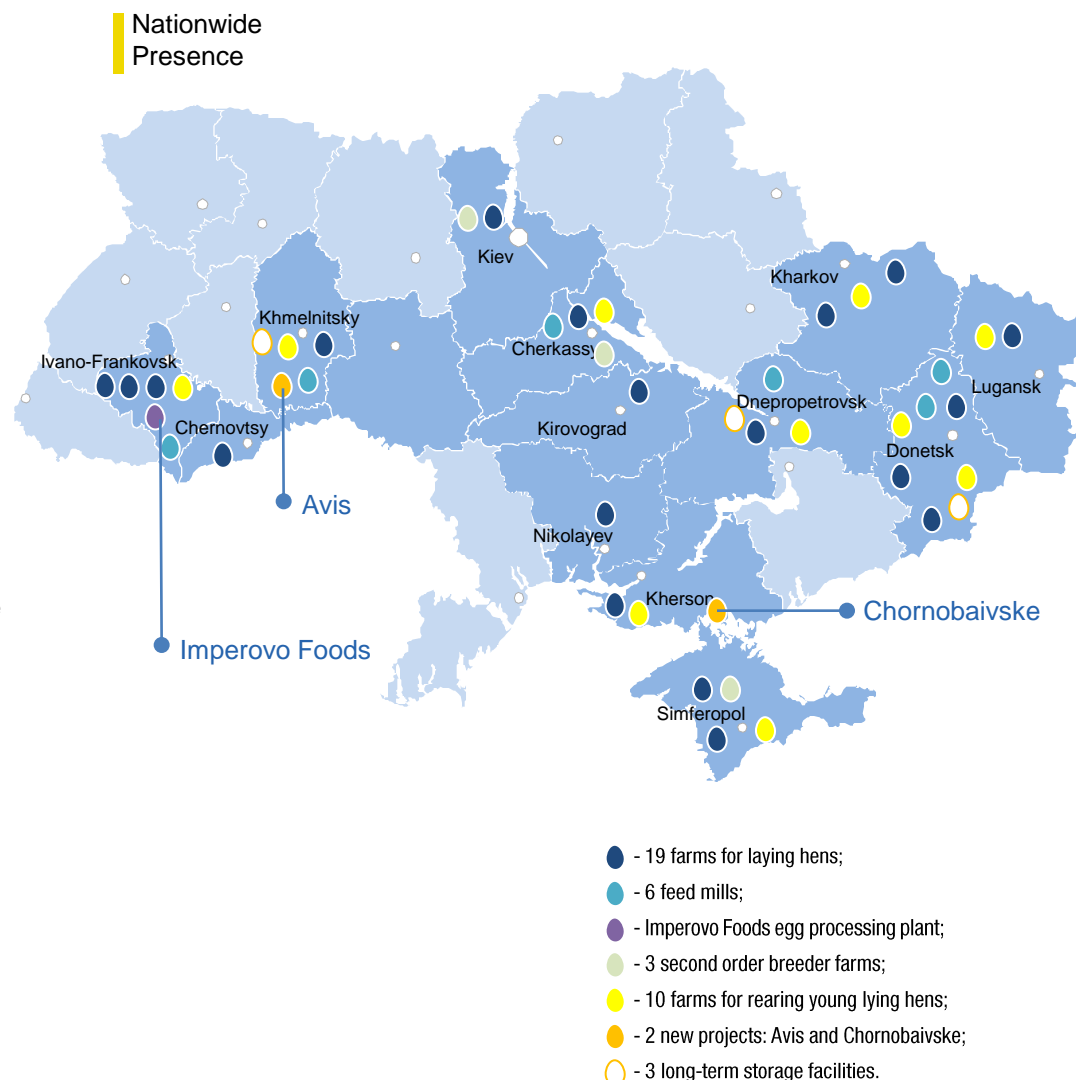
Investment projects update

- Greenfield Avis and Chornobaivske complexes and Imperovo are on schedule
- Rearing sites at new complexes are capable of operating at full capacity of 5.045 mln hens
- Stage 2 of industrial laying hens sites are in progress
- Current total capacity of industrial sites at new complexes is 9.192 mln hens of 11.184 mln hens
- Avis fodder mill complex is at stage of the final works for installation of equipment and the start-up works, that will be completed by the end of the year
- Production sites are fully compliant with European standards
- Actual utilization of the sites corresponds to the operational plans of the Company

Distribution and Sales

- Shell eggs are sold for export as well as to domestic wholesale and retail customers with increasing share of export and retail chains
- Export to 33 countries
- Export constituted 28% of the total revenue of the Company in 9M2013
- Currently shell eggs are exported primarily to the Middle East, Asia, Africa and CIS
- The Company supplies its “Kvochka” – branded products to 16 national and 12 regional retail chains in Ukraine

*According to data from SSCU, Pro-Consulting



1.2. Strong Operational and Financial Performance in 9M2013

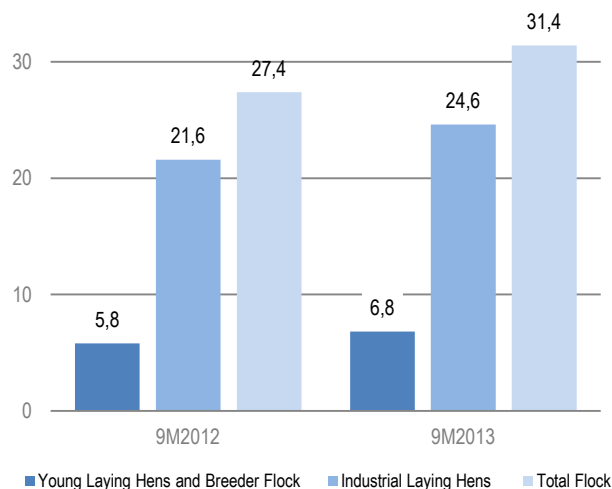
Operational Performance

- Shell eggs production (+9.2%): **5.1 bln pcs** in 9M2013 vs. 4.7 bln pcs in 9M2012
- Sales to third parties (-3.5%): **3.7 bln pcs** in 9M2013 vs. 3.9 bln pcs in 9M2012
- Average selling shell eggs price (0%): **0.65 UAH (excl. VAT)** in 9M2013 vs. 0.65 UAH (excl. VAT) in 9M2012
- Average selling egg products price(+2.0%): **7.61 \$/kg** in 9M2013 vs. 7.46 \$/kg in 9M2012
- Export sales of eggs and egg products (+87%): **\$130m** in 9M2013 vs. \$69m in 9M2012
- Total flock (+14.5%): **31.4 mln heads** as at 30 Sept. 2013 vs. 27.4 mln heads as at 30 Sept. 2012
- **41%** of total flock as at 30 Sept. 2013 was placed at new complexes (**37%** of laying hens flock)

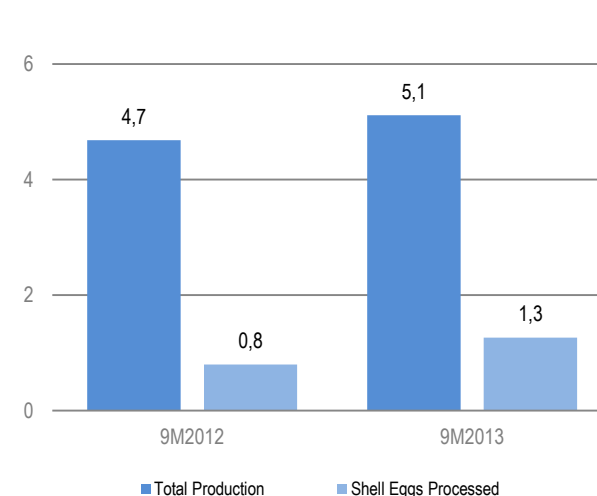
Financial Performance

- Revenue (+4.7%): **\$466.5m** in 9M2013 vs. \$445.8m in 9M2012
- EBITDA (+5.7%): **\$205.0m** in 9M2013 vs. \$194.0m in 9M2012
- EBITDA margin (+0.4%): **43.9%** in 9M2013 vs. 43.5% in 9M2012
- Total debt/LTM EBITDA: 1.1

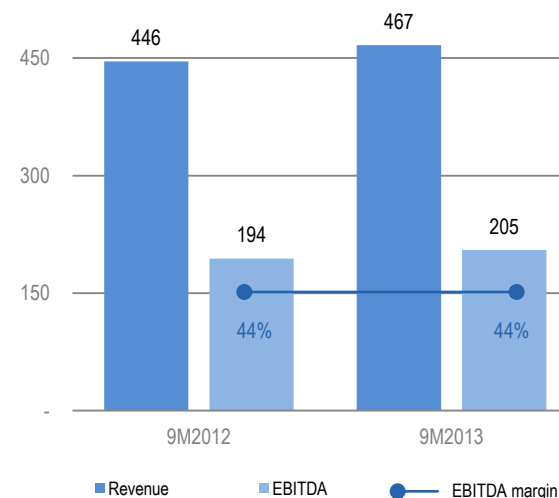
Total flock, mln heads*



Production of Shell Eggs and Egg Products in egg equivalent, bln pcs



Key Financial Indicators, USD mln



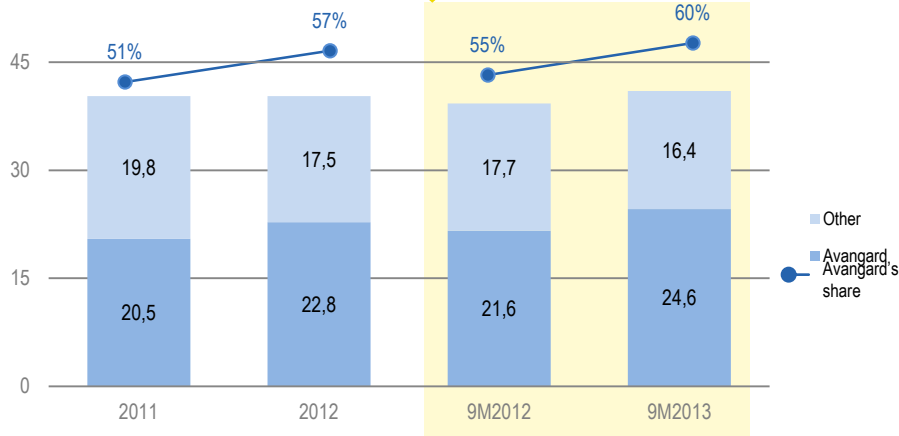


2. Market positioning

2.1. Industry leader

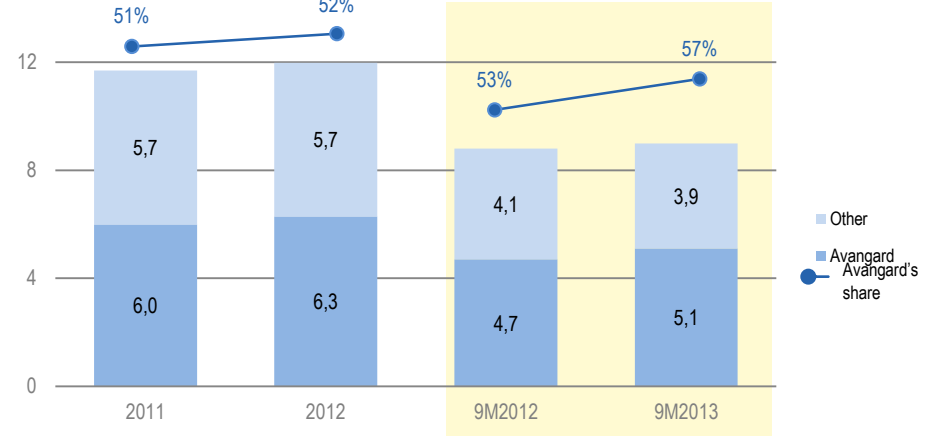
Industrial Laying Flock, mln hens

#1



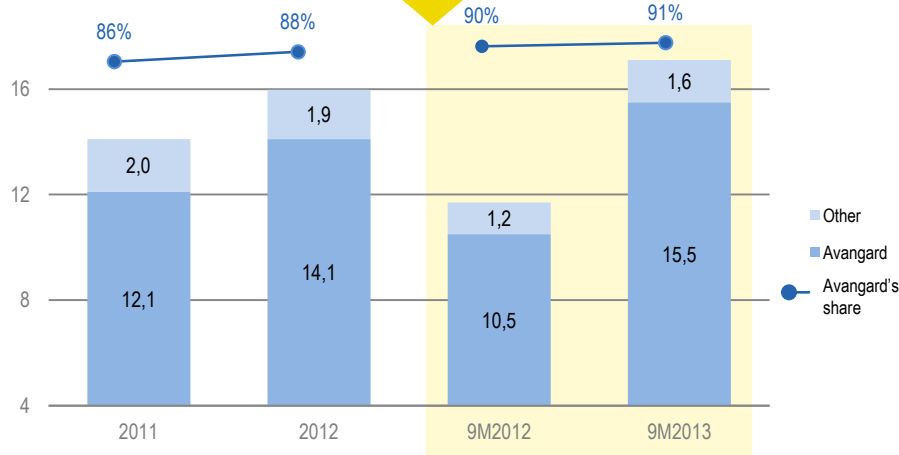
Industrial Production Shell Eggs, bln pcs

#1



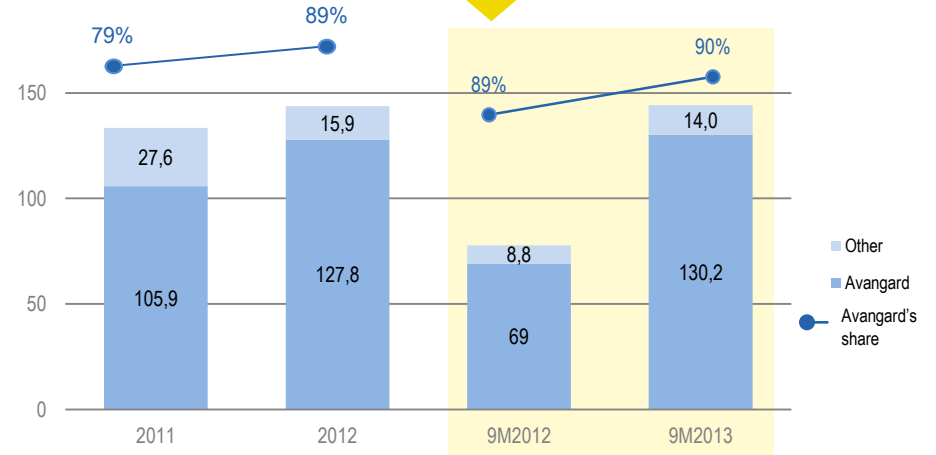
Industrial Productions of Dry Egg Products, ths tons

#1



Export of Shell Eggs and Egg Products from Ukraine, \$ mln

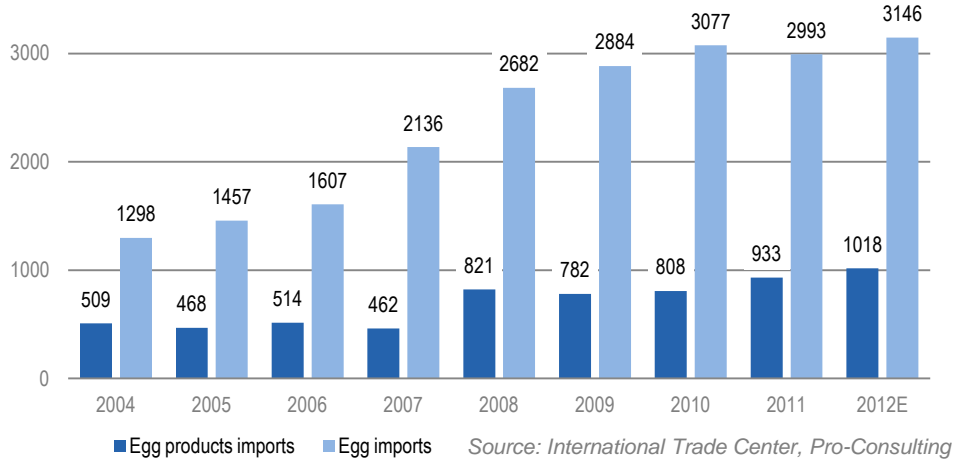
#1



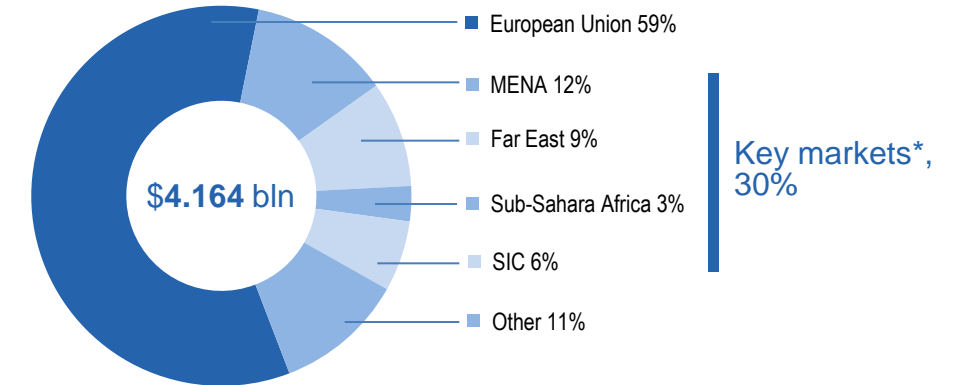
* Source: Pro-Consulting, Avangard's Data

2.2. Strong market fundamentals: world

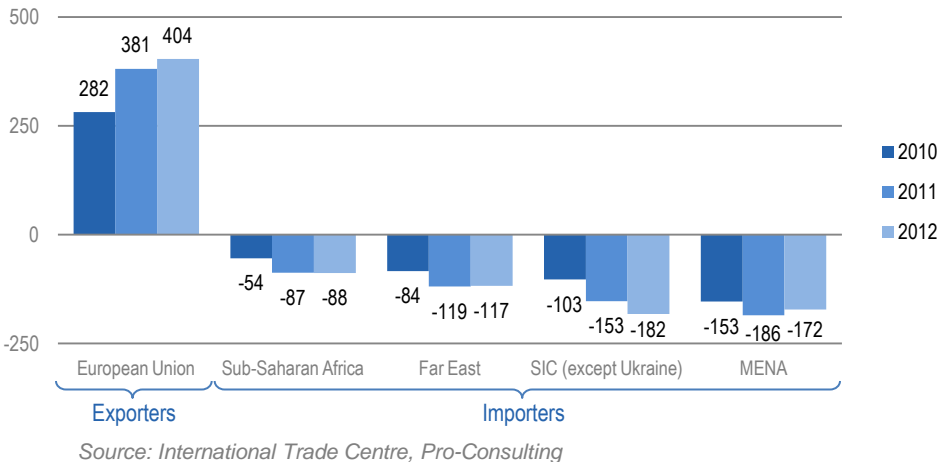
World Imports of Eggs and Egg Products, \$ mln



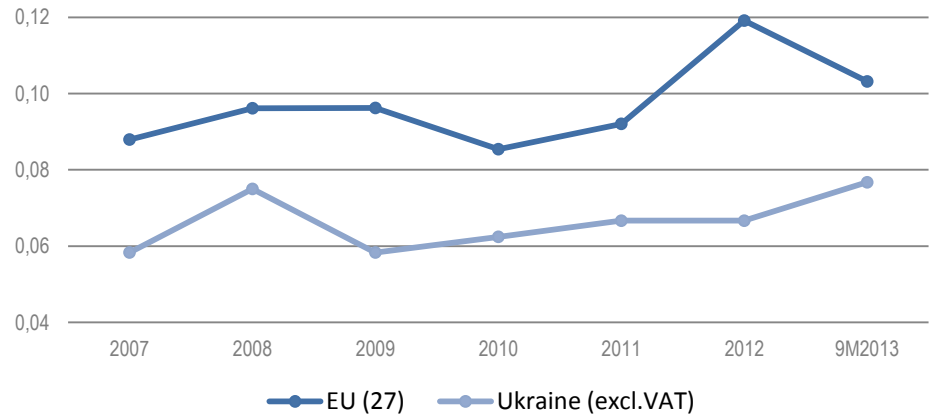
Structure of World Imports of Eggs and Egg Products in 2012E, \$ mln



Trade balance of the most active regions in the eggs and egg products trade, \$ mln



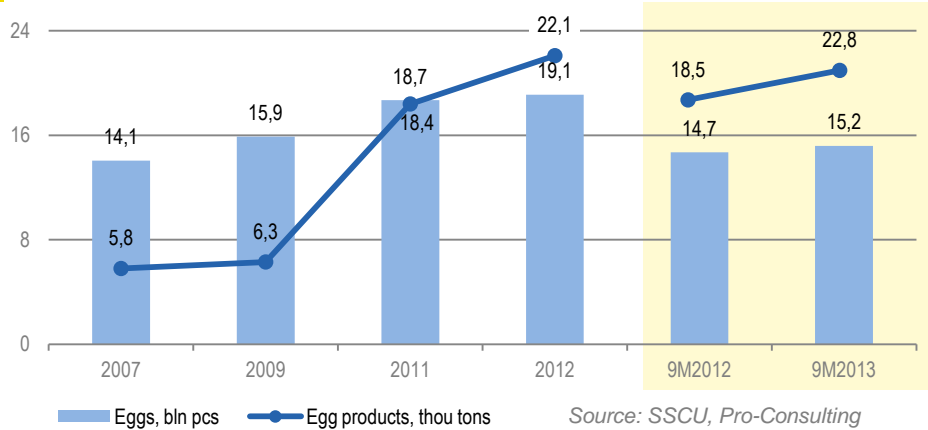
Average Domestic Price of Eggs in EU and Ukraine, \$/egg



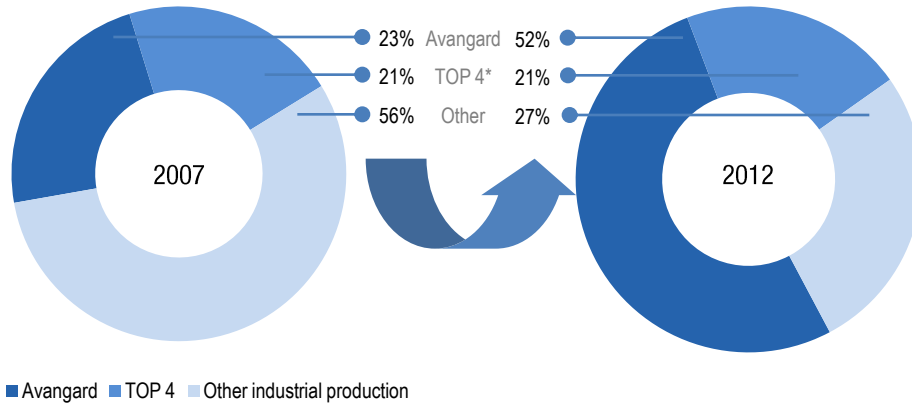
Emergence of middle class in MENA and Asia will further drive consumption of eggs/egg products in the region

2.3. Strong market fundamentals: Ukraine

Eggs and Egg Products Production in Ukraine



Industry Consolidation

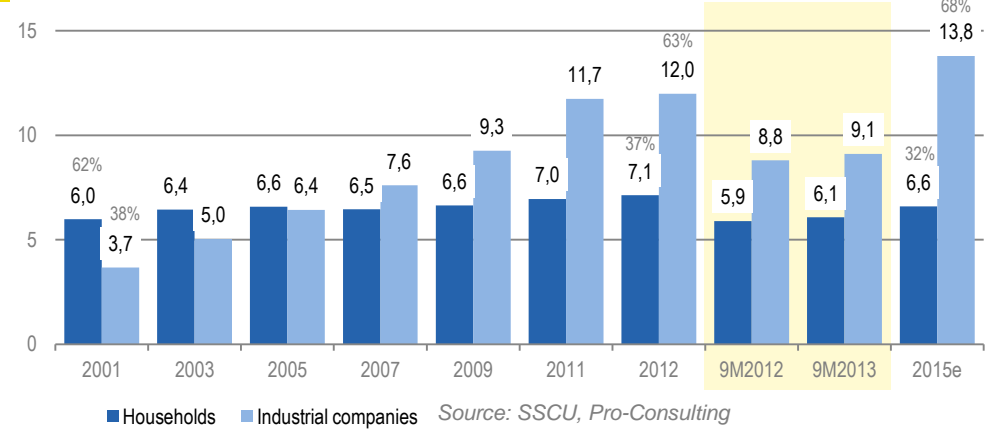


*Top 4: Inter-Agrosystem, Ovostar, Landgut Ukraine, Agrofirma Berezanskaya PF

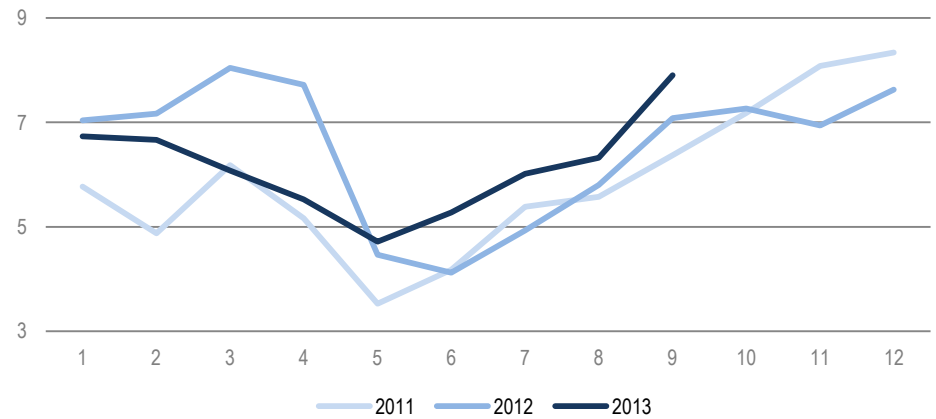
Source: Pro-Consulting, Company data

Market consolidation will drive further price increases

Households vs Industrial Companies, bln pcs



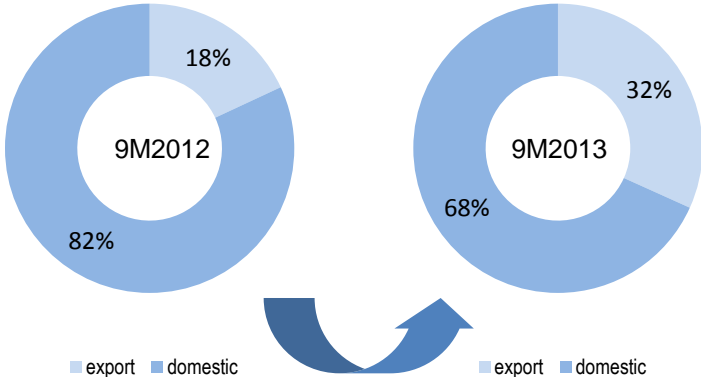
Egg price in Ukraine, UAH / 10 pcs



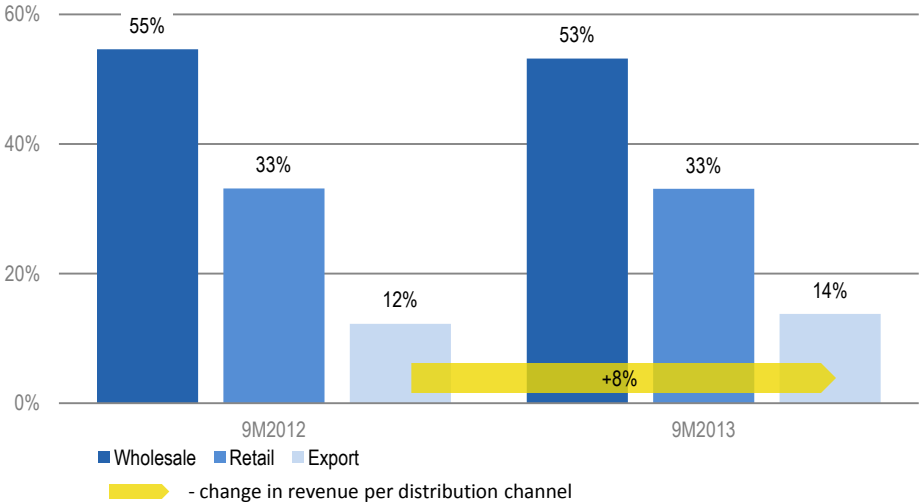
2.4. Diversified Sales Structure

- Increase of export in total sales
- Growing focus on retail sales of shell eggs
- Export strategy aimed to expand sales:
 - ✓ Eggs – MENA, CIS;
 - ✓ Egg Products – Middle East, Asia

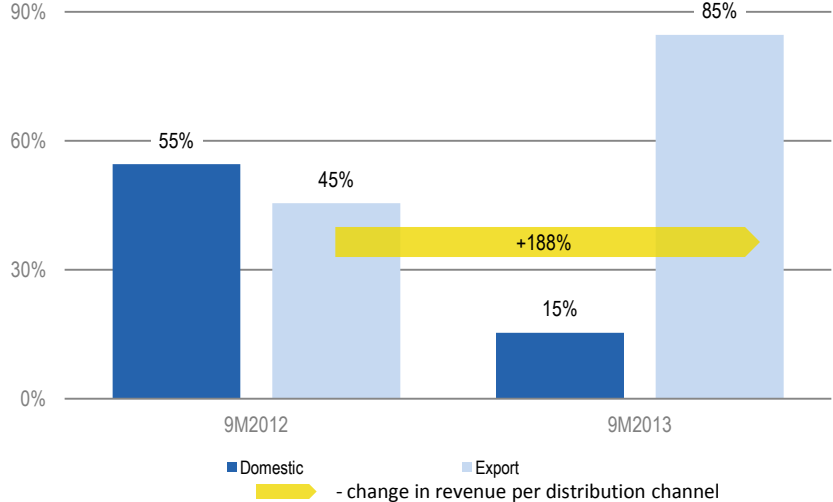
Sales Structure of Eggs and Egg product, % of Revenue



Eggs Sales Channels, % of Revenue



Egg Products Sales Channels, % of Revenue



2.5. Diversified Sales Structure

2009-2011: 20 markets

- Armenia
- Azerbaijan
- Georgia
- Hong Kong
- Indonesia
- Iraq
- Jordan
- Kazakhstan
- Kuwait
- Moldova
- Oman
- Pakistan
- Saudi Arabia
- South Korea
- Syria
- Thailand
- Turkey
- Turkmenistan
- UAE
- Vietnam

2012: 12 markets

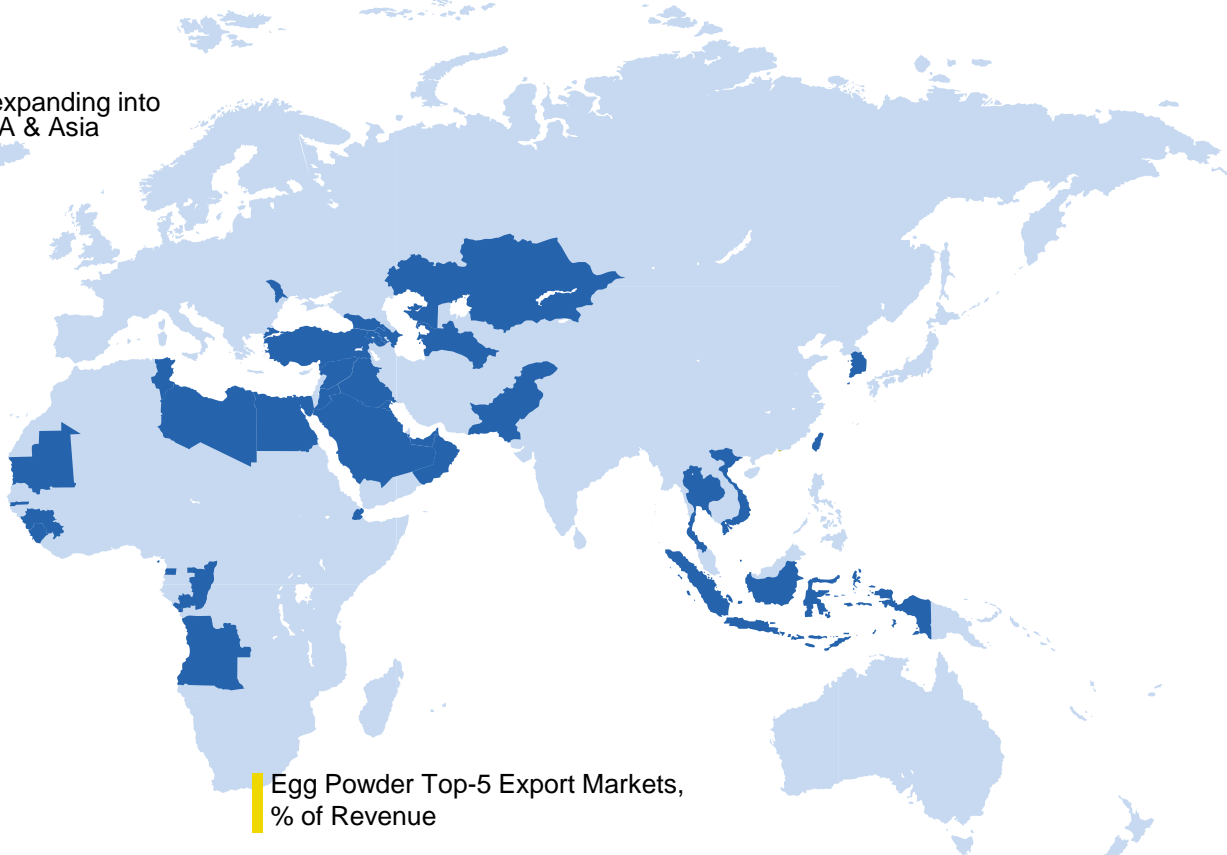
- Angola
- Egypt
- Gambia
- Liberia
- Libya
- Mauritania
- Republic of Djibouti
- Taiwan
- Tunisia
- Congo
- Sierra Leone
- Equatorial Guinea

1H2013: 1 market

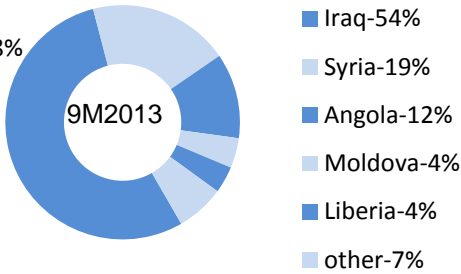
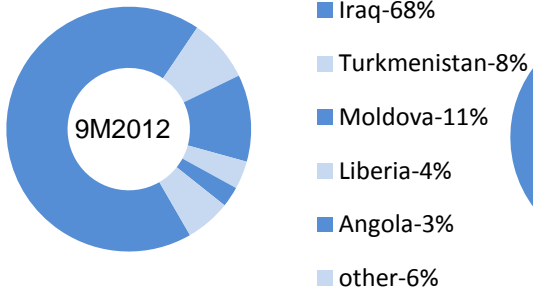
- Guinea Bissau

2009-9M2013: 33 markets

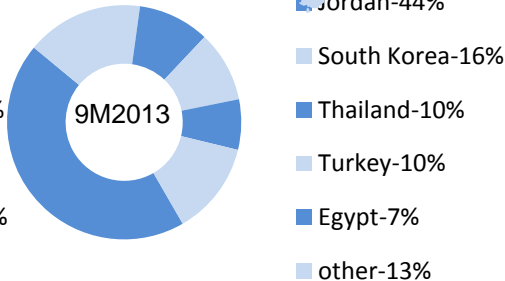
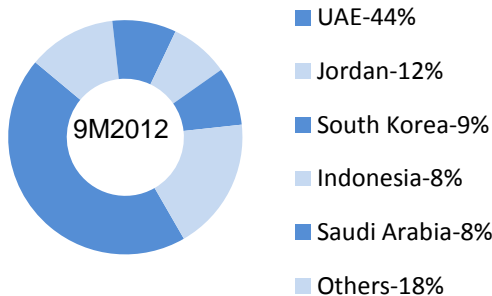
Export strategy – expanding into key markets: MENA & Asia



Eggs Top-5 Export Markets, % of Revenue



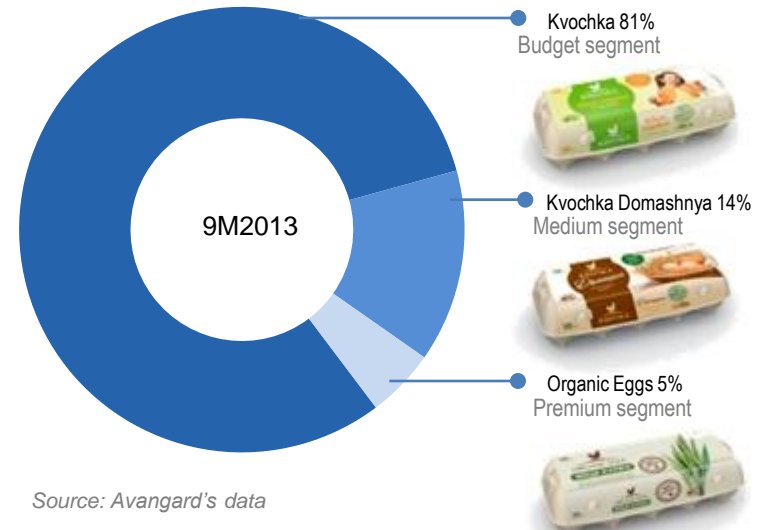
Egg Powder Top-5 Export Markets, % of Revenue



2.6. Development of branded product line

- The Company sells non-branded and branded shell eggs in the main retail chains in Ukraine
- Packaged shell eggs under the “Kvochka” umbrella brand are represented in the most popular consumer price segments
- The Company reached an agreement to supply shell eggs to the retail chain “NOVUS”
- Currently the Company supplies its “Kvochka” – branded products to 16 national and 12 regional retail chains in Ukraine
- In 9M2013 the Company sold 32.9 mln pieces packaged eggs under the umbrella brand “Kvochka”, which was 30% higher compared to the 9M2013.

Sales of Packaged Shell Eggs,
9M2013



Top-10 key accounts: ATB, Fozzy, Pakko, Megamarket, Eko, Auchan, Karavan, Perekrestok, Ekspansiya, Velyka Kyshenya.

- Growing focus on modern trade (supermarket chains) as primary distribution sales channel
- Increase share of sales of branded products



3. Investment project update

3.1. Investment project

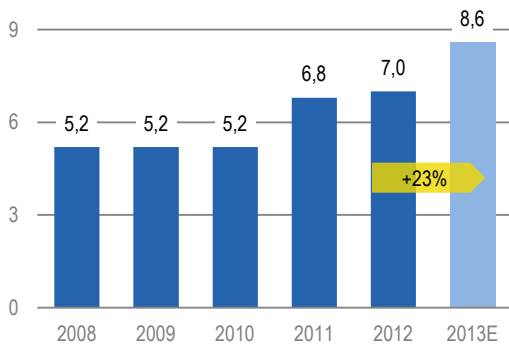
Implementation of projects:

- Avis egg production complex
- Chornobaivske egg production complex
- Expansion of Imperovo Foods egg processing plant

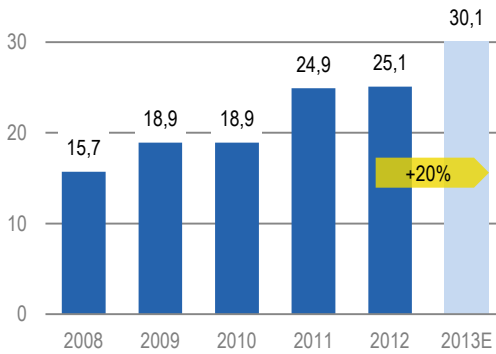
Breakdown of Capital Expenditures, \$ mln

	Before IPO	2010	2011	2012	2013E	2014E	Total
Avis	124	54	59	97,6	27	8,4	370
Chornobaivske	147	14	51	93	47	16	368
Imperovo Foods	-	-	-	115	45	0	160
Total	271	68	110	305,6	119	24,4	898
Expansion CAPEX							
Maintenance CAPEX				16	48	39	103

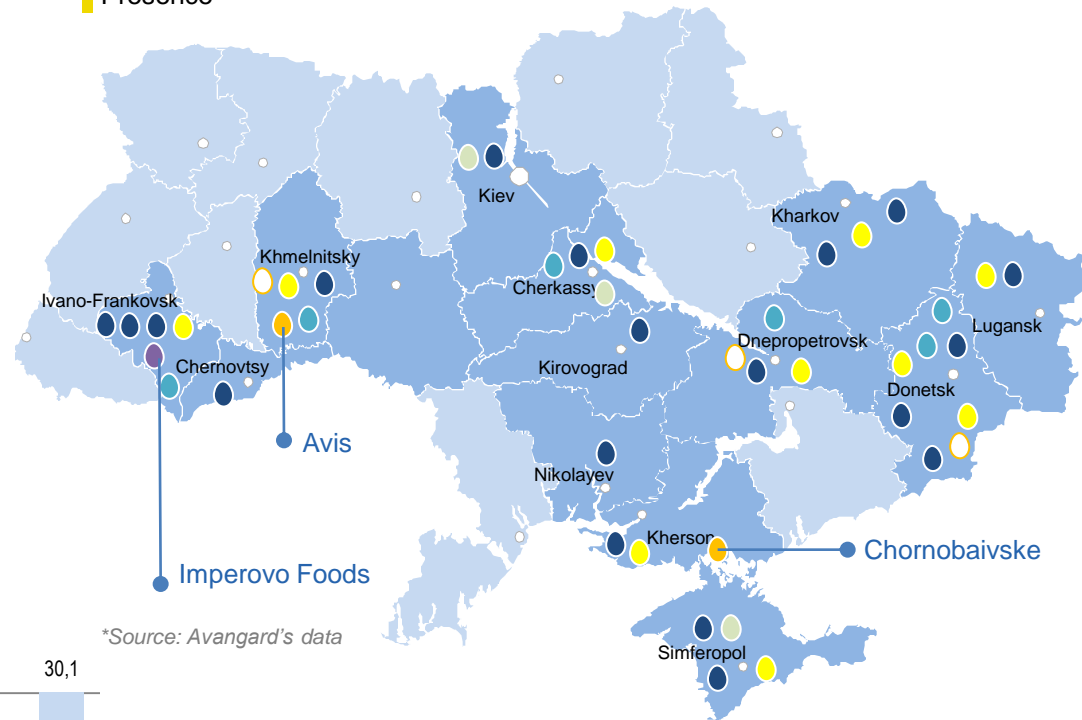
Capacity in shell eggs production, bln pieces



Capacity, mln laying hens



Nationwide Presence



*Source: Avangard's data

- - 19 farms for laying hens;
- - 6 feed mills;
- - Imperovo Foods egg processing plant;
- - 3 second order breeder farms;
- - 10 farms for rearing young laying hens;
- - 2 new projects: Avis and Chornobaivske;
- - 3 long-term storage facilities.

3.2. On-going capacity expansion plan

- Avis and Chornobaivske egg production complexes are under construction with rearing sites and 1st stage of industrial sites fully completed. Upon completion, the projects are expected to increase the annual egg production capacity to 30.1 mln laying hens and total egg output capacity to 8.6 bln pcs.
- Equipment from leading European suppliers, namely Salmet International GmbH, Officine Facco&C.Spa, Big Dutchman GmbH, MOBA B.V. (the Netherlands), Andritz Feed&Biofuel A/S (Denmark), CimBria Unigrain A/S (Denmark).

Avis egg production complex

- Construction of new “Avis” poultry farm of 5.2 mln laying hens and 1,616 mln shell eggs once fully operational
- Rearing site with total capacity of 2.635 mln hens is capable of operating
- 2nd stage of industrial site is in progress. Current total capacity of 4.705 mln hens is capable of operating
- Fodder mill complex is at stage of the final works for installation of equipment and the start-up works, that will be completed by the end of the year
- Biogas unit is on schedule

Chornobaivske egg production complex

- Construction of new “Chornobaivske” poultry farm of 6.0 mln laying hens and 1,865 mln shell eggs once fully operational
- Rearing site with total capacity of 2.410 mln hens is capable of operating
- 2nd stage of industrial site is in progress. Current total capacity of 4.487 mln hens is capable of operating
- Fodder mill complex is in progress
- Biogas unit is on schedule

Imperovo Foods egg processing plant

- The processing capacity has been increased to 6 mln eggs per day and since May 2013 “Imperovo Foods” operates at full capacity
- Currently the processing capacity is being gradually modernized to process 10 mln eggs per day.
- The equipment is supplied by SANOVO International A/S

Avis. Industrial site, 2nd stage



Chornobaivske. Rearing Site.



Imperovo Foods egg processing plant.
Cooling and reservation line

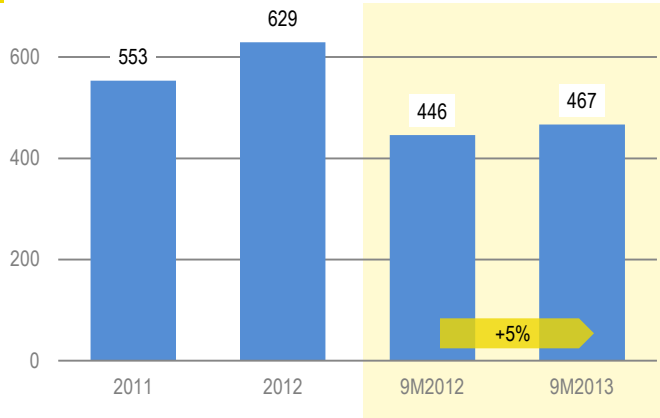




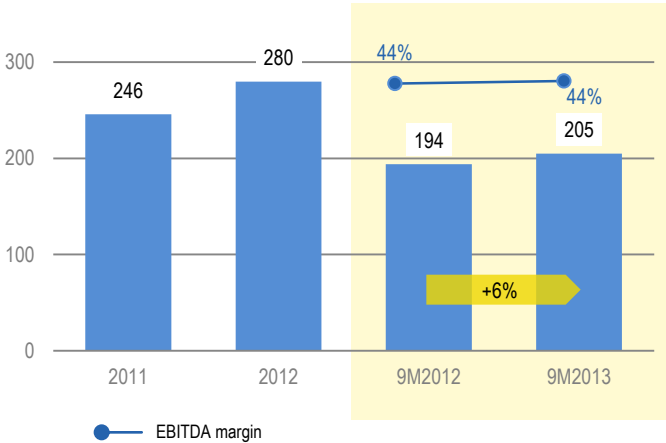
4. Financial results

4.1. Key financial highlights

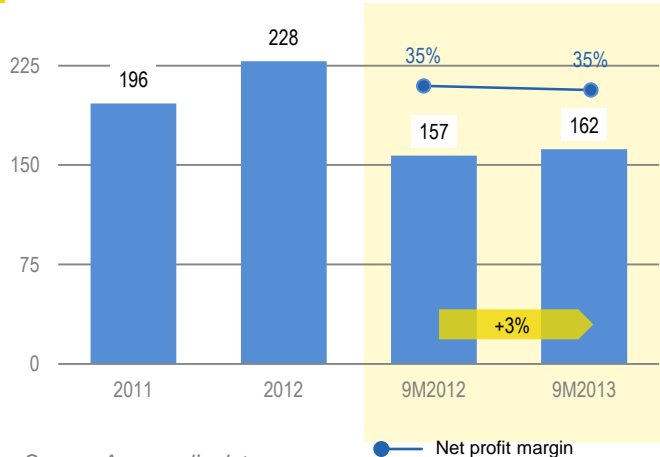
Revenue, \$ mln



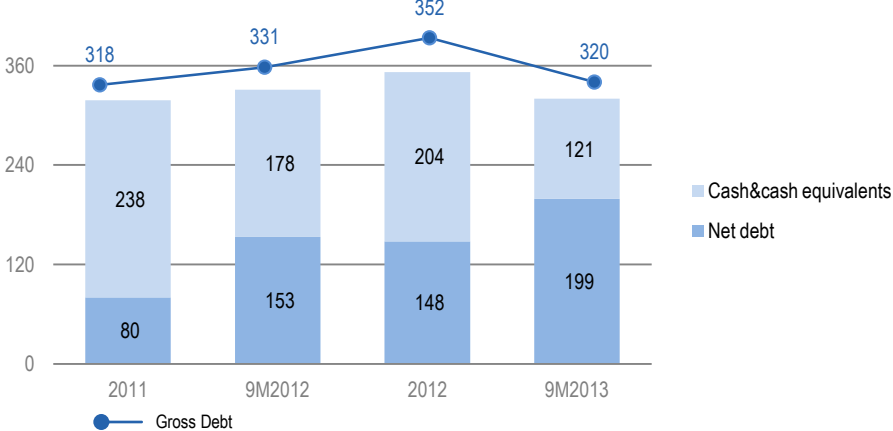
EBITDA, \$ mln



Net Profit, \$ mln



Gross Debt Structure, \$ mln



Source: Avangard's data

4.2. Key segment results

SALES REVENUE, \$'000	9M2012	9M2013	change, %
Shell egg	317,672	306,123	-4%
Egg products	67,116	103,942	55%
Other	60,965	56,477	-7%

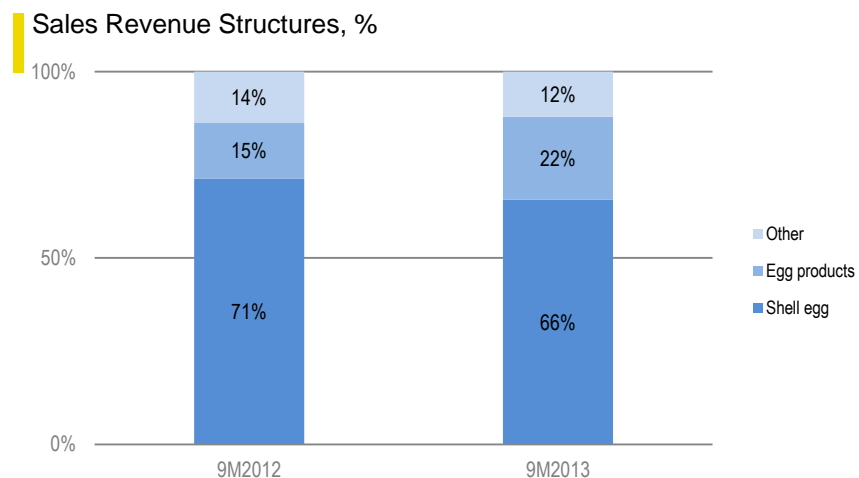
Decrease in Shell Eggs segment revenue was due to:

- increase the volume of shell eggs used for further processing into dry egg products

Increase in Egg Products segment revenue was due to:

- increase in processing capacity to 6 mln egg per day on Imperovo Foods
- increase in average selling price by 2%
- expanding export sales

Revenue share of key segments (eggs and egg products) increased by 7% in 9M2013 and gives 88% of total revenue.



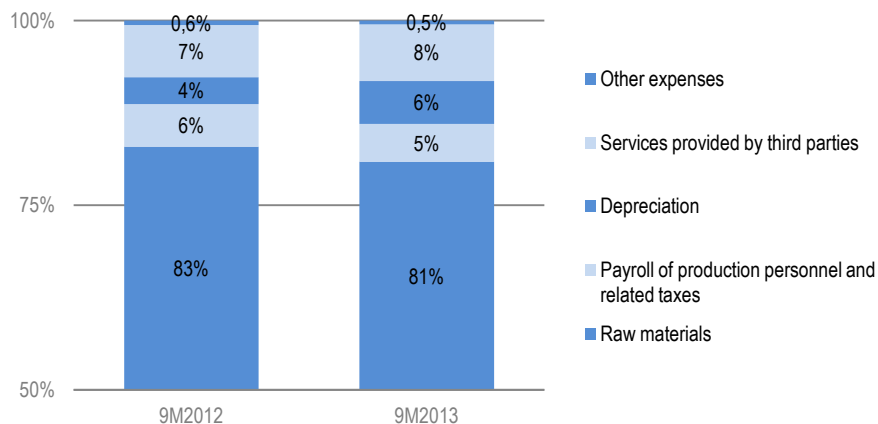
Source: Avangard's data

4.3. Cost structure

Cost of Finished Goods Sold by Elements

\$'000	9M2012	9M2013	change, %
Raw materials	248,370	250,299	1%
Payroll of production personnel and related charges	17,204	15,790	-8%
Depreciation	10,969	18,039	64%
Services provided by third parties	21,111	23,687	12%
Other	1,731	1,553	-10%
Total COGS	299,385	309,368	3%

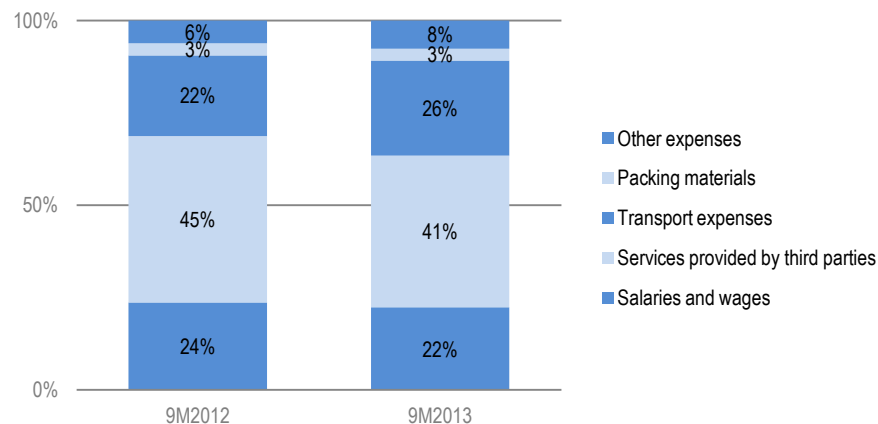
Cost of Finished Goods Sold Structure



General, Administration and Distribution Costs by Elements

\$'000	9M2012	9M2013	change, %
Salaries and wages	7,813	6,917	-11%
Services provided by third parties	14,845	12,729	-14%
Transport expenses	7,182	7,957	11%
Packing materials	1,090	0,990	-9%
Other expenses	2,010	2,349	17%
Total GA&D	32,940	30,942	-6%

General, Administration and Distribution Costs Structure



Source: Avangard's data

4.4. Debt structure

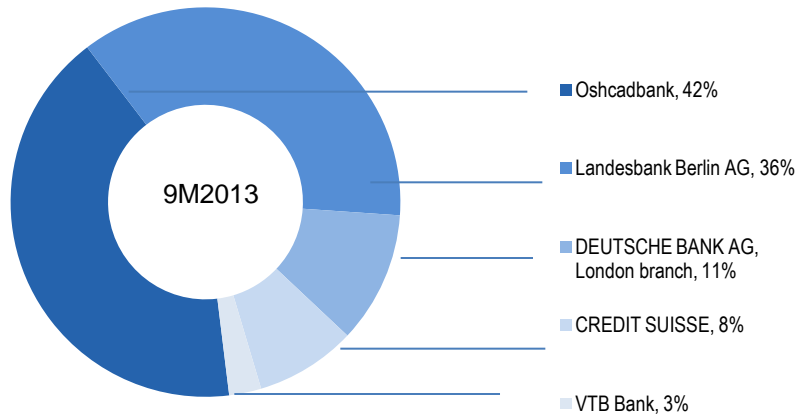
Low financial leverage

- Net debt position of \$199 mln as of 30.09.2013
- Total debt/LTM EBITDA – 1.10x
- Net debt/LTM EBITDA – 0.68x
- Financial leverage coefficient made up 12.9% as at 30.09.2013 vs. 11.2% as at 31.12.2012

Financial leasing constitutes minor part of Avangard's liabilities (ca. 0.6%). The Company leases equipment and cars

Avangardco IPL fully complies with the covenants

Loan Portfolio by Creditor in 9M2013*

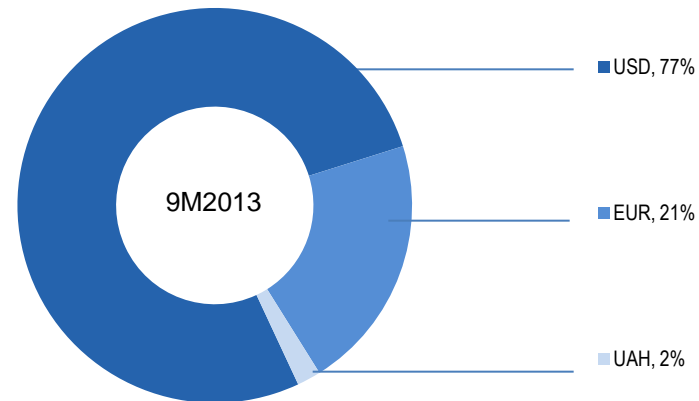


*excl. bonds, leasing and commodity credits / Source: Avangard's data

Debt structure

\$'000	2012	9M2013	% change
Total Debt	352,232	320,120	-9%
Long-term	232,841	270,120	16%
Short-term	119,391	50,000	-58%
Net Debt	147,934	199,139	35%
			covenant
Net debt/LTM EBITDA	0,5	0,7	-
Total debt/LTM EBITDA	1,3	1,1	<=3.0

Loan Portfolio Structure by Currency in 9M2013





Appendix: financial snapshot

Balance sheet

\$'000	2012	9M2013	change, %
NON-CURRENT ASSETS	969,153	1 178,015	22%
Property, plant and equipment	920,072	1 102,964	
Non-current biological assets	46,724	72,216	
Deferred tax assets	1,966	2,466	
Other non-current assets	391	0,369	
CURRENT ASSETS	609,175	555,853	-9%
Inventories	177,886	146,815	
Current biological assets	56,889	50,023	
Trade accounts receivable, net	55,551	60,516	
Prepaid income tax	18	0,058	
Prepayments and other current assets, net	11,966	71,472	
Taxes recoverable and prepaid	102,567	105,988	
Cash and cash equivalents	204,298	120,981	
TOTAL ASSETS	1,578,328	1 733,868	10%
TOTAL EQUITY	1,167,195	1 349,387	16%
NON-CURRENT LIABILITIES	206,150	259,657	26%
CURRENT LIABILITIES	204,983	124,824	-39%
Loans and bonds	151,505	65,647	
Trade Accounts Payable	24,435	16,516	
Other Payables	29,043	42,661	
TOTAL LIABILITIES	411,133	384,481	-6%
NET DEBT at the date	147,934	199,139	35%

Source: Avangard's data

Income statement

\$'000	9M2012	9M2013	change, %
REVENUE	445,753	466,542	5%
Income from revaluation of biological assets at fair value	27,592	29,423	
Cost of sales	-299,385	-309,368	
GROSS PROFIT	173,960	186,597	7%
General administrative expenses	-17,633	-12,417	
Distribution expenses	-15,307	-18,525	
Income from government grants and incentives	0,226	0,214	
Income from special VAT treatment	36,101	32,632	
Other operating income/expenses, net	5,168	-2,225	
OPERATING PROFIT/(LOSS)	182,515	186,276	2%
Financial income	0,555	0,09	
Financial expenses	-26,083	-24,896	
PROFIT BEFORE TAX	156,987	161,470	3%
Income tax expenses	-0,01	0,499	
PROFIT/(LOSS) FOR THE PERIOD	156,977	161,969	3%
EBITDA	193,967	205,025	6%
EBITDA margin	43,5%	43,9%	0,4%

Source: Avangard's data

Cash flow statement

\$'000	9M2012	9M2013
PROFIT BEFOR INCOME TAX	156,987	161,470
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	164,937	175,127
(Increase)/decrease in net working capital	9,572	-25,899
Interest paid	-7,106	-6,407
Income tax paid	-0,039	-0,065
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	167,364	142,756
Purchases of PP&E	-227,684	-181,279
Interest received	0,555	0,09
NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES	-227,129	-181,189
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	7,001	-44,078
Effects of translation into presentation currency	-0,122	-0,012
Decrease/ (increase in restricted cash)		
NET INCREASE/(DECREASE) IN CASH	-52,764	-82,511
Cash at the beginning of the year	230,64	203,504
Cash at the end of the period	177,754	120,981

Source: Avangard's data