



25 October 2013

AVANGARDCO INVESTMENTS PUBLIC LIMITED

OPERATIONAL RESULTS FOR THE FIRST 9 MONTHS OF 2013

Kyiv, Ukraine – AVANGARDCO INVESTMENTS PUBLIC LIMITED (LSE: AVGR) (the “Company” or “AVANGARDCO IPL”), the largest producer of shell eggs and egg products in Ukraine and number one producer in Eurasia, today announces its operational results for the 9 months ended September 30, 2013.

	Units	As at 30.09.2013	As at 30.09.2012	Change,%
Total Poultry Flock	Heads (mln)	31.4	27.4	15%
Laying Hens	Heads (mln)	24.6	21.6	14%

As at September 30, 2013, the total poultry flock was up by 15% year-on-year to 31.4 mln heads and the population of laying hens increased by 14% year-on-year to 24.6 mln heads. The growth rate of the poultry flock was in line with the operational plans of the Company.

As at September 30, 2013, 41% of the total poultry flock and 37% of the total population of laying hens were housed at new poultry complexes “Avis” and “Chornobaivske”, compared with 41% and 35%, respectively, at the end of the first half of 2013.

Shell Egg Segment

	Unit	9 months 2013	9 months 2013	Change,%
Total Production	Pieces (mln)	5,118	4,685	9%
Total Sales to Third Parties	Pieces (mln)	3,742	3,879	-4%
Export	Pieces (mln)	349	303.9	15%
Average Sales Price	UAH (excl. VAT)	0.65	0.65	0%

In the first 9 months of 2013, the production volume of shell eggs grew by 9% year-on-year to 5,118 mln pieces (9M 2012: 4,685 mln pieces) as a result of the increase in the population of laying hens.

In line with its stated strategy, the Company is continuing to increase the volume of shell eggs used for further processing into dry egg products as a percentage of total sales. The Company also continues to actively develop existing sales channels for shell eggs, including export and sales through national retail chains.

In the period the exports of shell eggs increased by 15% year-on-year to 349 mln pieces (9M 2012: 304 mln pieces). The Company continued to export its shell eggs to the markets in Middle East, Africa and the CIS. At the moment the Company is one of the largest exporters of shell eggs in these regions.

In the first 9 months of 2013, the average sales price remained unchanged year-on-year and stood at UAH 0.65/egg excl. VAT (9M 2012: UAH 0.65/egg excl. VAT) due to an atypical price growth in the egg market in Ukraine and Europe in 2012.

The brand “Kvochka”

In the first 9 months of 2013, sales of packaged eggs under the umbrella brand “Kvochka” increased by 30% year-on-year to 32.9 mln units (9M 2012: 25.3 mln units). The Company continues to expand its branded products’ presence in retail chains and traditional format retail outlets across Ukraine. During the period 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.

Egg Products Segment

	Unit	9 months 2013	9 months 2012	Change,%
Processed Shell Eggs	Pieces (mln)	1,268	800	59%
Averages Sales Price	US\$/kg (excl. VAT)	7.61	7.46	2%

In the first 9 months of 2013 the volume of processed shell eggs was up by 59% year-on-year to 1,268 mln units (9M 2012: 800 mln units) due to the increase in capacity of the egg processing plant “Imperovo Foods”. As a result production volumes of dry egg products increased by 47% year-on-year to 15.457 thousand tonnes (9M 2012: 10.487 thousand tonnes).

The average sales price of dry egg products increased by 2% year-on-year to US\$ 7.61 per kg (9M 2012: US\$ 7.46 per kg).

During the first 9 months of 2013 export of dry egg products accounted for more than 80% of the total sales volume of dry egg products. The main export destinations included the Middle East, North Africa and Asia.

Investment projects

The Company is making progress with the construction of its two poultry complexes for egg production, “Avis” and “Chornobaivske” in Khmelnytsky and Kherson regions, as well as the capacity expansion project at the egg processing plant “Imperovo Foods” LLC. The construction and assembly works are ongoing and progressing according to the schedule.

Other developments

The Annual General Meeting of shareholders held on September 12, 2013 approved the Company’s dividend policy. The dividend payout ratio was set at 25% of net income for financial year ending December 31, 2013 to be paid out to shareholders of record in 2014.

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Information for editors

AVANGARDCO IPL is one of the largest agro-industrial companies in Ukraine, specializing in the production of shell eggs and dry egg products. As at June 30, 2013, the Company holds a 55% share of the industrial

egg market and a 90% share of the dry egg products market in Ukraine. The Company has the largest population of laying hens in Ukraine with 24.6 mln heads.

Production cycle of AVANGARDCO IPL is vertically integrated. The Company's facilities are located in 14 regions of Ukraine and the Autonomous Republic of Crimea. The Company has 19 farms for laying hens; three second order breeder farms; ten farms for rearing young laying hens; six feed mills; three long-term storage facilities and the egg processing plant "Imperovo Foods, which is one of the most technologically-advanced facilities for processing eggs in Europe.

The Company is in the process of significant expansion with the construction of two poultry complexes for egg production "Avis" and "Chornobaivske". These facilities will increase the total capacity to 30.1 mln laying hens and to 8.6 bln shell eggs annually.

The Company exports its products to 33 countries, with its primary export markets in the Middle East, Africa, Asia and the CIS.

As at June 30, 2013, the Company's revenues amounted to US\$ 304.3 mln (H1 2012: US\$ 283.6 mln) and EBITDA was US\$ 134.7 mln (H1 2012: US\$ 122.1 mln).

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 \$200 million with a maturity on 29 October 2015 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 November 1, 2010.