

Business Description -

1 producer of shell eggs and dry egg products in Ukraine and Europe* :

- 35% share of the industrial production of shell eggs in Ukraine
- 80% share of the production of dry egg products in Ukraine

Vertically integrated business model and production facilities across Ukraine:

- Total production capacity of 8.6 bn eggs and 30.1 mn laying hens **
- New full cycle poultry complexes Avis and Chornobaivske with total production capacity of 3.5 bn eggs and 11.2 mn laying hens:
- Shell egg processing capacity of 6 mn eggs per day

The largest exporter of shell eggs and dry egg products from Ukraine:

- 68% share of the export market of shell eggs and dry egg products in Ukraine
- Export portfolio encompasses 42 countries with new export markets:
 - ✓ for dry egg products – Bangladesh, UK, Latvia, Italy and Iran
 - ✓ for shell eggs – Israel, Qatar

*According to data from SSCU, Pro-Consulting, Egg Industry Journal (www.WATTAgNet.com)

** Including temporarily closed facilities in the East and Crimea

Financial Summary

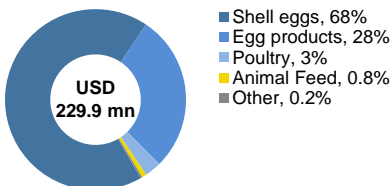
USD'000	2015	2014
Revenue	229,924	419,618
Gross profit	22,125	120,981
EBITDA	(1,417)	129,497
Net Income/(Loss)	(158,390)	(26,918)
EPS, USD	(24)	(4)

Operational Summary

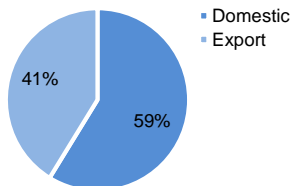
	2015	2014
Total flock, mn heads	13.6	23.3
Laying hens, mn heads	10.7	18.6
Shell egg production, mn pcs	3,434	6,306
Shell egg sales, mn pcs	2,798	4,288
Shell egg av. sales price, UAH/egg (excl. VAT)	1.22	0.77
Dry egg product production, tonnes	9,057	21,323
Dry egg product sales, tonnes	11,445	18,592
Egg product av. sales price, USD/kg	5.66	6.29

Key Diagrams

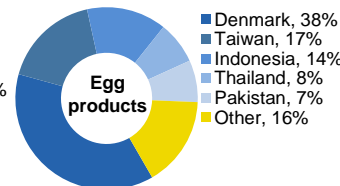
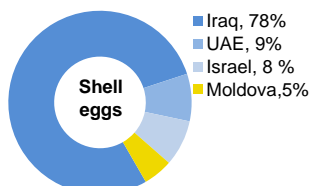
Revenue by segments, %



Export revenue, %



Top - 5 export markets, % of revenue

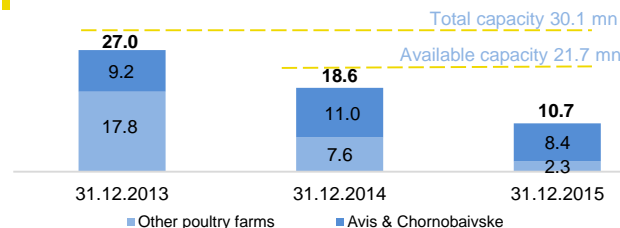


Poultry flock

One of the largest numbers of laying hens globally*:

- 13.6 mn total flock as at 31.12.2015
- 10.7 mn laying hens flock as at 31.12.2015

Total number of laying hens, mn heads



*According to data from SSCU, Pro-Consulting, Egg Industry Journal (www.WATTAgNet.com)

Macroeconomics: key metrics

The ongoing political and economic uncertainty and turbulence in the country's foreign currency market continue to subdue the company's performance.

- GDP fell 9.9% YoY
- The Ukrainian Hryvnia depreciated 83% YoY*** against the US dollar
- Inflation adversely impacted customers' purchasing power and impeded the recovery of private consumption, as highlighted by a YoY increase in CPI of 48.7%
- Retail trade turnover fell 21%YoY

VAT subsidy:

In 2016 amendments to the VAT subsidy regime for agricultural producers came into force. Depending on the specialisation producers can retain:

- Grain growing – 15% of VAT refund
- Milk and cattle farming – 80% of VAT refund
- Poultry – 50% of VAT refund

** Weighted average rate for the period

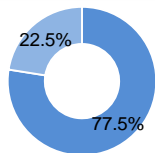
Source: SSCU, Company data

Key Ratios & Profitability

Ratios	31.12.2015	31.12.2014
P/S	0.35	0.2
P/E	-	1.8
EV/LTM EBITDA	-	2.6
Total debt/LTM EBITDA	-	2.65
Profitability		
Gross margin	10%	29%
EBITDA margin	-	31%

Source: Bloomberg data, Company data

Shareholder Structure -



■ Ukrlandfarming PLC ■ Free Float



Eurobonds

On 28 October 2015, via Scheme of Arrangement the Company extended maturity of its Eurobonds from 29 October 2015 to 29 October 2018

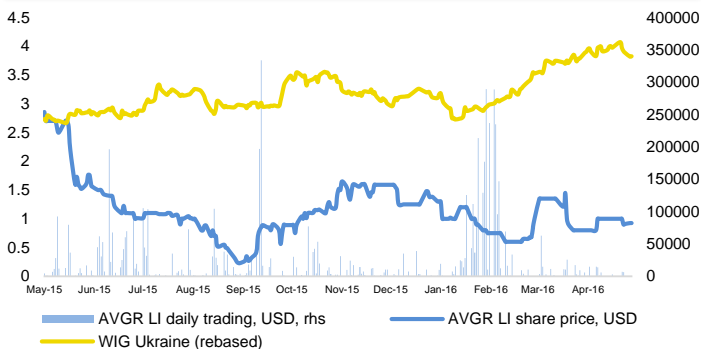
Format	Reg S																					
Amount	USD 200 mn																					
Maturity	29 October 2018																					
Coupon	<ul style="list-style-type: none"> The 5% coupon payable on 29 October 2015 (representing the semi-annual payment of the existing 10% coupon) was paid as follows: (i) 2% in cash and (ii) 3% as payment in kind ("PIK"); 10% payable semi-annually in arrears on 29 April and 29 October of each year, commencing 29 April 2016, but subject to the following PIK and cash payment provisions: <table border="1"> <thead> <tr> <th>Interest payment date</th> <th>PIK interest %</th> <th>Cash interest %</th> </tr> </thead> <tbody> <tr> <td>29.04.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.10.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.04.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.10.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.04.18</td> <td>25</td> <td>75</td> </tr> <tr> <td>29.10.18</td> <td>0</td> <td>100</td> </tr> </tbody> </table>	Interest payment date	PIK interest %	Cash interest %	29.04.16	75	25	29.10.16	75	25	29.04.17	50	50	29.10.17	50	50	29.04.18	25	75	29.10.18	0	100
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Listing LSE

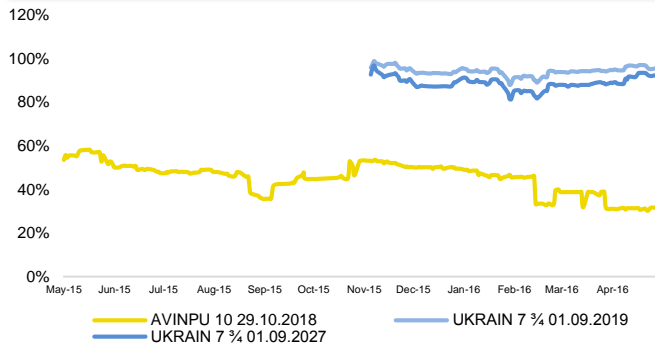
GDRs

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	USD 208 mn
Offer Price	USD 15.0 per GDR

GDR Performance -



Eurobond Price -



Board of Directors -



Oleg Bakhmatyuk
Chairman of the Board
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Mr. Bakhmatyuk graduated from the Chernivtsi Institute of Economics and Law with a degree in business administration and from the Ivano-Frankivsk National Technical University of Oil and Gas with a degree in engineering, physics and management. Oleg Bakhmatyuk founded Avangard in 2003 and Ukrlandfarming PLC in 2007. Between 2010 and 2013 Mr. Bakhmatyuk served as Chairman of the Board of Directors of AVANGARDCO IPL, remaining on the Board after this time. Mr. Bakhmatyuk again took over as Chairman of the Board of Directors of AVANGARDCO IPL in April 2016. Since 2010 Mr. Bakhmatyuk has served as 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
[Read more](#)

Mr. Pohotsky holds a 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. Mr. Pohotsky has served as an independent non-executive Director of the Company since 2011.



Nataliya Vasylyuk
Board Member, CEO
[Read more](#)

Ms. Vasylyuk obtained a Finance and Accounting degree from 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 Avangard in 2007. Between 2007 and 2010 she served as CEO and from April 2010 to January 2013 while staying on as CEO she also became a member of the Board of Directors of AVANGARDCO IPL. Nataliya Vasylyuk served as Chair of the Board from January 2013 to April 2016. She retook the position of CEO in April 2016.

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