

### Business Description -

#### #1 shell eggs / dry egg products producer in Ukraine\*

- 55% share in the industrial production of shell eggs in 1H2014
- 92% share in the production of dry egg products in 1H2014
- 84% share in export of eggs and dry egg products from Ukraine in 1H2014

#### Distribution and Sales

- Company continues to implement its sales strategy to diversify sales channels by increasing share of [export and retail chains](#)
- Export constituted 39% of the Company's total revenue and 42% of eggs and egg products revenue as of 1H2014. Company exported to 33 countries. Main export destinations in 1H2014: [MENA, Asia, SSA and the CIS](#)
- Sales of packaged eggs under the umbrella brand "Kvochka" increased by four times to 97.3 million in 1H2014 vs 1H2013

\*According to data from SSSU, Pro-Consulting

### Financial Summary

\$'000	1H2014	1H2013
Revenue	262,680	304,288
Gross profit	80,797	118,605
EBITDA	78,950	134,653
Operating profit	67,949	121,957
EPS, \$	9	16

### Operational Summary

	1H2014	1H2013
Total flock, mln birds	30,7	30,3
Laying hens, mln birds	22,8	22,8
Shell eggs production, mln pcs	3,680	3,378
Shell eggs avrg. selling price, UAH/egg (excl. VAT)	0,68	0,63
Eggs processed, mln pcs	1.203	0.721
Egg products avrg. selling price, \$/kg	6,69	7,65

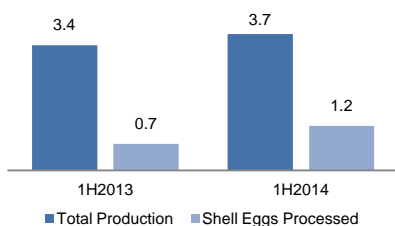
### Our Leading Brand

- Packaged shell eggs under the "Kvochka" umbrella brand are represented in the most popular consumer price segments
- Sales of packaged eggs under the umbrella brand "Kvochka" increased by four times to 97.3 million in 1H2014 vs 1H2013 thanks to the growing popularity of the "Kvochka" brand among Ukrainian consumers.



### Key Diagrams

Production of shell eggs and egg products in egg equivalent, bn pcs



### Investments projects

#### "Avis" and "Chornobaivske" are launched; utilization of the capacities corresponds the Company's operation plans

The Company successfully completed the construction of new poultry complexes "Avis" and "Chornobaivske" with the capacity of 11.2 mn laying hens and 3.5 bn shell eggs. The complexes operated at 87% of their capacity as of 30.06.2014

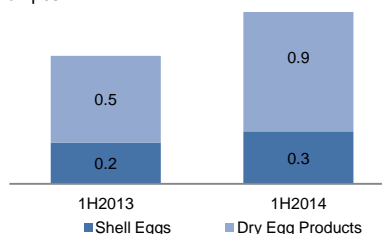


### Key Ratios & Profitability

Ratios	1H2014 as at 30.06.2014	1H2013 as at 30.06.2013
P/S	1.0	0.9
P/E	3.4	2.5
EV/LTM EBITDA	2.9	2.6
total debt/LTM EBITDA	1.4	1.16
<b>Profitability</b>		
Gross margin, %	31	39
EBITDA margin, %	30	44

Source: Bloomberg data

Export of shell eggs and egg products in egg equivalent, bn pcs



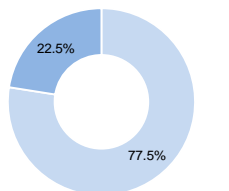


# KEY FACTS

1H2014

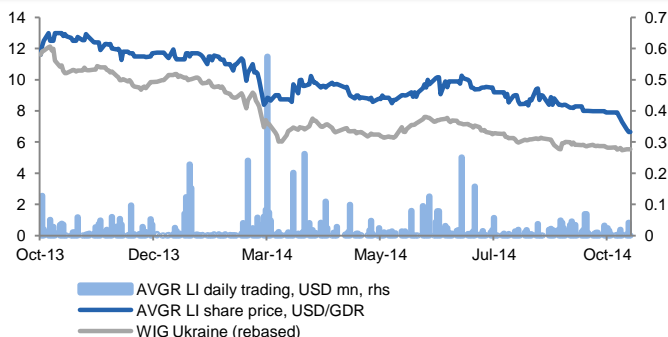
## Shareholder Structure -

### Share Capital Structure



- In September 2011, with the goal to restructure and rationalize his ownership in agricultural assets Mr. Bakhmatyuk made a decision to transfer his 77.5% shareholding in Avangardco IPL to Ukrlandfarming PLC.

## GDR's Performance -



## Securities Information

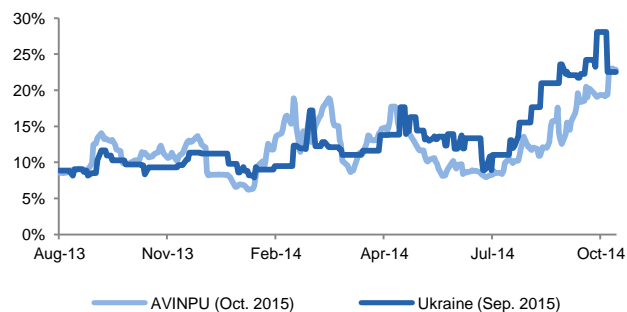
### GDR/ADR's

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 m
Offer Price	\$15.0 per GDR

### Bonds

Format	Reg S
Amount, \$ mn	200
Maturity	29 October 2015
Coupon	10%, payable semi-annually in arrears on 29 Apr and Oct commencing on 29 Apr 2011
Listing	LSE
Issue Rating	B (Fitch Ratings)

## Bond's Performance -



## Board of Directors -



**Nataliya Vasylyuk**  
Chairwoman  
of the Board  
[Read more](#)

Mrs. Vasylyuk obtained a Finance and Accounting Diploma at 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. Natalya Vasylyuk joined the Company in 2007. Between 2007 and 2010 she served as the CEO of Agroholding Avangard LLC and from April 2010 to January 2013 she served as CEO and member of the Board of Directors of AVANGARDCO IPL. Nataliya Vasylyuk has been Chairwoman of the Board since 30 January 2013.



**Oleg Bakhmatyuk**  
Board Member  
[Read more](#)

Mr. Bakhmatyuk graduated from the Economy and Law Institute in Chernivtsi with a Business Management degree and from the Institute of Economics and Law, with a degree in engineering, physics and management. Oleg Bakhmatyuk founded AVANGARDCO IPL in 2003 and UkrLandFarming PLC in 2007. Between 2010 and 2013 Mr. Bakhmatyuk was the Chairman and member of the Board of Directors of AVANGARDCO IPL. Since 2013 Mr. Bakhmatyuk has been a member of the Board of Directors of AVANGARDCO IPL. Since 2010 Mr. Bakhmatyuk serves as the 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,  
[Read more](#)

Mr. Pohotsky holds an 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.



**Iryna Marchenko**  
Board Member,  
CEO  
[Read more](#)

Mrs. Marchenko graduated from the Kyiv Municipal Management Academy in 2004 with an accounting and audit qualification. She obtained an ACCA IFRS Diploma in 2008. Mrs. Marchenko joined the Company in 2007 and served as its CFO since 2010 to January 2013. Iryna Marchenko became a Chief Executive Officer of the Company in 2013.

## IR & PR-Contacts

Investor Relations

Public Relations

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