



August 30, 2011

For Immediate Release

**AVANGARDCO INVESTMENTS PUBLIC LIMITED
HALF YEAR RESULTS STATEMENT**

KYIV, UKRAINE – AVANGARDCO INVESTMENTS PUBLIC LIMITED (LSE: AVGR) (the “Company” or “Avangard”), the leading producer of shell eggs and egg products in Ukraine, announces its financial results for the first six months of the year ending 30 June 2011.

Financial highlights

- Revenue increased by 35% to US \$223.9 million (H1 2010: US \$165.9 million).
- EBITDA increased by 44% to US \$91.2 million (H1 2010: US \$63.5 million).
- EBITDA margin increased to 41% (H1 2010: 38%).
- Net profit increased by 8% to US \$67.0 million (H1 2010: US \$61.9 million).
- Net profit margin decreased by 7% to 30% (H1 2010: 37%); this was due to decrease in financial income (H1 2010: US \$15.6 million; H1 2011: US \$829.0 thousand).

Operational highlights

- Total shell eggs output increased by 51% to 2,875 million eggs (H1 2010: 1,910 million eggs).
- Poultry flock increased by 31% to 24.4 million birds (H1 2010: 18.6 million).
- Average egg price increased by 2% to UAH 0.53* per egg (H1 2010: UAH 0.52* per egg).
- Supermarket sales of shell eggs increased to 30% from the total shell eggs sold to third parties (H1 2010: 7%); the Company plans to retain the share in the future.

**Excluding VAT*

Post period end

- On August 24, Fitch Ratings affirmed Avangardco Investments Public Limited Long-term foreign and local currency Issuer Default Ratings (IDRs) at ‘B’ respectively. Fitch also affirmed the Company’s National Long-term Rating at ‘A+’(ukr), foreign currency senior unsecured rating at ‘B’ and Recovery Rating at ‘RR4’. The Outlooks for the Long-term ratings are Stable.
- The construction of the Avis and Chornobaivske egg production complexes is progressing well and on schedule. On July 7, 2011 the official opening ceremony of the first stage of facilities for laying hens at the Avis egg production complex took place.

Nataliya Vasylyuk, Chief Executive Officer of the Company, said:

"I am very pleased to be able to report another very successful half, with revenue and profit growth, increased production volumes and an increased poultry flock.

The period was also marked by more penetration into modern retail chains and diversifying further the markets to which we export, in line with our strategy of developing our customer base.

We expect the average price for shell eggs in Ukraine will continue to increase in the second half of the year, as will consumption levels as chicken eggs continue to be the cheapest source of animal protein. Looking further out, our capacity expansion projects are making good progress.

We remain confident that we will continue to drive organic growth in the second half and we expect to deliver strong financial results for the full year”.

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There will be a webcast conference call for analysts and investors today at 9:00 US Eastern time, 14:00 UK time, 16:00 Kiev time and 17:00 Moscow time.

International/UK Dial in: +44 (0)20 7162 0025

Russia freephone: 81 0800 2806 3011

Conference ID: 901876

A live webcast of the presentation will be available at:

<http://wcc.webeventservices.com/r.htm?e=347802&s=1&k=E69A255DC6E33586FC36674BDF8E4C23&cb=blank>

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

The conference call replay will be available through October 1, 2011.

Replay dial-in numbers:

UK London: 020 7031 4064

UK Tollfree: 08003581860

US Tollfree: 1 888 365 0240

US Toll: 1 954 334 0342

Replay access ID: 901876

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Notes to Editors

The Company is one of the leading agro-industrial companies in Ukraine, focusing on the production of shell eggs and egg products. Avangard is the number one producer of shell eggs and dry egg products in Ukraine with a market share of approximately 26% (including 43% of industrially produced shell eggs) and 79% respectively in 2010. As of 30 June 2011, the Company's flock consisted of approximately 24.4 million birds. Avangard's production facilities are located in 14 regions in Ukraine and also in the Autonomous Republic of Crimea. In 2010 the Company exported its shell eggs and egg products to Asia, CIS and MENA region. In 2010 the Company generated revenue of US \$ 439.7 million (2010: US \$319.9 million), EBITDA of US \$ 193.5 million (2010: US \$152.1 million). Avangard's shares listed on the Main Market of London Stock Exchange in May 2010.

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Financial overview

		H1 2011	H1 2010	Change
Revenue	US\$, m.	223 940	165 901	35%
IFRS 41 standard gains	US\$, m.	15 561	14 735	6%
Gross profit	US\$, m.	84 263	55 361	52%
<i>Gross margin</i>	%	38%	33%	5%
EBITDA	US\$, m.	91 194	63 498	44%
<i>EBITDA margin</i>	%	41%	38%	3%
Operating profit	US\$, m.	84 097	57 203	47%
<i>Operating profit margin</i>	%	38%	34%	4%
Net profit for the period	US\$, m.	67 036	61 943	8%
<i>Net profit margin</i>	%	30%	37%	-7%

During the first six months of 2011 consolidated revenue increased by 35% to US \$223.9 million (H1 2010: US \$165.9 million) as a result of the growth in sales volumes of shell eggs and egg products and an increase in the average price.

Consolidated EBITDA increased by 44% to US \$91.2 million (H1 2010: US \$63.5 million) and the EBITDA margin increased from 38% to 41%. This increase in margin was driven mainly by the presence of cheap raw materials for feed production which were purchased in 2010.

In H1 2011 net profit increased by 8% to US \$ 67.0 million (H1 2010: US \$61.9 million).

Shell egg segment

During the first half of 2011 the Company's shell egg production volume increased by 51% to 2,875 million eggs (H1 2010: 1,910 million) mostly as a result of the increase in poultry stock during the first half of 2011. As of June 30, 2011 the Company's total flock was 24.4 million birds (June 30, 2010: 18.6 million).

The average sale price during the first six months of 2011 increased by 2% year-on-year to UAH 0.53* per egg (H1 2010: UAH 0.52* per egg). In the second half of 2011 the Company expects the average price of shell eggs to increase further. During the first six months of 2011 shell egg sales to external consumers increased by 31% to 2,139 million pieces (H1 2010: 1,631 million).

Revenue for the shell egg segment increased by 34% to US \$141.4 million (H1 2010: US \$105.4 million) as a result of the growth in sales volumes of shell eggs and egg products and an increase in the average price. External customer sales revenue accounted for 78% of the Company's total revenue in this segment.

The shell egg segment EBITDA increased by 32% to US \$79.9 million (H1 2010: US \$60.5 million), with the EBITDA margins maintained at 57%.

During the first half of 2011 the Company continued to execute its stated strategy, focussing on the development of its customer base and market diversification. As a result, the share of the Company's sales volumes through modern retailers increased from 7% in H1 2010 from the total shell eggs sold to the third parties to 30% in H1 2011.

During the first half of 2011 the Company has continued exporting its shell eggs to the Middle East and the CIS.

*Excluding VAT

Egg products segment

During the first six months of 2011 the Company processed 534 million eggs (H1 2010: 287 million eggs). The average sale price of dry egg products during the reporting period was US \$ 6.91* per kg (1H 2010: US \$6.78* per kg). Egg product revenue was US \$34.8 million (1H 2010: US \$32.5 million).

During the period the Company exported its dried egg products to Asia, the Middle East and North Africa.

**Excluding VAT*

Debt structure and working capital

Net debt was US\$ 114.8 million at the period end, an increase of 48% compared to December 2010, due to the reduction of amount of cash on the Group's accounts, which have been used to finance construction of the new complexes Avis and Chornobaivske.

The net debt/EBITDA ratio increased to 0.5 times at the period end (using 12 month trailing EBITDA) from 0.4 times at December 2010, which is a low level of leverage compared to other leading Ukrainian agricultural companies. Interest was 6.3 times covered by EBITDA (12 month trailing).

Current trading and outlook

The Company expects sales volumes to be driven in the second half of 2011 and beyond by robust demand in Ukraine for eggs and egg products. In addition, sales volumes will be supported by increased flock of laying hens at the new complexes Avis and Chornobaivske. As well as increasing exports, the Company will also continue developing its domestic market client base, specifically by driving sales through retail chains.

At the moment the Company is awaiting the decision by the EU to allow it to export dried egg products to EU member states from Ukraine. LLC "Imperovo Foods", the Company's egg processing plant, has passed the required audit and will be able to export as soon as Ukraine obtains permission from the EU.

The Company is also in the process of gaining permission to export eggs and dried egg products to Russia. Avangard expects to obtain this permission in Q3 2011.

Egg processing plant LLC "Imperovo Foods"

On June 8, 2011 LLC "Imperovo Foods" received permission from the Antimonopoly Committee of Ukraine ("AMCU") to acquire corporate rights of LLC "Imperovo Ltd" from "Stanislavska Torgova Kompaniya" LLC.

On June 16, 2011 LLC "Imperovo Ltd" completed the process of registration of ownership of LLC "Imperovo Foods" production capacity. On July 8, 2011 the lease agreement between LLC "Imperovo Foods" and "Stanislavska Torgova Kompaniya" LLC was changed, namely to show that LLC "Imperovo Ltd" is now the lessor.

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