



August 31, 2017

AVANGARDCO INVESTMENTS PUBLIC LIMITED

FINANCIAL RESULTS FOR THE FIRST HALF OF 2017

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 financial results for the six months ended 30 June 2017.

H1 2017 Financial highlights*

- Consolidated revenue amounted to US\$54.7 mln, a decrease of 16% YoY (H1 2016: US\$64.8 mln).
- Export revenue from sales of shell eggs and dry egg products amounted to US\$12.5 mln or 23% of the Company’s consolidated revenue (H1 2016: US\$31.7 mln, or 49% of the Company’s consolidated revenue).
- Gross loss amounted to US\$12.1 mln (H1 2016: gross profit of US\$2.7 mln).
- Operating loss amounted to US\$17.8 mln (H1 2016: operating loss of US\$21.0 mln).
- Negative EBITDA was US\$9.0 mln (H1 2016: negative EBITDA of US\$12.6 mln).
- Net loss reduced to US\$11.7 mln (H1 2016: net loss of US\$32.6 mln).

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

H1 2017 Operational Highlights

- Production of shell eggs totalled 993 mln units, a decline of 20% YoY (H1 2016: 1,249 mln units).
- Sales of shell eggs amounted to 763 mln units, up by 2% YoY (H1 2016: 751 mln units).
- Export of shell eggs amounted to 103 mln units, a decline of 21% YoY (H1 2016: 130 mln units).
- The average sales price of shell eggs was UAH0.95 per unit, excluding VAT, down by 29% YoY (H1 2016: UAH 1.34 per unit, excluding VAT).
- The average sales price of shell eggs in US dollar terms was US\$0.036 per unit, excluding VAT, down by 32% YoY (H1 2016: US\$0.053 per unit, excluding VAT).
- The production of dry egg products amounted to 2,386 tonnes, a decline of 56% YoY (H1 2016: 5,406 tonnes).
- Sales of dry egg products totalled 1,720 tonnes, down by 56% YoY (H1 2016: 3,918 tonnes).
- Exports of dry egg products amounted to 1,481 tonnes, a decline of 57% YoY (H1 2016: 3,469 tonnes).
- The average sales price of dry egg products was US\$5.09/kg, down by 10% YoY (H1 2016: US\$5.65/kg).
- As at 30 June 2017, the total poultry flock amounted to 13.6 mln hens (30 June 2016: 13.7 mln hens).
- As at 30 June 2017, the number of laying hens amounted to 10.7 mln hens (30 June 2016: 10.8 mln hens).

Important events:

Eurobonds: AVANGARDCO IPL is in the process of negotiations regarding the Restructuring of its US\$200,000,000 10.0% Notes due in 2018 (ISIN: XS0553088708). Further updates will be made as the Restructuring develops at: <http://www.londonstockexchange.com/exchange/prices-and-markets/stocks/summary/company-summary/US05349V2097USUSDIOBE.html?lang=en>

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

“AVANGARDCO has had a challenging first half of 2017 with results marginally below our expectations. This is largely due to continued fluctuations in the domestic egg market resulting in the reduction of the price of shell eggs against growing costs and weakened consumer demand. The market was also affected by the trade ban during the avian influenza outbreak, which has significantly limited access to some external markets for domestic

producers. Most countries have now removed these restrictions on imports, but it will take some time for the market to fully recover.

In response to the difficult market conditions, AVANGARDCO has adjusted its shell egg and dry egg product outputs to keep pace with lower demand and managed to prevent a further cost increase. Nonetheless our revenues in the reporting period have been impacted by the reduced price of sales as we had to sell shell eggs at below-cost prices.

Revenues have been further impacted by a decline in shell egg exports in Q1 2017 caused by the trade ban and a decline in dry egg product exports to Denmark. We are now in negotiations with our partners to resume supplies on mutually beneficial terms.

We continue to attract new customers and have expanded our geographic sales outreach, which partially mitigated the impact of trade bans on the Company's operations. This coupled with the expected seasonal increase in shell egg demand and an upward pricing trend in H2 2017, as well as overall post-crisis recovery in consumer spending in Ukraine, mean we enter the second half of the year with cautious confidence."

Outlook:

Taking into account seasonal growth in demand and sales price for shell eggs typical for the second half of the year, AVANGARDCO expects the below in H2 2017:

- The laying flock will remain flat, with a slight increase in shell egg output driven by increased productivity of laying hens;
- A moderate increase in sales, dependent on the gradual recovery of consumer demand in Ukraine and further export diversification;
- Moderate growth in sales of dry egg products, including inventory sales formed in 2016, subject to the recovery in exports to the Far East and EU;
- Continued increase in sales across our distribution channels with a focus on higher margin supermarkets and additional export opportunities in existing and new markets.

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The management team will not hold an investor and analyst conference call for this set of results due to the ongoing discussions with the ad hoc committee of bondholders.

The press release, presentation and financial statements for the first half ended 30 June 2017 will be available on the Company's website at: <http://avangardco.ua/en/investor-relations/data-book/annual-reports/interim-reports/>

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Financial results overview:

	Units	Q2 2017*	Q2 2016*	Change	H1 2017	H1 2016	Change
Consolidated Revenue	US\$ '000	20,549	24,822	(17%)	54,706	64,777	(16%)
Gross Profit/(Loss)	US\$ '000	(10,603)	(5,713)	-	(12,073)	2,676	-
Gross Profit Margin	%	-	-	-	-	4%	-
Operating Profit/(Loss)	US\$ '000	(14,219)	(26,521)	-	(17,807)	(20,973)	-
EBITDA	US\$ '000	(10,175)	(22,556)	-	(8,984)	(12,608)	-
Net Profit/(Loss)	US\$ '000	(6,660)	(28,825)	-	(11,718)	(32,607)	-

*recalculated at the average UAH/USD exchange rate for the second quarter of 2016 and 2017

In H1 2017, the Company conducted operations on trading grain purchased from an affiliate of Ukrlandfarming 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.

Q2 2017:

	Units	Grain trading in Q2 2017	Consolidated financials excluding grain trading in Q2 2017	Q2 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	1,486	19,062	24,822	(23%)
Cost of sales	US\$ '000	(2,245)	(24,518)	(26,844)	(9%)
Gross Profit/(Loss)	US\$ '000	(759)	(9,844)	(5,713)	-
Distribution expenses	US\$ '000	(88)	(1,561)	(1,452)	8%
Operating Profit/(Loss)	US\$ '000	(847)	(13,372)	(26,521)	-
EBITDA	US\$ '000		(8,340)	(22,556)	-
Net Profit/(Loss)	US\$ '000		(5,539)	(28,825)	-

H1 2017:

	Units	Grain trading in H1 2017	Consolidated financials excluding grain trading in H1 2017	H1 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	9,562	45,144	64,777	(30%)
Cost of sales	US\$ '000	(9,419)	(52,809)	(59,078)	(11%)
Gross Profit/(Loss)	US\$ '000	143	(12,216)	2,676	-
Gross Profit Margin	%	1,5%	-	4%	-
Distribution expenses	US\$ '000	(373)	(2,873)	(2,974)	(3%)
Operating Profit/(Loss)	US\$ '000	(229)	(17,578)	(20,973)	-
EBITDA	US\$ '000	-	(8,755)	(12,608)	-
Net Profit/(Loss)	US\$ '000	-	(11,489)	(32,607)	-

Q2 2017:

The exchange rates used for the preparation of consolidated financial statements:

Currency	30 June 2017	Weighted average for the Q2 ended 30 June 2017	30 June 2016	Weighted average for Q2 ended 30 June 2016
US dollar to Ukrainian Hryvnia	26.091	26.463	24.854	25.262

In Q2 2017, the Company's consolidated revenue, excluding grain trading operations, decreased by 23% YoY to US\$19.1 mln (Q2 2016: US\$24.8 mln), largely due to the 77% YoY decline in sales of dry egg products amid the

18% YoY decrease in their average sales price and the drop in the average sales price of shell eggs in the Ukrainian Hryvnia and US dollar by 21% YoY and 25% YoY respectively.

The gross loss, excluding grain trading operations, amounted to US\$9.8 mln (Q2 2016: gross loss US\$5.7 mln) as a result of a negative margin in the key Shell Eggs Segment (in Q2 2017 the average sales price of shell eggs was lower than the cost of sales) and a reduced margin in the Dry Egg Products Segment.

In Q2 2017, the loss from operating activities, excluding grain trading operations, amounted to US\$13.4 mln (Q2 2016: operating loss of US\$26.5 mln).

Negative EBITDA, excluding grain trading operations, amounted to US\$8.3 mln (Q2 2016: negative EBITDA of US\$22.6 mln).

In Q2 2017, the Company's net loss, excluding grain trading operations, was reduced to US\$5.5 mln (Q2 2016: net loss of US\$28.8 mln).

H1 2017:

The exchange rates used for the preparation of consolidated financial statements:

Currency	30 June 2017	Weighted average for the H1 ended 30 June 2017	30 June 2016	Weighted average for H1 ended 30 June 2016
US dollar to Ukrainian Hryvnia	26.091	26.760	24.854	25.458

In H1 2017, the Company's consolidated revenue, excluding grain trading operations, decreased by 30% YoY to US\$45.1 mln (H1 2016: US\$64.8 mln). This was due to the following key factors that continue to depress the Company's revenues:

- The 56% YoY decline in dry egg product sales amid the 10% YoY decrease in their average sales price in US dollar terms;
- The 29% YoY decline in the average sales price of shell eggs in the Ukrainian Hryvnia. In US dollar terms, their average sales price fell 32% YoY to US\$0.036 per egg (H1 2016: US\$0.053 per egg);
- The decline in the share of export revenue; and
- The ongoing devaluation of the Ukrainian Hryvnia against the US dollar.

In H1 2017, the Company's export revenues from the sales of shell eggs and dry egg products decreased by 61% YoY to US\$12.5 mln (H1 2016: US\$31.7 mln) as a result of the decline in export sales of both shell eggs and dry egg products by 21% YoY and 57% YoY respectively. The share of export revenue in the consolidated revenue was 23% (H1 2016: 49%).

In H1 2017, the cost of sales, excluding grain trading operations, fell by 11% YoY to US\$52.8 mln (H1 2016: US\$59.1 mln).

The gross loss, excluding grain trading operations, amounted to US\$12.2 mln (H1 2016: gross profit US\$2.7 mln) as a result of a negative margin in the key Shell Eggs segment. In H1 2017, the Company's average sales price of shell eggs was lower than its cost of sales. The other major factor behind the gross loss was a reduced margin in the Dry Egg Products segment.

In H1 2017, the loss from operating activities, excluding grain trading operations, amounted to US\$17.6 mln (H1 2016: operating loss of US\$21.0 mln). In addition to the aforementioned reasons, this was impacted by the ending of the special VAT treatment for agricultural producers in 2017, which also meant no additional income. However, in the reporting period the Company received income from government grants and incentives amounting to US\$1.3 mln, and also improved the management of its trade receivables at the same time partially recovering bad debt of US\$1.5 mln. This had a positive impact on "Other Operating income".

Negative EBITDA, excluding grain trading operations, reduced to US\$8.8 mln (H1 2016: negative EBITDA of US\$12.6 mln).

In H1 2017, the Company's net loss, excluding grain trading operations, was US\$11.5 mln (H1 2016: net loss of US\$32.6 mln). This was due to a combination of factors, including a negative margin in the domestic shell egg market, low export earnings in Q1 2017, reduced sales of dry egg products, as well as a price decrease in the global market against higher production costs. This was partially offset by forex gains of US\$19.2 mln largely from retranslation of long-term bond liabilities.

Cash flow and debt structure:

As at 30 June 2017, net cash used in operating activities amounted to US\$0.5 mln (30 June 2016: net cash used on operating activities US\$0.8 mln), mainly due to the operating loss.

Net cash used in investing activities decreased and amounted to US\$0.4 mln (30 June 2016: net cash used in investing activities US\$9.2 mln) as a result of a decreased maintenance capex.

In the reporting period, there was no cash used/generated from financing activities (30 June 2016: net cash used in financing activities US\$4.5 mln).

As at 30 June 2017, net cash outflow amounted to US\$0.9 mln (30 June 2016: net cash outflow of US\$14.5 mln). Cash and cash equivalents amounted to US\$12.6 mln (30 June 2016: US\$17.2 mln).

As at 30 June 2017, the Company's total debt amounted to US\$359.8 mln (31 December 2016: US\$344.1 mln). Net debt was US\$347.2 mln (31 December 2016: US\$331.5 mln).

The Company's Eurobond issue, which has a maturity date of 29 October 2018, amounted to 63% of the Company's total debt.

Segment review

Poultry flock management:

	Units	As at 30.06.2017	As at 30.06.2016	Change
Total Poultry Flock	Heads (mln)	13.6	13.7	(1%)
Laying Hens	Heads (mln)	10.7	10.8	(1%)

As at 30 June 2017, the total poultry flock amounted to 13.6 mln heads (30 June 2016: 13.7 mln heads) with 10.7 mln of laying hens (30 June 2016: 10.8 mln laying hens).

Approximately 82% of the laying hens are now located at the newly built and more efficient Avis and Chornobaivske poultry complexes.

Shell Eggs Segment:

	Units	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change
Total Production	Units (mln)	531	622	(15%)	993	1,249	(20%)
Processing	Units (mln)	110	325	(66%)	204	459	(56%)
Sales	Units (mln)	403	276	46%	763	751	2%
Export	Units (mln)	73	55	33%	103	130	(21%)
Average Sales Price	UAH (excl. VAT)	0.79	1.00	(21%)	0.95	1.34	(29%)
Average Sales Price	US\$ (excl. VAT)	0.030	0.040	(25%)	0.036	0.053	(32%)

The production volume of shell eggs decreased by 15% YoY to 531 mln units in Q2 2017 (Q2 2016: 622 mln units) and by 20% YoY to 993 mln units in H1 2017 (H1 2016: 1,249 mln units) due to the replenishment of the laying flock, which in H1 2017 has not yet reached its peak of productivity.

In Q2 2017, the volume of shell eggs for processing was reduced by 66% YoY to 110 mln units (Q2 2016: 325 mln units) and in H1 2017 by 56% YoY to 204 mln units (H1 2016: 459 mln units) in order to avoid a further build-up of inventories of dry egg products.

In Q2 2017, sales of shell eggs rose by 46% YoY to 403 mln units (Q2 2016: 276 mln units) due to both export restrictions and a lower price for shell eggs. The trade ban on the export of shell eggs and egg products opened up domestic sales channels, while demand for eggs from the retail side was stimulated by low procurement prices. In H1 2017, sales of shell eggs were up by 2% YoY to 763 mln units (H1 2016: 751 mln units).

In Q2 2017, exports of shell eggs rose by 33% YoY to 73 mln units (Q2 2016: 55 mln units) and benefited from the greater diversification and increased sales to Libya, the UAE, Syria, Azerbaijan, Turkey, Moldova and Qatar. However, in H1 2017, exports of shell eggs fell by 21% YoY to 103 mln units (H1 2016: 130 mln units) affected by a decline in sales to Iraq - historically a key market.

In the reporting period, the share of export sales fell to 14% (H1 2016: 17%), with the Company exporting shell eggs to nine countries in MENA, Sub-Sahara Africa and the CIS.

In addition to export, the Company sold shell eggs to domestic supermarkets and to wholesale customers. The share of sales through supermarkets has reached 62% of total sales (H1 2016: 54%), whilst the share of sales to the lower margin wholesale channel reduced to 24% (H1 2016: 29%).

In Q2 2017, the average sales price of shell eggs fell by 21% YoY to 0.79 UAH per unit, excluding VAT (Q2 2016: 1.00 UAH per unit, excluding VAT). In H1 2017, the average sales price of shell eggs fell by 29% YoY to 0.95 UAH per unit, excluding VAT (H1 2016: 1.34 UAH per unit, excluding VAT). This was largely due to the reduction of sales price for shell eggs in the domestic market coupled with a decreased export price, mainly resulting from the temporary import trade ban following avian influenza in Ukraine.

In H1 2017, the segment's revenue decreased by 31% YoY to US\$27.2 mln (H1 2016: US\$39.4 mln) as a result of a lower sales price. The segment's net loss reduced to US\$10.3 mln (H1 2016: net loss of US\$18.8 mln) due to higher cost of sales against the average sales price.

Dry Egg Product Segment:

	Units	Q2 2017	Q2 2016	Change	H1 2017	H1 2016	Change
Dry egg products production	Tonnes	1,291	3,832	(66%)	2,386	5,406	(56%)
Sales volume	Tonnes	532	2,280	(77%)	1,720	3,918	(56%)
Export	Tonnes	370	2,082	(82%)	1,481	3,469	(57%)
Average Sales Price	US\$/Kg	4.61	5.64	(18%)	5.09	5.65	(10%)

In order to avoid a further build-up of inventories, the Company decreased the output of dry egg products by 66% YoY to 1,291 tonnes in Q2 2017 (Q2 2016: 3,832 tonnes) and in H1 2017 by 56% YoY to 2,386 tonnes (H1 2016: 5,406 tonnes).

In Q2 2017, sales of dry egg products decreased by 77% YoY to 532 tonnes (Q2 2016: 2,280 tonnes) and in H1 2017 by 56% YoY to 1,720 tonnes (H1 2016: 3,918 tonnes). This was mainly as a result of lower export sales.

In Q2 2017, the export of dry egg products fell by 82% YoY to 370 tonnes (Q2 2016: 2,082 tonnes). In H1 2017, the export of dry egg products declined by 57% YoY to 1,481 tonnes and amounted to 86% of the total sales (H1 2016: 3,469 tonnes or 89% of the total sales). The decline in the export of dry egg products mainly resulted from lower sales to Denmark as mutually beneficial sales terms could not be agreed. These are currently being negotiated to suit both parties. The Company also continues to work towards attracting new customers.

In the reporting period, the Company sold egg products to 13 countries in the EU, Asia, the Far East, the Middle East and North Africa.

In Q2 2017, the average sales price of dry egg products decreased by 18% YoY US\$4.61/kg (Q2 2016: US\$5.64/kg) and in H1 2017 by 10% YoY to US\$5.09/kg (H1 2016: US\$5.65/kg). This was due to the export restrictions, forcing the Company to sell egg products at a lower margin.

In H1 2017, the segment's revenue was down by 60% YoY to US\$8.8 mln (H1 2016: US\$22.1 mln) due to the decreased sales of dry egg products and a lower sales price. The segment's net loss was US\$3.1 mln (H1 2016: net loss of US\$2.4 mln) affected by a reduced margin in the Dry Egg Products Segment.

- Ends -

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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 30 June 2017, the Company holds a 24% share of the industrial shell egg market and a 64% share of the dry egg product market in Ukraine. The Company's laying hens flock is one of the largest in Europe.

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.

Condensed consolidated statement of financial position

AS AT 30 JUNE 2017

(in USD thousand, unless otherwise stated)

	30 June 2017	31 December 2016
ASSETS		
Property, plant and equipment	366,591	357,821
Non-current biological assets	13,940	14,273
Deferred tax assets	7,720	5,663
Held to maturity investments	4,535	5,700
Other non-current assets	5	5
Non-current assets	392,791	383,462
Inventories	54,941	62,144
Current biological assets	19,774	7,755
Trade accounts receivable, net	29,160	40,628
Prepaid income tax	41	41
Prepayments and other current assets, net	13,764	14,412
Taxes recoverable and prepaid	11,670	8,479
Cash and cash equivalents	12,608	12,570
Current assets	141,958	146,029
TOTAL ASSETS	534,749	529,491
EQUITY		
Share capital	836	836
Share premium	201,164	201,164
Reserve capital	115,858	115,858
Retained earnings	853,587	864,457
Effect of translation into presentation currency	(1,062,901)	(1,053,923)
Equity attributable to owners of the Company	108,544	128,392
Non-controlling interests	11,920	10,418
TOTAL EQUITY	120,464	138,810
LIABILITIES		
Long-term bond liabilities	225,679	219,014
Long-term loans	49,484	93,924
Deferred tax liabilities	360	351
Deferred income	1,124	1,123
Dividends payable	29,542	29,542
Long-term finance lease	-	3
Non-current liabilities	306,189	343,957
Current portion of non-current liabilities	84,737	31,224
Trade payables	3,053	3,062
Other accounts payable	20,306	12,438
Current liabilities	108,096	46,724
TOTAL LIABILITIES	414,285	390,681
TOTAL EQUITY AND LIABILITIES	534,749	529,491

Condensed consolidated statement of profit and loss and other comprehensive income
FOR 6 MONTHS ENDED 30 JUNE 2017
(in USD thousand, unless otherwise stated)

	for the 6 months ended	
	30 June 2017	30 June 2016
Revenue	54,706	64,777
Loss from revaluation of biological assets at fair value	(4,551)	(3,023)
Cost of sales	(62,228)	(59,078)
GROSS (LOSS)/PROFIT	(12,073)	2,676
General administrative expenses	(3,739)	(3,876)
Distribution expenses	(3,246)	(2,974)
Income from government grants and incentives	1,266	48
Income from special VAT treatment	-	3,982
Other operating expenses	(15)	(20,829)
LOSS FROM OPERATING ACTIVITIES	(17,807)	(20,973)
Finance income	1,063	1,512
Finance costs	(15,957)	(15,307)
Losses on exchange	19,226	(708)
NET FINANCE COSTS	4,332	(14,503)
LOSS BEFORE TAX	(13,475)	(35,476)
Income tax credit	1,757	2,869
LOSS FOR THE PERIOD	(11,718)	(32,607)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD <i>Items that are or may be reclassified subsequently to profit or loss</i>		
Effect from translation into presentation currency	(6 629)	(18,266)
TOTAL COMPREHENSIVE INCOME	(18,347)	(50,873)
LOSS ATTRIBUTABLE TO:		
Owners of the Company	(10,870)	(32,487)
Non-controlling interests	(848)	(120)
	(11,718)	(32,607)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Owners of the Company	(19,848)	(49,823)
Non-controlling interests	1,502	(1,050)
	(18,347)	(50,873)
Loss per share		
Basic and diluted (USD)	(2)	(5)

Condensed consolidated statement of cash flows
FOR 6 MONTHS ENDED 30 JUNE 2017
(in USD thousand, unless otherwise stated)

	for the 6 months ended	
	30 June 2017	30 June 2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax	(13,475)	(35,476)
Adjustments for:		
Depreciation of property, plant and equipment	7,656	7,738
Change in allowance for irrecoverable amounts	(1,532)	21,180
(Profit)/loss on disposal of current assets	(17)	255
Loss/(profit) on disposal of non current assets	23	(169)
Impairment of current assets	1,167	627
Effect of fair value adjustments on biological assets	4,551	3,023
Gains realised from accounts payable written-off	(15)	(32)
Amortization of deferred income on government grants	(46)	(48)
Discount bonds amortization	1,123	1,002
Discount on VAT government bonds amortization	(578)	(758)
Interest income	(485)	(754)
Interest payable on loans and bonds	14,800	14,295
Income from received government grants VAT	(1,220)	-
(Gains)/losses on exchange	(13,830)	708
Operating (loss)/profit before working capital changes	(1,878)	11,591
Decrease in trade receivables	12,091	2,312
Decrease in prepayments and other current assets	3,015	3,196
Increase in taxes recoverable and prepaid	(819)	(3,569)
Decrease/(increase) in inventories	8,422	(9,062)
Decrease in deferred income	(1)	(9)
Decrease in trade payables	(119)	(672)
(Increase)/decrease in biological assets	(15,049)	3,260
Decrease in finance leases	(3)	-
Decrease in other accounts payable	(4,199)	(5,239)
Cash (used in)/generated from operations	1,460	1,808
Interest paid	(1,917)	(2,543)
Income tax paid	(19)	(17)
Net cash used in operating activities	(476)	(752)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments and receipts - property, plant and equipment	(961)	(11,091)
Proceeds from sale of non-current assets	-	343
Interest received	563	1,532
Net cash generated/(used in) investing activities	(398)	(9,217)

Condensed consolidated statement of cash flows (cont.)
FOR 6 MONTHS ENDED 30 JUNE 2017
(in USD thousand, unless otherwise stated)

	for the 6 months ended	
	30 June 2017	30 June 2016
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	-	(1,968)
Interest paid for bonds issued	-	(2,575)
Net cash used in financing activities	-	(4,543)
Net decrease in cash and cash equivalents	(874)	(14,512)
Cash and cash equivalents at 1 January	12,570	31,307
Effect from translation into presentation currency	912	383
Cash and cash equivalents at 30 June	12,608	17,178