



March 29, 2017

AVANGARDCO INVESTMENTS PUBLIC LIMITED

FINANCIAL RESULTS FOR Q4 AND THE YEAR ENDED 31 DECEMBER 2016

Kyiv, Ukraine – AVANGARDCO INVESTMENTS PUBLIC LIMITED (LSE: AVGR) (the “Company” or “AVANGARDCO IPL”), the largest producer of shell eggs and dry egg products in Ukraine and Europe, today announces its consolidated audited IFRS financial results for the fourth quarter and year ended 31 December 2016.

Financial Highlights for Q4 2016*

- Consolidated revenue amounted to US\$79.6 mln, an increase of 48% YoY (Q4 2015: US\$53.7 mln)
- Gross profit amounted to US\$9.9 mln, an increase of 10% YoY (Q4 2015: US\$9.0 mln). Gross margin at 12% (Q4 2015: 17%)
- Operating profit amounted to US\$7.5 mln, a decrease of 41% YoY (Q4 2015: US\$12.8 mln)
- EBITDA of US\$11.3 mln, a decline of 12% YoY (Q4 2015: US\$12.9 mln). EBITDA margin at 14% (Q4 2015: 24%)
- Net loss amounted to US\$17.8 mln (Q4 2015: net loss of US\$9.8 mln)

Financial Highlights for 2016*

- Consolidated revenue amounted to US\$191.3 mln, a decrease of 17% YoY (2015: US\$229.9 mln)
- Export revenue from sales of shell eggs and dry egg products amounted to US\$66.7 mln, or 35% of the Company’s consolidated revenue (2015: US\$94.8 mln, or 41% of the Company’s consolidated revenue)
- Gross profit amounted to US\$13.2 mln, a decline of 40% YoY (2015: US\$22.1 mln). Gross margin at 7% (2015: 10%)
- Operating loss reduced to US\$14.9 mln (2015: operating loss of US\$87.1 mln)
- EBITDA of US\$1.5 mln with EBITDA margin of 1% (2015: negative EBITDA of US\$1.4 mln)
- Net loss reduced three-fold to US\$56.6 mln (2015: net loss of US\$158.4 mln)

**Financials include operations with grain, purchased from an affiliated party. Detailed information on this is available in the Financial results overview section.*

Operational Highlights for 2016

- Production of shell eggs totalled 2,496 mln units, a decline of 27% YoY (2015: 3,434 mln units)
- Sales of shell eggs amounted to 1,515 mln units, down by 46% YoY (2015: 2,798 mln units)
- Export of shell eggs amounted to 252 mln units, a decline of 40% YoY (2015: 421 mln units)
- The average sales price of shell eggs was up by 11% YoY to UAH 1.35 per unit, excluding VAT (2015: UAH 1.22 per unit, excluding VAT)
- The production of dry egg products amounted to 12,219 tonnes, an increase of 35% YoY (2015: 9,057 tonnes)
- Sales of dry egg products totalled 9,028 tonnes, down by 21% YoY (2015: 11,445 tonnes)
- Exports of dry egg products amounted to 8,249 tonnes, a decline of 8% YoY (2015: 8,929 tonnes)
- The average sales price of dry egg products was down by 2% YoY to US\$5.57/kg (2015: US\$5.66/kg)
- As at 31 December 2016, the total poultry flock of 13.6 mln hens remained flat YoY
- As at 31 December 2016, the number of laying hens amounted to 10.3 mln hens, down by 4% YoY (31 December 2015: 10.7 mln hens)

Important events:

- **Eurobonds:** AVANGARDCO IPL is in discussions with an ad hoc committee of bondholders regarding a proposal on its US\$200,000,000 10.0% Notes due in 2018 (ISIN: XS0553088708) which it expects to

share with bondholders in due course. More available at: http://avangardco.ua/fileadmin/files/PRESS-CENTRE/Press-releases/2017/ULF_AVG_Interest_Payment_Press_Release.pdf

- The temporary ban from a number of countries on the import of poultry and poultry products from Ukraine due to avian influenza remains in place. However, as avian influenza was not detected at any of AvangardCo's production facilities (which are also located at a significant distance from the outbreaks), the Company can continue to export its products to the UAE and EU, as well as to its other export regions which have not banned imports from Ukraine. More available at: <http://avangardco.ua/en/press-centre/press-releases/detail/comment-on-the-temporary-ban-on-import-of-poultry-and-poultry-products-from-ukraine-due-to-avian-influenza/>

Nataliya Vasylyuk, Chief Executive Officer of AVANGARDCO IPL, commented:

"In 2016, we saw an improvement in AvangardCo's financial performance which is reflected in a three-fold reduction in net loss, whilst EBITDA reached US\$1.5 mln against US\$1.4 mln negative EBITDA in the prior year. We believe this is a good achievement given the difficult economic conditions in which the Company operates, combined with the loss of a significant part of its assets and sales markets.

In 2016, we also witnessed the gradual recovery in the Ukrainian economy and a revival of domestic consumer demand. We expect this trend to continue into 2017 which should support further financial stabilisation at the Company.

In 2017, AvangardCo will focus on restoring its operational profitability, whilst prudently managing liquidity and servicing its debt obligations."

Outlook:

The Company expects the gradual recovery in domestic demand to continue, helping to moderately drive growth in 2017, including:

- Small increase in the number of laying hens, leading to a moderate rise in shell egg production and sales, provided that the gradual recovery of consumer demand in Ukraine and further export diversification continue
- Moderate growth in sales of dry egg products, including inventory sales formed in 2016, subject to the recovery in exports to the Far East
- 20-30% growth in export sales – although this is reliant on the resumption of exports to the Middle East (particularly to Iraq) and the import ban being lifted in the near future
- Ongoing sales increase via all available distribution channels with a focus on supermarkets, which have higher margins, and additional export opportunities in existing and new markets.

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The management team will today host an investor and analyst conference call at 14.00 p.m. (London), 16.00 p.m. (Kiev and Moscow) and 09.00 a.m. (New York), including a question and answer session.

Name:	AVANGARDCO 4Q AND FY 2016 FINANCIAL RESULTS
ID:	97989878
UK Free call	0800 073 0438
Russia Free call	8108 002 434 2044
USA	1877 328 4999
UK Standard International	+44 (0) 1452 561 488

A live webcast of the presentation will be available at:

<https://webconnect.webex.com/webconnect/onstage/g.php?MTID=e78a9a0edef50483d4d290faadc528b66>

Please register approximately 15 minutes prior to the start of the call.

Financial results for the year ended 31 December 2016 are available on the Company's website at: <http://avangard.co.ua/eng/for-investors/financial-overview/financial-reports/annualreports/>

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Financial results overview

	Units	Q4 2016*	Q4 2015*	Change	2016	2015	Change
Consolidated Revenue	US\$ '000	79,629	53,716	48%	191,304	229,924	(17%)
Gross Profit/(Loss)	US\$ '000	9,906	8,988	10%	13,197	22,125	(40%)
Gross Profit Margin	%	12%	17%	(5 p.p.)	7%	10%	(3 p.p.)
Operating Profit/(Loss)	US\$ '000	7,505	12,762	(41%)	(14,880)	(87,104)	-
Operating Margin	%	9%	24%	(15 p.p.)	-	-	-
EBITDA	US\$ '000	11,307	12,897	(12%)	1,486	(1,417)	-
EBITDA Margin	%	14%	24%	(10 p.p.)	1%	-	-
Net Profit/(Loss)	US\$ '000	(17,803)	(9,815)	-	(56,636)	(158,390)	-

*recalculated at the average UAH/USD exchange rate for the Q4 of 2015 and 2016

In 2016, the Company conducted operations on trading grain purchased from an affiliate of Uklandfarming PLC at market rates. This was reflected in the 'Other activities' segment. Since these operations are of a technical nature and have a minimum margin, they do not affect AvangardCo's operational and net profit.

Q4 2016:

	Units	Grain trading in Q4 2016*	Consolidated financials excluding grain trading in Q4 2016*	Q4 2015*	Change excluding grain trading
Consolidated Revenue	US\$ '000	34,667	44,962	53,716	(16%)
Cost of sales	US\$ '000	32,187	39,213	43,621	(10%)
Gross Profit/(Loss)	US\$ '000	2,480	7,426	8,988	(17%)
Gross Profit Margin	%	7%	17%	17%	-
Distribution expenses	US\$ '000	2,437	1,354	1,930	(30%)
Operating Profit/(Loss)	US\$ '000	43	7,461	12,762	(42%)
Operating Margin	%	0.1%	17%	24%	(7 p.p.)
EBITDA	US\$ '000	-	11,264	12,897	(13%)
EBITDA Margin	%	-	25%	24%	1 p.p.
Net Profit/(Loss)	US\$ '000	-	(17,846)	(9,815)	-

*recalculated at the average UAH/USD exchange rate for the Q4 of 2015 and 2016

2016:

	Units	Grain trading in 2016	Consolidated financials excluding grain trading in 2016	2015	Change excluding grain trading
Consolidated Revenue	US\$ '000	50,168	141,136	229,924	(39%)
Cost of sales	US\$ '000	47,847	128,028	209,190	(39%)
Gross Profit/(Loss)	US\$ '000	2,321	10,876	22,125	(51%)
<i>Gross Profit Margin</i>	%	5%	8%	10%	(2 p.p.)
Distribution expenses	US\$ '000	2,470	6,088	10,773	(43%)
Operating Profit/(Loss)	US\$ '000	(149)	(14,731)	(87,104)	-
<i>Operating Margin</i>	%	-	-	-	-
EBITDA	US\$ '000	-	1,635	(1,417)	-
<i>EBITDA Margin</i>	%	-	1%	-	-
Net Profit/(Loss)	US\$ '000	-	(56,487)	(158,390)	-

Q4 2016:

Currency	31 December 2016	Weighted average for Q4 2016	31 December 2015	Weighted average for Q4 2015
US dollar to Ukrainian Hryvnia	27.191	25.890	24.001	22.849

In Q4 2016, the Company's consolidated revenue excluding grain trading operations decreased by 16% YoY to US\$45.0 mln (Q4 2015: US\$53.7 mln) as a result of a 14% YoY decrease in egg sales and a decline in the average sales price of shell eggs and dry egg products in US dollar terms by 15% YoY and 10% YoY respectively.

Gross profit excluding grain trading operations decreased by 17% YoY to US\$7.4 mln (Q4 2015: US\$9.0 mln) as a result of lower margins in the Company's key Shell Egg Segment. Gross profit margin was flat YoY at 17%.

In Q4 2016, profit from operating activities excluding grain trading operations decreased by 42% YoY to US\$7.5 mln (Q4 2015: US\$12.8 mln). In addition to the aforementioned reasons this was due to a decrease in income from the special VAT regime for agricultural producers.

EBITDA excluding grain trading operations decreased by 13% YoY to US\$11.3 mln with EBITDA margin of 25% (Q4 2015: US\$12.9 mln, EBITDA margin of 24%).

In Q4 2016, the Company's net loss excluding grain trading operations was US\$17.8 mln (Q4 2015: net loss of US\$9.8 mln) and resulted from high financial outlays and forex losses in addition to the aforementioned reasons.

2016:

Currency	30 December 2016	Weighted average for the year ended 31 December 2016	31 December 2015	Weighted average for the year ended 31 December 2015
US dollar to Ukrainian Hryvnia	27.191	25.546	24.001	21.829

In 2016, the Company's consolidated revenue excluding grain trading operations decreased by 39% YoY, amounting to US\$141.1 mln (2015: US\$229.9 mln). This was due to the ongoing devaluation of the Ukrainian Hryvnia against the US dollar, the decline in sales of shell eggs and dry egg products by 46% YoY and 21% YoY

respectively, and a decrease in the average sales price of dry egg products in US dollar terms by 2% YoY. At the same time the revenue was supported by 11% YoY growth in the average sales price of shell eggs in the Ukrainian Hryvnia, although in US dollar terms it fell by 5% YoY to US\$0.053 (2015: US\$0.056).

In 2016, the Company's export revenues from the sales of shell and dry egg products decreased by 30% YoY to US\$66.7 mln (2015: US\$94.8 mln) as a result of the decline in export sales of both shell eggs and dry egg products by 40% YoY and 8% YoY respectively.

In 2016, the cost of sales excluding grain trading operations fell by 39% YoY and amounted to US\$128.0 mln (2015: US\$209.2 mln) due to lower sales of shell eggs and dry egg products.

As a result of lower consolidated revenue and a drop in margins in the key Shell Eggs and Egg Products segments, the Company's gross profit excluding grain trading operations was down by 51% to US\$10.9 mln (2015: US\$22.1 mln), with gross profit margin at 8% (2015: 10%).

In 2016, a loss from operating activities excluding grain trading operations amounted to US\$14.7 mln (2015: operating loss of US\$87.1 mln). In addition to the aforementioned reasons, this was impacted by provisions for doubtful debts of US\$18.6 mln and a decrease in income from the special VAT regime for agricultural producers.

EBITDA excluding grain trading operations amounted to US\$1.6 mln, with EBITDA margin of 1% (2015: negative EBITDA of US\$1.4 mln).

In 2016, the Company's net loss excluding grain trading operations reduced threefold to US\$56.5 mln (2015: net loss of US\$158.4 mln), affected by a shortfall in profits in Q2 and Q3 2016 due to unfavourable prices in the domestic market combined with lower sales and high costs.

Cash flow and debt structure:

As at 31 December 2016, net cash outflow from operating activities amounted to US\$3.3 mln (31 December 2015: cash inflow of US\$1.2 mln) due to the reduced operating profit.

Net cash used in investing activities amounted to US\$9.4 mln for maintenance capex (31 December 2015: US\$35.3 mln).

Net cash used in financing activities was US\$7.0 mln (31 December 2015: US\$15.2 mln).

As at 31 December 2016, net cash outflow amounted to US\$19.6 mln (31 December 2015: US\$49.3 mln). Cash and cash equivalents decreased to US\$12.6 mln (31 December 2015: US\$31.3 mln) due to cash outflow from operating, financing and investing activities.

As at 31 December 2016, the Company's total debt amounted to US\$344.1 mln (31 December 2015: US\$336.4 mln). Net debt amounted to US\$331.5 mln (31 December 2015: US\$305.0 mln).

The Company's Eurobond issue, which has a maturity date of 29 October 2018, amounted to 64% of the Company's total debt.

Segment review

Shell Eggs Segment

	Units	As at 31.12.2016	As at 31.12.2015	Change
Total Poultry Flock	Heads (mln)	13.6	13.6	0%
Laying Hens	Heads (mln)	10.3	10.7	(4%)

As at 31 December 2016, the total poultry flock was flat YoY and amounted to 13.6 mln heads whilst the number of laying hens decreased by 4% YoY to 10.3 mln heads (31 December 2015: 10.7 mln heads). This was affected by two main factors. Firstly, the ongoing subdued level of shell egg consumption in Ukraine due to lower consumers' purchasing power. Secondly, lower export sales which, among other things, were impacted by the temporary ban on imports of poultry and poultry products from Ukraine imposed by some countries due to avian

influenza. Avian influenza was not detected at any of AvangardCo's production facilities, which are located at a significant distance from the outbreaks. Approximately 88% of laying hens are now located at the newly built and more efficient Avis and Chornobaivske poultry complexes which, along with the Company's other facilities, have rigorous safety procedures in place.

	Units	Q4 2016	Q4 2015	Change	2016	2015	Change
Total Production	Units (mln)	601	699	(14%)	2,496	3,434	(27%)
Processing	Units (mln)	307	212	45%	1,039	770	35%
Sales	Units (mln)	422	489	(14%)	1,515	2,798	(46%)
Export	Units (mln)	63	95	(34%)	252	421	(40%)
Average Sales Price	UAH (excl. VAT)	1.55	1.62	(4%)	1.35	1.22	11%

The production volume of shell eggs decreased by 14% YoY to 601 mln units in Q4 2016 (Q4 2015: 699 mln units) and by 27% YoY to 2,496 mln units in 2016 (2015: 3,434 mln units) due to the reduced number of laying hens.

In Q4 2016, sales of shell eggs decreased by 14% YoY to 422 mln units (Q4 2015: 489 mln units) and by 46% YoY to 1,515 mln units in 2016 (2015: 2,798 mln units). This was due to weak domestic demand for shell eggs affected by lower consumers' purchasing power combined with the decline in exports and the sales price below costs in Q2 and Q3 2016.

In Q4 2016, the volume of shell eggs for processing increased by 45% YoY to 307 mln units (Q4 2015: 212 mln units) and in 2016 by 35% YoY to 1,039 mln units (2015: 770 mln units). This was in response to a slowdown in the domestic market and to avoid the accumulation of shell egg inventories as dry egg products have a longer shelf life than eggs.

In Q4 2016, exports of shell eggs decreased by 34% YoY to 63 mln units (Q4 2015: 95 mln units) and by 40% YoY to 252 mln units in 2016 (2015: 421 mln units). The main reason for this decline was the unstable situation in Iraq, one of the Company's key markets for shell egg exports where sales declined by 50% YoY. However, the share of shell egg exports in total sales rose to 17% in 2016 (2015: 15%). In 2016, the Company continued further diversification of its export destinations into Iraq, UAE, Syria, Turkey, Moldova, Azerbaijan and Liberia.

In addition to export, the Company sold shell eggs to supermarkets and to wholesale customers. The share of sales through supermarkets has increased significantly reaching 60% of total sales (2015: 44%), whilst the share of sales to the lower margin wholesale channel reduced to 23% (2015: 41%).

In Q4 2016, the average sales price of shell eggs decreased by 4% YoY to 1.55 UAH per unit, excluding VAT (Q4 2015: 1.62 UAH per unit, excluding VAT) following the record high price in Ukraine in Q4 2015. In 2016, the average sales price of shell eggs rose by 11% YoY to 1.35 UAH per unit, excluding VAT (2015: 1.22 UAH per unit, excluding VAT), following larger sales volumes in Q1 and Q4 2016 when the sales price was higher, as well as due to changes in the sales structure with a continued focus on higher margin sales channels.

In 2016, the shell egg segment's revenue decreased by 49% YoY to US\$79.8 mln (2015: US\$155.8 mln) as a result of reduced sales and lower sales price in Q2 and Q3 2016. The segment's net loss amounted to US\$12.2 mln (2015: net loss US\$10.4 mln) due to a shortfall in revenue in Q2 and Q3 2016.

Dry Egg Products Segment

	Units	Q4 2016	Q4 2015	Change	2016	2015	Change
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Dry egg products production	Tonnes	3,607	2,490	45%	12,219	9,057	35%
Sales volume	Tonnes	2,859	2,750	4%	9,028	11,445	(21%)
Export	Tonnes	2,679	2,354	14%	8,249	8,929	(8%)
Average Sales Price	US\$/Kg	5.36	5.93	(10%)	5.57	5.66	(2%)

The production volume of dry egg products increased by 45% YoY to 3,607 tonnes in Q4 2016 (Q4 2015: 2,490 tonnes) and by 35% YoY to 12,219 tonnes in 2016 (2015: 9,057 tonnes). The production of dry egg products was increased to counterbalance challenging sales conditions for shell eggs in Ukraine, helping the Company to avoid the accumulation of inventories with a short shelf life.

In Q4 2016, sales of dry egg products increased by 4% YoY to 2,859 tonnes (Q4 2015: 2,750 tonnes) due to improved exports. In 2016, sales of dry egg products decreased by 21% YoY to 9,028 tonnes (2015: 11,445 tonnes including 2,129 tonnes of inventories) – this was largely a result of untypically high sales in H1 2015.

In Q4 2016, the export of dry egg products increased by 14% YoY to 2,679 tonnes (Q4 2015: 2,354 tonnes), whilst in 2016 it declined by 8% YoY to 8,249 tonnes (2015: 8,929 tonnes) amounting to 91% of total sales (2015: 78% of total sales). In 2016 export sales of egg products declined due to lower sales to the Far East following an oversupply of albumin from the EU and US as well as increased competition. The Company believes that this is temporary and expects to restore its supplies to this region, one of the largest albumin consumers, in the near term. In the reporting period, the Company expanded its geographic sales outreach to 16 countries in the EU, Asia, the Far East, the Middle East and North Africa. The Company continues to increase its sales to Europe which in 2016 amounted to 57% of dry egg products exports.

In Q4 2016, the average sales price of dry egg products continued to decrease by 10% YoY US\$5.36/kg (Q4 2015: US\$5.93/kg) due to downward pricing trends on the global markets. In 2016, the average sales price of dry egg products fell by 2% YoY to US\$5.57/kg (2015: US\$5.66/kg) due to a different sales breakdown within product mix and geography.

In 2016, as a result of the decreased sales, the dry egg product segment's revenues declined by 22% YoY to US\$50.3 mln (2015: US\$64.7 mln). The segment's net loss amounted to US\$3.4 mln (2015: net loss of US\$36.6 mln).

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Information for editors

AVANGARDCO IPL is one of the largest agro-industrial companies in Ukraine, specialising in the production of shell eggs and dry egg products. As at 31 December 2016, the Company holds a 31% share of the industrial shell egg market and a 87% share of the dry egg product market in Ukraine. The Company's laying hen flock is one of the largest globally.

AVANGARDCO IPL has a vertically integrated production cycle. The Company's facilities are located in 14 regions of Ukraine and the Autonomous Republic of Crimea. The Company has 19 laying farms, 3 hatcheries, 10 rearing farms, 6 feed mills, 3 long-term storage facilities and the Imperovo Foods egg processing plant, which is one of the most technologically-advanced facilities for processing eggs in Europe.

The Company exports its products to the Middle East, Africa, Asia, the CIS and EU.

The Company's shares, in the form of Global Depositary Receipts, have been trading on the London Stock Exchange since May 2010. The Eurobond issue for approximately US\$200 mln with a maturity on 29 October 2018 was included in the official list of the UK Listing Authority (UKLA) and admitted to trading on a regulated market of the London Stock Exchange on 1 November 2010.

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Some of the information in this press release may contain projections or other forward-looking statements regarding future events or the future financial performance of AVANGARDCO IPL. You can identify forward looking statements by terms such as "expect," "believe," "anticipate," "estimate," "intend," "will," "could," "may" or "might", the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Many factors could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, general economic conditions, our competitive environment, risks associated with operating in the Company's geographical locations, rapid technological and market changes in our industry, as well as many other risks specifically related to AVANGARDCO IPL and its operations.

Consolidated statement of financial position

AS AT 31 DECEMBER 2016

(in USD thousand, unless otherwise stated)

	31 December 2016	31 December 2015
ASSETS		
Property, plant and equipment	357,821	404,930
Non-current biological assets	14,273	13,403
Deferred tax assets	5,663	2,761
Held to maturity investments	5,700	9,257
Other non-current assets	5	6
Non-current assets	383,462	430,357
Inventories	62,144	58,149
Current biological assets	7,755	13,736
Trade accounts receivable, net	40,628	56,665
Prepaid income tax	41	72
Prepayments and other current assets, net	14,412	21,027
Taxes recoverable and prepaid	8,479	12,858
Cash and cash equivalents	12,570	31,307
Current assets	146,029	193,814
TOTAL ASSETS	529,491	624,171
EQUITY		
Share capital	836	836
Share premium	201,164	201,164
Reserve capital	115,858	115,858
Retained earnings	864,457	921,435
Effect of translation into presentation currency	(1,053,923)	(1,018,085)
Equity attributable to owners of the Company	128,392	221,208
Non-controlling interests	10,418	13,847
Total equity	138,810	235,055
LIABILITIES		
Long-term bond liabilities	219,014	202,871
Long-term loans	93,924	64,423
Deferred tax liabilities	351	410
Deferred income	1,123	1,384
Dividends payable	29,542	29,542
Long-term finance lease	3	28
Non-current liabilities	343,957	298,658
Current portion of non-current liabilities	31,224	19,125

Short-term loans	-	50,000
Trade payables	3,062	3,375
Other accounts payable	12,438	17,958
Current liabilities	46,724	90,458
TOTAL LIABILITIES	390,681	389,116
TOTAL EQUITY AND LIABILITIES	529,491	624,171

Consolidated statement of profit and loss and other comprehensive income
FOR THE YEAR ENDED 31 DECEMBER 2016
(in USD thousand, unless otherwise stated)

	for the year ended	
	31 December 2016	31 December 2015
Revenue	191,304	229,924
(Loss)/profit from revaluation of biological assets at fair value	(2,232)	1,391
Cost of sales	(175,875)	(209,190)
GROSS PROFIT	13,197	22,125
General administrative expenses	(7,886)	(7,195)
Distribution expenses	(8,558)	(10,773)
Income from government grants and incentives	98	107
Income from special VAT treatment	5,376	25,098
Other operating expenses	(17,107)	(116,466)
LOSS FROM OPERATING ACTIVITIES	(14,880)	(87,104)
Finance income	2,825	3,978
Finance costs	(31,280)	(32,528)
Losses on exchange	(16,622)	(43,616)
NET FINANCE COSTS	(45,077)	(72,166)
LOSS BEFORE TAX	(59,957)	(159,270)
Income tax credit	3,321	880
LOSS FOR THE YEAR	(56,636)	(158,390)
OTHER COMPREHENSIVE INCOME FOR THE YEAR		
<i>Items that are or may be reclassified subsequently to profit or loss</i>		
Effect from translation into presentation currency	(39,609)	(255,410)
TOTAL COMPREHENSIVE INCOME	(96,245)	(413,800)
LOSS ATTRIBUTABLE TO:		
Owners of the Company	(56,978)	(154,640)
Non-controlling interests	342	(3,750)
	(56,636)	(158,390)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the Company	(92,816)	(396,321)
Non-controlling interests	(3,428)	(17,479)
	(96,245)	(413,800)
Loss per share		
Basic and diluted (USD)	(9)	(24)

Consolidated statement of cash flows
FOR THE YEAR ENDED 31 DECEMBER 2016
(in USD thousand, unless otherwise stated)

	the year ended	
	31 December 2016	31 December 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(59,957)	(159,270)
Adjustments for:		
Depreciation of property, plant and equipment	15,657	17,628
Change in allowance for irrecoverable amounts	18,582	40,156
Profit/loss on disposal of current assets	(14)	20
(Income)/loss on disposal of non current assets	(150)	95
Impairment of current assets	709	39,869
Effect of fair value adjustments on biological assets	2,232	(1,391)
Gains realised from accounts payable written-off	(262)	(178)
Amortization of deferred income on government grants	(98)	(107)
Discount bonds amortization	2,096	1,974
Impairment of funds	-	28,190
Discount on VAT government bonds amortization	(1,449)	(1,979)
Interest income	(1,376)	(1,999)
Interest payable on loans and bonds	29,186	27,947
Losses on exchange	16,622	36,021
Operating profit before working capital changes	21,778	26,976
Increase in trade receivables	(5,802)	(30,086)
Decrease/(increase) in prepayments and other current assets	224	(2,627)
Decrease in taxes recoverable and prepaid	7,134	24,493
Increase in inventories	(11,945)	(17,472)
Decrease in deferred income	(7)	-
Decrease in other non-current assets	-	13
Increase/(decrease) in trade payables	351	(1,259)
(Increase)/decrease in biological assets	(196)	5,030
Decrease in finance leases	(39)	(16)
(Decrease)/increase in other accounts payable	(10,486)	1,123
Cash generated from operations	1,012	6,175
Interest paid	(4,224)	(4,897)
Income tax paid	(43)	(63)
Net cash (used in)/generated from operating activities	(3,255)	1,215
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments and receipts - property, plant and equipment	(12,981)	(37,446)
Acquisitions of subsidiary	-	5
Proceeds from sale of non-current assets	779	-
Interest received	2,829	2,183
Net cash used in investing activities	(9,373)	(35,258)

	for the year ended	
	31 December 2016	31 December 2015
CASH FLOWS FROM FINANCING ACTIVITIES		
New loans received	50,208	12,484
Repayment of loans	(51,952)	(13,729)
Interest paid for bonds issued	(5,247)	(14,000)
Net cash used in financing activities	(6,991)	(15,245)
Net decrease in cash and cash equivalents	(19,619)	(49,288)
Cash and cash equivalents at 1 January	31,307	117,856
Impairment of funds	-	(25,639)
Effect from translation into presentation currency	882	(11,622)
Cash and cash equivalents at 31 December	12,570	31,307