



November 30, 2017

## AVANGARDCO INVESTMENTS PUBLIC LIMITED

### FINANCIAL RESULTS FOR 9 MONTHS 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 nine months ended 30 September 2017.

#### 9M 2017 Financial Highlights\*

- Consolidated revenue amounted to US\$84.0 mln, a decrease of 24% YoY (9M 2016: US\$111.1 mln).
- Export revenue from sales of shell eggs and dry egg products amounted to US\$21.4 mln, or 25% of the Company’s consolidated revenue (9M 2016: US\$48.1 mln, or 43% of the Company’s consolidated revenue).
- Gross loss amounted to US\$22.1 mln (9M 2016: gross profit of US\$3.2 mln).
- Operating loss amounted to US\$25.0 mln (9M 2016: operating loss of US\$22.6 mln).
- Negative EBITDA was US\$12.2 mln (9M 2016: negative EBITDA of US\$10.0 mln).
- Net loss reduced to US\$20.8 mln (9M 2016: net loss of US\$38.8 mln).

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

#### 9M 2017 Operational Highlights

- Production of shell eggs totalled 1,693 mln units, a decline of 11% YoY (9M 2016: 1,895 mln units).
- Sales of shell eggs amounted to 1,331 mln units, up by 22% YoY (9M 2016: 1,093 mln units).
- Export of shell eggs amounted to 341 mln units, up by 80% YoY (9M 2016: 189 mln units).
- The average sales price of shell eggs was UAH0.96 per unit, excluding VAT, down by 24% YoY (9M 2016: UAH1.26 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 28% YoY (9M 2016: US\$0.050 per unit, excluding VAT).
- The production of dry egg products amounted to 4,415 tonnes, a decline of 49% YoY (9M 2016: 8,612 tonnes).
- Sales of dry egg products totalled 2,210 tonnes, down by 64% YoY (9M 2016: 6,169 tonnes).
- Exports of dry egg products amounted to 1,763 tonnes, a decline of 68% YoY (9M 2016: 5,570 tonnes).
- The average sales price of dry egg products was US\$4.59/kg, down by 19% YoY (9M 2016: US\$5.66/kg).
- As at 30 September 2017, the total poultry flock amounted to 12.0 mln hens, down by 13% YoY (30 September 2016: 13.8 mln hens).
- As at 30 September 2017, the number of laying hens amounted to 10.4 mln hens, down by 2% YoY (30 September 2016: 10.6 mln hens).

#### Important events:

**Eurobonds:** AVANGARDCO IPL continues to be in discussions with various creditor groups. As part of these discussions, the Company has begun working with an ad hoc committee of bondholders and its advisor on the proposal of restructuring of its US\$200,000,000 10.0% Notes due in 2018 (ISIN: XS0553088708). The Company expects that any restructuring of the Company's debt including the Notes will include a request to restructure the interest payment due under the Notes on 2 May and 30 October 2017. 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:**

“In the reporting period, AVANGARDCO’s performance continued to be impacted by challenging conditions in the domestic and export markets which led to reduced revenue and profitability. However, we saw a gradual recovery in Q3 2017, driven by seasonal growth in consumer demand for shell eggs in Ukraine and its sales price, as well as the resumption of sales to the Company’s traditional export markets. As part of our efforts towards further cost optimisation, the Company has replenished its laying flock, which resulted in higher productivity.

We expect that these positive developments will continue throughout Q4 2017, with these improvements expected to be reflected in the Company's performance in H2 2017.”

**Outlook:**

In Q4 2017, in the run up to the winter holidays, AVANGARDCO expects the seasonal growth in demand and sales price for shell eggs to continue.

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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 nine months ended 30 September 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	Q3 2017*	Q3 2016*	Change	9M 2017	9M 2016	Change
Consolidated Revenue	US\$ '000	<b>29,317</b>	46,358	(37%)	<b>83,991</b>	111,105	(24%)
Gross Profit/(Loss)	US\$ '000	<b>(10,118)</b>	496	-	<b>(22,106)</b>	3,173	-
Gross Profit Margin	%	-	1%	-	-	3%	-
Operating Profit/(Loss)	US\$ '000	<b>(7,134)</b>	(1,594)	-	<b>(24,983)</b>	(22,587)	-
EBITDA	US\$ '000	<b>(3,184)</b>	2,450	-	<b>(12,209)</b>	(10,018)	-
EBITDA Margin	%	-	5%	-	-	-	-
Net Loss	US\$ '000	<b>(9,181)</b>	(6,139)	-	<b>(20,829)</b>	(38,769)	-

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

In 9M 2016 and in 9M 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.

**Q3 2017:**

	Units	Q3 2017*	Grain trading in Q3 2016	Consolidated financials excluding grain trading in Q3 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	<b>29,317</b>	15,135	31,223	(6%)
Cost of sales	US\$ '000	<b>(38,362)</b>	(15,329)	(29,609)	30%
Gross Profit/(Loss)	US\$ '000	<b>(10,118)</b>	(194)	690	-

Gross Profit Margin	%	-	-	2%	-
Distribution expenses	US\$ '000	(2,208)	-	(1,764)	25%
Operating Loss	US\$ '000	(7,134)	(194)	(1,400)	-
EBITDA	US\$ '000	(3,184)	-	2,804	-
EBITDA margin	%	-	-	9%	-
Net Loss	US\$ '000	(9,181)	-	(5,945)	-

\*The Company did not conduct any operations on trading grain in Q3 2017.

#### 9M 2017:

	Units	Grain trading in 9M 2017	Consolidated financials excluding grain trading in 9M 2017	Grain trading in 9M 2016	Consolidated financials excluding grain trading in 9M 2016	Change excluding grain trading
Consolidated Revenue	US\$ '000	9,667	74,324	15,167	95,939	(23%)
Cost of sales	US\$ '000	(9,522)	(90,924)	(15,361)	(88,623)	3%
Gross Profit/(Loss)	US\$ '000	145	(22,250)	(194)	3,367	-
Gross Profit Margin	%	1%	-	-	4%	-
Distribution expenses	US\$ '000	(377)	(5,065)	-	(4,738)	7%
Operating Loss	US\$ '000	(232)	(24,751)	(194)	(22,393)	-
EBITDA	US\$ '000	-	(11,968)	-	(9,824)	-
Net Profit Loss	US\$ '000	-	(20,597)	-	(38,574)	-

#### Q3 2017:

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

Currency	30 September 2017	Weighted average for Q3 ended 30 September 2017	30 September 2016	Weighted average for Q3 ended 30 September 2016
US dollar to Ukrainian Hryvnia	26.521	25.902	25.912	25.376

In Q3 2017, the Company's consolidated revenue decreased by 6% YoY to US\$29.3 mln (Q3 2016: revenue, excluding grain trading operations, of US\$31.2 mln). This was largely due to the 78% YoY decline in sales of dry egg products amid the 52% YoY decrease in their average sales price and the drop in the average sales price of shell eggs in both the Ukrainian Hryvnia and US dollar by 13% YoY and 16% YoY respectively. However, the decline in revenue was largely offset by the increase in shell egg sales.

The gross loss amounted to US\$10.1 mln (Q3 2016: gross profit, excluding grain trading operations, of US\$0.7 mln) as a result of a negative margin in the key Shell Eggs and Dry Egg Products Segments (in Q3 2017 the average sales price of shell eggs and dry egg products was lower than the cost of sales).

In Q3 2017, the loss from operating activities amounted to US\$7.1 mln (Q3 2016: operating loss, excluding grain trading operations, of US\$1.4 mln).

Negative EBITDA amounted to US\$3.2 mln (Q3 2016: EBITDA, excluding grain trading operations, of US\$2.8 mln).

In Q3 2017, the Company's net loss was US\$9.2 mln (Q3 2016: net loss, excluding grain trading operations, of US\$6.0 mln).

#### 9M 2017:

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

Currency	30 September 2017	Weighted average for the 9M ended 30 September 2017	30 September 2016	Weighted average for the 9M ended 30 September 2016
US dollar to Ukrainian Hryvnia	26.521	26.471	25.912	25.430

In 9M 2017, the Company's consolidated revenue, excluding grain trading operations, decreased by 23% YoY to US\$74.3 mln (9M 2016: revenue, excluding grain trading operations, of US\$96.0 mln). The revenue decline was partially offset by a 22% YoY increase in shell egg sales. Despite this, the following factors negatively impacted the Company's revenues:

- The 64% YoY decline in dry egg product sales amid the 19% YoY decrease in their average sales price in US dollar terms;
- The 24% YoY decline in the average sales price of shell eggs in the Ukrainian Hryvnia. In US dollar terms, their average sales price fell 28% YoY to US\$0.036 per egg (9M 2016: US\$0.050 per egg);
- The decline in the share of export revenue; and
- The ongoing devaluation of the Ukrainian Hryvnia against the US dollar.

In 9M 2017, the Company's export revenues from the sales of shell eggs and dry egg products decreased by 56% YoY to US\$21.4 mln (9M 2016: US\$48.1 mln) as a result of the decline in export sales of dry egg products by 68% YoY and the lower export price of shell eggs and egg products. The share of export revenue in the consolidated revenue was 25% (9M 2016: 43%).

In 9M 2017, the cost of sales, excluding grain trading operations, rose by 3% YoY to US\$90.9 mln (9M 2016: cost of sales, excluding grain trading operations, of US\$88.6 mln).

The gross loss, excluding grain trading operations, amounted to US\$22.3 mln (9M 2016: gross profit, excluding grain trading operations, of US\$3.4 mln) as a result of a negative margin in the key Shell Eggs segment. In 9M 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 9M 2017, the loss from operating activities, excluding grain trading operations, amounted to US\$24.8 mln (9M 2016: operating loss, excluding grain trading operations, of US\$22.4 mln). In the reporting period, the Company received income from government grants and incentives amounting to US\$7.3 mln, which had a positive impact on the Company's financial results.

Negative EBITDA, excluding grain trading operations, was US\$12.0 mln (9M 2016: negative EBITDA, excluding grain trading operations, of US\$9.8 mln).

In 9M 2017, the Company's net loss, excluding grain trading operations, reduced to US\$20.6 mln (9M 2016: net loss, excluding grain trading operations, of US\$38.6 mln). This was partially offset by forex gains of US\$25.0 mln largely from the retranslation of long-term bond liabilities.

#### Cash flow and debt structure:

As at 30 September 2017, net cash generated from operating activities amounted to US\$2.8 mln (30 September 2016: net cash used in operating activities of US\$4.6 mln).

Net cash generated from investing activities amounted to US\$0.6 mln (30 September 2016: net cash used in investing activities amounted to US\$8.4 mln).

In the reporting period, there was no cash used/generated from financing activities (30 September 2016: net cash used in financing activities amounted to US\$4.1 mln).

As at 30 September 2017, net cash inflow amounted to US\$3.5 mln (30 September 2016: net cash outflow of US\$17.1 mln). Cash and cash equivalents amounted to US\$17.2 mln (30 September 2016: US\$14.3 mln).

As at 30 September 2017, the Company's total debt amounted to US\$365.1 mln (31 December 2016: US\$344.1 mln). Net debt was US\$347.9 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 30.09.2017	As at 30.09.2016	Change
Total Poultry Flock	Heads (mln)	<b>12.0</b>	13.8	(13%)
Laying Hens	Heads (mln)	<b>10.4</b>	10.6	(2%)

As at 30 September 2017, the total poultry flock decreased by 13% YoY to 12.0 mln heads (30 September 2016: 13.8 mln heads) due to the reduction in the size of the replacement flock. The Company had been replenishing its laying flock throughout H1 2017 and, currently, does not require a large number of hens in its replacement flock. As at 30 September 2017, the number of laying hens slightly decreased to 10.4 mln heads (30 September 2016: 10.6 mln laying hens).

### Shell Eggs Segment:

	Units	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Total Production	Units (mln)	<b>700</b>	646	8%	<b>1,693</b>	1,895	(11%)
Processing	Units (mln)	<b>173</b>	272	(36%)	<b>376</b>	732	(49%)
Sales	Units (mln)	<b>568</b>	341	67%	<b>1,331</b>	1,093	22%
Export	Units (mln)	<b>238</b>	59	303%	<b>341</b>	189	80%
Average Sales Price	UAH (excl. VAT)	<b>0.97</b>	1.11	(13%)	<b>0.96</b>	1.26	(24%)
Average Sales Price	US\$ (excl. VAT)	<b>0.037</b>	0.044	(16%)	<b>0.036</b>	0.050	(28%)

The production volume of shell eggs rose by 8% YoY to 700 mln units in Q3 2017 (Q3 2016: 646 mln units) due to the replenishment of the laying flock, which resulted in greater productivity in Q3 2017. In 9M 2017, the production volume of shell eggs decreased by 11% YoY to 1,693 mln units (9M 2016: 1,895 mln units) due to the replenishment of the laying flock, which in H1 2017 had not yet reached its peak of productivity.

In Q3 2017, the volume of shell eggs for processing was reduced by 36% YoY to 173 mln units (Q3 2016: 272 mln units) whilst in 9M 2017 by 49% YoY to 376 mln units (9M 2016: 732 mln units) in order to avoid a further build-up of inventories of dry egg products.

In Q3 2017, sales of shell eggs rose by 67% YoY to 568 mln units (Q3 2016: 341 mln units) whilst in 9M 2017 increased by 22% YoY to 1,331 mln units (9M 2016: 1,093 mln units). This was due to a combination of factors, such as increased exports and a successful marketing effort to grow retail sales including sales of the "Kvochka" brand (up by 40% YoY).

In Q3 2017, exports of shell eggs grew fourfold YoY to 238 mln units (Q3 2016: 59 mln units) whilst in 9M 2017 rose by 80% YoY to 341 mln units (9M 2016: 189 mln units). This was due to greater diversification and increased

sales to all export markets (with the exception of Iraq), the removal of most of trade import bans in Q3 2017, as well as a lower export price for shell eggs and a reduction of egg sales from the EU due to egg contamination.

In the reporting period, the share of export sales grew to 26% (9M 2016: 17%), with the Company exporting shell eggs to 12 countries in the MENA region, Sub-Saharan Africa, Asia and the CIS.

In addition to export sales, the Company sold shell eggs to domestic supermarkets and to wholesale customers. The share of sales through supermarkets was 56% of total sales (9M 2016: 58%), whilst the share of sales to the lower margin wholesale channel reduced to 18% (9M 2016: 25%).

In Q3 2017, the average sales price of shell eggs fell by 13% YoY to UAH0.97 per unit, excluding VAT (Q3 2016: UAH1.11 per unit, excluding VAT). In 9M 2017, the average sales price of shell eggs fell by 24% YoY to UAH0.96 per unit, excluding VAT (9M 2016: UAH1.26 per unit, excluding VAT). Although, the price for shell eggs in Ukraine has been rising since August, this growth wasn't sufficient enough to mitigate the price's sharp reduction in H1 2017, as well as the decreased export price, resulting from the temporary import trade ban following avian influenza in Ukraine.

In 9M 2017, despite the increased sales, the segment's revenue fell by 11% YoY to US\$48.3 mln (9M 2016: US\$54.4 mln) as a result of a lower sales price. The segment's net loss reduced to US\$14.1 mln (9M 2016: net loss of US\$18.7 mln) due to the higher cost of sales against the average sales price.

#### Dry Egg Product Segment:

	Units	Q3 2017	Q3 2016	Change	9M 2017	9M 2016	Change
Dry egg products production	Tonnes	<b>2,029</b>	3,206	(37%)	<b>4,415</b>	8,612	(49%)
Sales volume	Tonnes	<b>491</b>	2,251	(78%)	<b>2,210</b>	6,169	(64%)
Export	Tonnes	<b>282</b>	2,101	(87%)	<b>1,763</b>	5,570	(68%)
Average Sales Price	US\$/Kg	<b>2.72</b>	5.69	(52%)	<b>4.59</b>	5.66	(19%)

In order to avoid a further build-up of inventories, the Company decreased the output of dry egg products by 37% YoY to 2,029 tonnes in Q3 2017 (Q3 2016: 3,206 tonnes) and in 9M 2017 by 49% YoY to 4,415 tonnes (9M 2016: 8,612 tonnes).

In Q3 2017, sales of dry egg products decreased by 78% YoY to 491 tonnes (Q3 2016: 2,251 tonnes) and in 9M 2017 by 64% YoY to 2,210 tonnes (9M 2016: 6,169 tonnes). This was mainly as a result of lower export sales.

In Q3 2017, the export of dry egg products fell by 87% YoY to 282 tonnes (Q3 2016: 2,101 tonnes). In 9M 2017, the export of dry egg products declined by 68% YoY to 1,763 tonnes and amounted to 80% of the total sales (9M 2016: 5,570 tonnes or 90% of the total sales). The decline in the export of dry egg products resulted from:

- lack of sales to Denmark in Q2 and Q3 2017 due to the fact that mutually beneficial sales terms could not be agreed. The Company is currently negotiating new contractual terms for 2018 with its partners in Denmark;
- a decline in sales to MENA, as a consequence of the import trade ban. It will take some time for the Company to reclaim its position in the region;
- the ongoing competition for the Far East region.

In the reporting period, the Company sold dry egg products to 18 countries in the EU, Asia, the Far East, the Middle East and North Africa.

In Q3 2017, the average sales price of dry egg products decreased by 52% YoY to US\$2.72/kg (Q3 2016: US\$5.69/kg) as a result of the greater share of lower margin domestic sales and a lower export price. In 9M 2017, the average sales price of dry egg products decreased by 19% YoY to US\$4.59/kg (9M 2016: US\$5.66/kg) due to the reduction in the share of export sales, and the fact that, import restrictions forced the Company to sell its dry egg products at a lower price in order to restore the loyalty of former customers.

In 9M 2017, the segment's revenue was down by 71% YoY to US\$10.2 mln (9M 2016: US\$34.9 mln) due to the decreased sales of dry egg products and their lower sales price. The segment's net loss was US\$5.3 mln (9M 2016: net loss of US\$3.8 mln).

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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 SEPTEMBER 2017

*(in USD thousand, unless otherwise stated)*

	<b>30 September 2017</b>	<b>31 December 2016</b>
<b>ASSETS</b>		
Property, plant and equipment	357,800	357,821
Non-current biological assets	11,098	14,273
Deferred tax assets	7,613	5,663
Held to maturity investments	2,923	5,700
Other non-current assets	5	5
<b>Non-current assets</b>	<b>379,439</b>	<b>383,462</b>
Inventories	53,007	62,144
Current biological assets	12,711	7,755
Trade accounts receivable, net	29,235	40,628
Prepaid income tax	38	41
Prepayments and other current assets, net	12,577	14,412
Taxes recoverable and prepaid	15,943	8,479
Cash and cash equivalents	17,185	12,570
<b>Current assets</b>	<b>140,696</b>	<b>146,029</b>
<b>TOTAL ASSETS</b>	<b>520,135</b>	<b>529,491</b>
<b>EQUITY</b>		
Share capital	836	836
Share premium	201,164	201,164
Reserve capital	115,858	115,858
Retained earnings	844,067	864,457
Effect of translation into presentation currency	(1,075,863)	(1,053,923)
<b>Equity attributable to owners of the Company</b>	<b>86,062</b>	<b>128,392</b>
<b>Non-controlling interests</b>	<b>10,728</b>	<b>10,418</b>
<b>Total equity</b>	<b>96,790</b>	<b>138,810</b>
<b>LIABILITIES</b>		
Long-term bond liabilities	229,071	219,014
Long-term loans	48,696	93,924
Deferred tax liabilities	355	351
Deferred income	1,083	1,123
Dividends payable	29,542	29,542
Long-term finance lease	-	3
<b>Non-current liabilities</b>	<b>308,747</b>	<b>343,957</b>
Current portion of non-current liabilities	87,400	31,224
Trade payables	3,112	3,062
Other accounts payable	24,086	12,438
<b>Current liabilities</b>	<b>114,598</b>	<b>46,724</b>
<b>TOTAL LIABILITIES</b>	<b>423,345</b>	<b>390,681</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>520,135</b>	<b>529,491</b>



**Condensed consolidated statement of profit and loss and other comprehensive income**  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2017  
*(in USD thousand, unless otherwise stated)*

	<b>9 months ended</b>	
	<b>30 September 2017</b>	<b>30 September 2016</b>
Revenue	83,991	111,105
Loss from revaluation of biological assets at fair value	(5,651)	(3,948)
Cost of sales	(100,446)	(103,984)
<b>GROSS (LOSS)/PROFIT</b>	<b>(22,106)</b>	<b>3,173</b>
General administrative expenses	(5,766)	(5,995)
Distribution expenses	(5,442)	(4,738)
Income from government grants and incentives	7,282	74
Income from special VAT treatment	-	4,977
Other operating income/(expenses)	1,049	(20,078)
<b>LOSS FROM OPERATING ACTIVITIES</b>	<b>(24,983)</b>	<b>(22,587)</b>
Finance income	1,556	2,197
Finance costs	(24,117)	(19,189)
Profit/(losses) on exchange	24,955	(2,030)
<b>NET FINANCE INCOME/(COSTS)</b>	<b>2,394</b>	<b>(19,022)</b>
<b>LOSS BEFORE TAX</b>	<b>(22,589)</b>	<b>(41,609)</b>
Income tax credit	1,760	2,840
<b>LOSS FOR THE PERIOD</b>	<b>(20,829)</b>	<b>(38,769)</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b> <i>Items that are or may be reclassified subsequently to profit or loss</i>		
Effect from translation into presentation currency	(21,191)	(37,982)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>(42,020)</b>	<b>(76,751)</b>
<b>LOSS ATTRIBUTABLE TO</b>		
Owners of the Company	(20,390)	(38,581)
Non-controlling interests	(439)	(188)
	<b>(20,829)</b>	<b>(38,769)</b>
<b>TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:</b>		
Owners of the Company	(42,330)	(74,206)
Non-controlling interests	310	(2,545)
	<b>(42,020)</b>	<b>(76,751)</b>
<b>Loss per share, USD (basic and diluted)</b>	<b>(3)</b>	<b>(6)</b>

**Condensed consolidated statement of cash flows**  
FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2017  
*(in USD thousand, unless otherwise stated)*

**9 months ended**  
**30 September 2017      30 September 2016**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Loss before income tax	(22,589)	(41,609)
Adjustments for:		
Depreciation of property, plant and equipment	11,596	11,782
Change in allowance for irrecoverable amounts	264	20,540
Profit/(loss) on disposal of current assets	(26)	10
Loss/(profit) on disposal of property, plant and equipment	23	(167)
Impairment of current assets	1,178	787
Effect of fair value adjustments on biological assets	5,651	3,948
Gains realised from accounts payable written-off	(15)	(53)
Amortization of deferred income on government grants	(69)	(74)
Discount bonds amortization	1,733	1,002
Discount on VAT government bonds amortization	(850)	(1,116)
Interest income	(706)	(1,081)
Interest payable on loans and bonds	22,333	18,009
(Profit)/losses on exchange	(20,999)	2,030
<b>Operating (loss)/profit before working capital changes</b>	<b>(2,476)</b>	<b>14,008</b>
Decrease/(increase) in trade receivables	22,590	(812)
Decrease in prepayments and other current assets	6,987	586
Decrease/increase in taxes recoverable and prepaid	1,999	(3,024)
Increase in inventories	(1,792)	(7,523)
Decrease in deferred income	(101)	(6)
Increase in trade payables	73	104
(Increase)/decrease in biological assets	(9,250)	5,935
Decrease in finance leases	(3)	(37)
Decrease in other accounts payable	(12,488)	(11,230)
<b>Cash generated from/(used in) operations</b>	<b>5,539</b>	<b>(1,999)</b>
Interest paid	(2,693)	(2,542)
Income tax paid	(31)	(28)
<b>Net cash generated from/(used in) from operating activities</b>	<b>2,815</b>	<b>(4,569)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Payments and receipts - property, plant and equipment	(1,057)	(11,419)
Proceeds from sale of non-current assets	-	505
Interest received	1,696	2,485
<b>Net cash generated from/(used in) investing activities</b>	<b>639</b>	<b>(8,429)</b>

**Condensed consolidated statement of cash flows (cont.)**  
**FOR THE 9 MONTHS ENDED 30 SEPTEMBER 2017**  
*(in USD thousand, unless otherwise stated)*

	<b>9 months ended</b>	
	<b>30 September 2017</b>	<b>30 September 2016</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New loans received	-	50,436
Repayment of loans	-	(51,932)
Interest paid for bonds issued	-	(2,575)
<b>Net cash used in financing activities</b>	<b>-</b>	<b>(4,071)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,454</b>	<b>(17,069)</b>
<b>Cash and cash equivalents at 1 January</b>	<b>12,570</b>	<b>31,307</b>
Effect from translation into presentation currency	1,161	68
<b>Cash and cash equivalents at 30 September</b>	<b>17,185</b>	<b>14,306</b>