

Business Description -

Industry leader:

- 36% share in the industrial production of shell eggs in H1 2015
- 75% share in the production of dry egg products in H1 2015
- 65% share in export of shell eggs and dry egg products from Ukraine in H1 2015
- Vertically integrated business model with facilities situated across all Ukraine
- State of the art poultry complexes Avis and Chornobaivske with total production capacity of 3.5 bn eggs and 11.2 mn laying hens

Diversified sales channels:

- 36% of the consolidated revenue derived from export
- Export sales to 37 countries
- Main export destinations: MENA, the Far East, the CIS, the EU
- New markets of Bangladesh and the UK
- Shell egg sales to supermarket chains increased to 39% of the total sales to third parties

Financial Summary

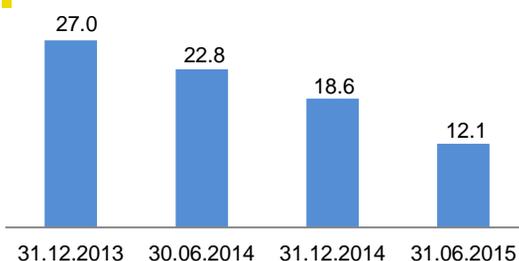
US\$'000	H1 2014	H1 2015
Revenue	262,680	121,397
Gross profit	80,797	7,512
EBITDA	107,978	(98,191)
Net Income	51,991	(152,432)
EPS, US\$	8	(23)

Operational Summary

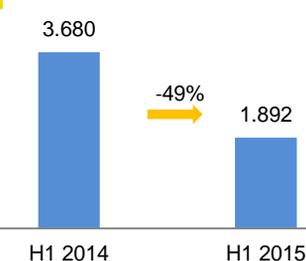
	H1 2014	H1 2015
Total flock, mn birds	30.7	16.0
Laying hens, mn birds	22.8	12.1
Shell egg production, mn pcs	3,680	1,892
Shell egg av. sales price, UAH/egg (excl. VAT)	0.68	1.08
Dry egg product production, tonnes	14,012	3,562
Egg product av. sales price, US\$/kg	6.69	5.40

Key Diagrams

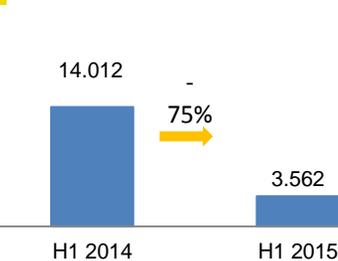
Total number of laying hens, mn heads



Production of shell eggs, bn pcs



Production of egg products, th tonnes



Macroeconomics: key metrics

The ongoing instability in Ukraine coupled with weak demand for consumer goods and loss of sales in Crimea, the Lugansk and Donetsk regions continued to influence the Company's performance:

- H1 2015UAH/USD devaluation of 108% YoY*
- CPI in June increased by 57.5% YoY following further devaluation of the Ukrainian Hryvnia against the world currencies and an increase in utility rates
- Decrease in consumers' purchasing power resulting from high inflation and decrease in real income (in Q1 2015 down by 23.5% YoY)
- Production of shell eggs by households in May-June 2015 exceeded industrial production
- Retail trade turnover in Jan-Jun declined by 24.6% YoY

*Weighted average for the period
Source: SSSU, the Company data

Poultry flock management

Capacity for laying hens declined from 30.1 mn to 21.7 mn:

- Suspension of operations and asset impairment of the laying farms in Crimea and the military conflict zone in Eastern Ukraine: Yuzhnaya-Holding, Ptytsecomplex, Chervonyi Prapor, Interbusiness with a total capacity of 3.7 mn hens
- Suspension of operations at the laying farms close to the conflict zone: Volnovaska, Donetsk, Bohodukhivska with a capacity of 4.6mn hens
- The actual population of laying hens declined by 47% YoY to 12.1 mn following the suspension of operations at the laying farms in the conflict zone, a decline in consumer demand due to economic instability and seasonal factors

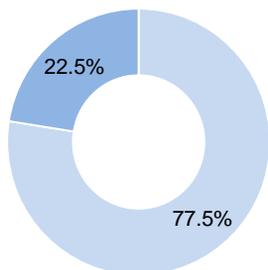
Key Ratios & Profitability

Ratios	30.06.2014	30.06.2015
P/S	1.0	0.3
P/E	3.4	-
EV/LTM EBITDA	3.1	5.8
Net debt/LTM EBITDA	0.4	-
Profitability		
Gross margin	31%	6%
EBITDA margin	41%	-

Source: Bloomberg data, the Company data

Shareholder Structure -

Share Capital Structure



■ Ukrlandfarming PLC ■ Free Float

Securities Information

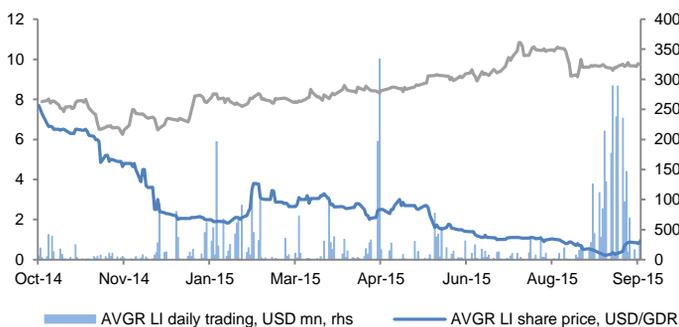
GDR/ADR's

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	US\$ 208 mn
Offer Price	US\$15.0 per GDR

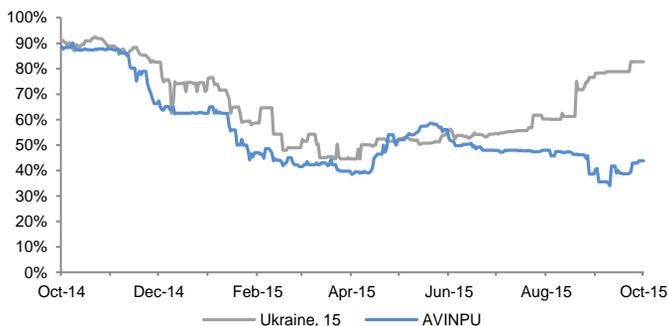
Bonds

Format	Reg S
Amount	US\$200 mn
Maturity	29 October 2015
Coupon	10%, payable semi-annually in arrears on 29 Apr and Oct
Listing	LSE

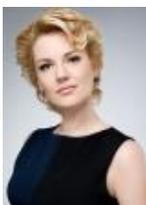
GDR Performance -



Bond Price -



Board of Directors -



Nataliya Vasylyuk
Chairwoman of the Board
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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. Nataliya 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
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Mr. Bakhmatyuk graduated from the Chernivtsi Economy and Law Institute with a Business Management degree and from the Ivano-Frankovsk National Technical University of Oil and Gas, 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,
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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.



Iryna Marchenko
Board Member, CEO
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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

Veriyeriya Myagkohod

Mob.: +38 067 223 46 88
 e-mail: ir@avangardco.ua

Public Relations

Lidia Slivotska

Mob.: +38 067 447 97 42
 E-mail: lslivotska@avangardco.ua