



31 March 2015

AUDITED FINANCIAL RESULTS FOR 2014

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 Europe, today announces its full year consolidated audited IFRS financial results for the year ended 31 December 2014.

Financial highlights

- Consolidated revenue amounted to US\$419.6 mln, a decrease of 37% YoY (2013: US\$661.2 mln).
- Export sales revenue amounted to US\$156.7 mln or 37% of the Company’s consolidated revenue (2013: US\$190.7 mln or 29% of the Company’s consolidated revenue).
- Gross profit amounted to US\$121.0 mln, a decline of 55% YoY (2013: US\$266.7 mln).
- Operating profit was at US\$84.1 mln, down by 70% YoY (2013: US\$278.1 mln).
- EBITDA amounted to US\$129.5 mln, a decrease of 57% YoY (2013: US\$303.6 mln), with EBITDA margin of 31% (2013: 46%).
- Net loss amounted to US\$26.9 mln (2013: net profit of US\$238.1 mln).

Operational Highlights

- Production of shell eggs totalled 6.306 bln units, a decline of 10% YoY (2013: 7.019 bln units).
- Sales of shell eggs to external clients amounted to 4.288 bln units, down by 16% YoY (2013: 5.093 bln units).
- Export of shell eggs increased by 14% YoY to 567 mln units (2013: 499 mln units).
- The average sales price of shell eggs was UAH 0.77 per unit, excluding VAT, up by 12% YoY (2013: UAH 0.69 per unit, excluding VAT).
- The production of dry egg products amounted to 21,323 tonnes, a decrease of 7% YoY (2013: 22,915 tonnes).
- Sales of dry egg products totalled 18,592 tonnes, a decline of 7% YoY (2013: 20,052 tonnes).
- The average sales price of dry egg products was US\$ 6.29/kg, down by 18% YoY (2013: US\$ 7.64/kg).
- As at 31 December 2014, the total poultry flock amounted to 23.3 mln hens, a decrease of 28% YoY (31 December 2013: 32.5 mln).
- As at 31 December 2014, the number of laying hens amounted to 18.6 mln, down by 31% YoY (31 December 2013: 27.0 mln).

Significant Developments

In 2014, the Company suspended and impaired the following assets: the poultry farm “Yuzhnaya-Holding”, rearing farm “Yuzhnaya-Holding”, poultry farm and hatchery “Ptytsecomplex” due to the annexation of the Autonomous Republic of Crimea, as well as the poultry farm “Chervonyi Prapor”, rearing farm “Chervonyi Prapor”, poultry farm “Interbusiness” and “Vyhlehirskyi feed mill” due to the military conflict in Eastern Ukraine. The Company also reduced the number of laying hens in the poultry farms close to the conflict zone.

Irina Marchenko, Chief Executive Officer of AVANGARDCO IPL, commented:

«In 2014, Ukraine faced the hardest political and economic challenges in the history of its independence. This had an inevitable impact on the financial performance of the Ukrainian business, and in particular, on AVANGARDCO IPL, which operates its assets throughout Ukraine and is the leader in the egg industry.

As 63% of the Company’s revenue comes from sales of products in Ukraine, the devaluation of the Ukrainian hryvnia against the US dollar negatively impacted the Company’s profitability in dollar terms, and led to significant FX losses.

For the first time since its inception, in 2014 the Company incurred a loss of US\$27 million, while the production of shell eggs and dry egg products declined. This was a result of the suspension of operations at its poultry farms in Crimea and Eastern Ukraine and the impairment of these assets as well as reducing capacity of poultry farms close to the conflict zone. Conversely, the utilisation rate of new, more efficient poultry farms “Avis” and “Chornobaivske” is 92% and 86%, respectively.

Despite the decrease in production volumes, the Company continues to broaden the distribution methods for its products. In 2014, the share of sales of shell eggs to supermarket chains increased, as did export sales, with plans to continue to expand AVANGARDCO IPL’s customer base further across retail and export channels.

In the dry egg products segment the Company changed its inventory management strategy and now produces only pre-contracted volumes. At the same time, the military conflict in the Middle East had a negative impact on export sales in the segment. To reduce its risk in this area, the Company will look to diversify its export channels, targeting increasing sales of dry egg products in Africa, Asia and Oceania. In 2014, we opened new sales routes for dry egg products to the EU and Panama.

AVANGARDCO IPL continues to be the biggest producer of shell eggs and dry egg products in Ukraine and Europe, providing its customers with products of the highest quality. Whilst the conflict in Ukraine continues, the Company’s management is taking all reasonable and necessary measures to maximise operational efficiency and support financial stability.”

Outlook for 2015

The current situation in Ukraine directly and indirectly influences business activities in the country. Based on uncertainty surrounding developments in the military conflict, the Company is preparing for a number of different scenarios of its activities. The Company’s current focus is the preservation of its operational assets, retaining its domestic market share and expanding its presence in foreign markets. The Company remains committed to fulfilling its financial obligations.

In 2015, the Company is not planning to increase its number of laying hens, due to the limitations in the use of its facilities resulting from the military conflict in Eastern Ukraine and the annexation of the Autonomous Republic of Crimea. Accordingly, it is expected that the production of shell eggs and dry egg products will decrease. The average sales price for shell eggs is likely to continue to grow due to the increased cost of sales and inflation. The average sales price for dry egg products is expected to remain flat year-on-year.

The Company’s management team will restart production in Eastern Ukraine and introduce its assets back into the operating cycle as soon as the conflict is resolved.

Conference call:

The management team will host a conference call and webcast for investors and analysts on Tuesday, 31 March, 2015 at 09.00 am US Eastern time, 14.00 pm UK time, 16.00 pm Kiev time and 16.00 pm Moscow time.

NAME: AVANGARDCO FULL YEAR 2014 FINANCIAL RESULTS

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A live webcast of the presentation will be available at:

<https://webconnect.webex.com/webconnect/onstage/g.php?MTID=e6faa4a66e456ffab0583bb83d6a7f36>

Financial results for the year ended 31 December 2014 are available on the Company’s website at:

<http://avangard.co.ua/eng/for-investors/financial-overview/financial-reports/annualreports/>

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

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Financial results overview

| | Units | 4Q2014* | 4Q2013 | Change | 2014 | 2013 | Change |
|----------------------|-----------|-----------------|---------|--------|-----------------|---------|--------|
| Consolidated Revenue | US\$ '000 | 74,474 | 194,660 | (62%) | 419,618 | 661,202 | (37%) |
| Gross Profit | US\$ '000 | 21,608 | 80,068 | (73%) | 120,981 | 266,665 | (55%) |
| Gross Profit Margin | % | 29% | 41% | - | 29% | 40% | - |
| EBITDA | US\$ '000 | 23,622 | 97,878 | (76%) | 129,497 | 303,616 | (57%) |
| EBITDA Margin | % | 32% | 50% | - | 31% | 46% | - |
| Operating Profit | US\$ '000 | 17,584 | 91,136 | (81%) | 84,116 | 278,109 | (70%) |
| Operating Margin | % | 24% | 47% | - | 20% | 42% | - |
| Net Profit | US\$ '000 | (17,812) | 76,115 | - | (26,918) | 238,083 | - |
| Net Profit Margin | % | - | 39% | - | - | 36% | - |

* recalculated at weighted average rate of US dollar to Ukrainian Hryvnia for 4Q2014 at UAH 14.434

4Q2014:

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

| Currency | 31 December 2014 | Weighted average for 4Q2014 | 31 December 2013 | Weighted average for 4Q2013 |
|--------------------------------|------------------|-----------------------------|------------------|-----------------------------|
| US dollar to Ukrainian Hryvnia | 15.7686 | 14.434 | 7.9930 | 7.9930 |

In 4Q2014, the Company's consolidated revenue amounted to US\$74.5 mln (4Q2013: US\$194.7 mln). The 62% year-on-year decrease in the consolidated revenue was primarily due to the sharp Ukrainian Hryvnia devaluation against the US dollar in 4Q2014, the decline in production and sales volumes of shell eggs and dry egg products and the decrease in average sales price of dry egg products. It was further negatively affected by the decline in export volumes.

As a result in 4Q2014, EBITDA was down by 76% year-on-year to US\$23.6 mln (4Q2013: US\$97.9 mln). In 4Q2014, the Company reported a net loss of US\$17.8 mln (4Q2013: net profit of US\$76.1 mln).

2014:

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

| Currency | 31 December 2014 | Weighted average for the year ended 31 December 2014 | 31 December 2013 | Weighted average for the year ended 31 December 2013 |
|--------------------------------|------------------|------------------------------------------------------|------------------|------------------------------------------------------|
| US dollar to Ukrainian Hryvnia | 15.7686 | 11.9095 | 7.9930 | 7.9930 |

In 2014, the Company's consolidated revenue decreased by 37% year-on-year and amounted to US\$419.6 mln (2013: US\$661.2 mln). The decline in the consolidated revenue was primarily due to the 49% devaluation of the Ukrainian Hryvnia against the US dollar, the decrease in production and domestic sales volumes of shell eggs by 10% and 16% respectively, the decline in sales volumes of dry egg products by 7%, as well as the decrease in the average sales price of dry egg products by 18% in dollar terms. However, the decline in the Company's consolidated revenue was partially offset by the increased share of shell egg sales to high margin channels, such as export and retail chains, coupled with the increase in average sales price of shell eggs in the Ukrainian Hryvnia.

The Company's export revenues decreased by 18% year-on-year to US\$156.7mln (2013: US\$190.7 mln) as a result of the decrease in export sales of dry egg products and their sales price. As a result of the devaluation of the Ukrainian Hryvnia against world currencies the share of export revenue in the consolidated revenue increased and amounted to 37% (2013: 29%).

In 2014, the cost of sales in dollar terms fell by 27% year-on-year and amounted to US\$314.0 mln (2013: US\$429.7 mln) as a result of the devaluation of the Ukrainian Hryvnia against the US dollar. The cost of sales in Hryvnia terms increased due to the growth of certain cost components, whose price linked to the world currencies.

As a result, the Company's gross profit was down by 55% year-on-year to US\$ 121.0 mln (2013: US\$266.7 mln). Gross profit margin amounted to 29% (2013: 40%).

In 2014, EBITDA was down by 57% year-on-year to US\$129.5 mln (2013: US\$303.6 mln). This was due to decreased revenue together with declining profit from the revaluation of biological assets, and from the special VAT regime, as well as a write-off of current assets. EBITDA margin was 31% (2013: 46%).

Operating profit fell by 70% year-on-year to US\$84.1 mln (2013: US\$278.1 mln). This was due to an impairment of closed assets of US\$23.6 mln in 3Q2014, a loss of US\$18.7 mln resulting from the writing-off of accounts receivables and inventories of these enterprises, as well as the writing-off of provisions for bad debts and decreased profit from special VAT regime.

In 2014, the Company reported a net loss of US\$26.9 mln (2013: net profit of US\$238.1 mln) which included the impairment off assets as well as FX losses in the amount of US\$71.3 mln.

Cash flow

As at 31 December 2014, net cash flow from operating activities amounted to US\$41.2 mln (31 December 2013: US\$187.4 mln) due to the increase in prepayments, taxes recoverable and prepaid and inventories at the end of the period.

Net cash used in investing activities amounted to US\$76.9 mln (31 December 2013: US\$184.7 mln).

Net cash received from financing activities was US\$13.4 mln, compared to US\$49.5 mln used in financing activities as at December 31, 2013 due to the draw down on the existing credit facilities from the European banks to purchase equipment and components.

As at 31 December 2014, the Company's cash and cash equivalents decreased and amounted to US\$117.9 mln (31 December 2013: US\$156.8 mln) as the cash outflow from investing activities exceeded the cash inflow from operating activities.

Debt Structure

As at 31 December 2014, the Company's total debt amounted to US\$343.8 mln (31 December 2013: US\$322.8 mln). Net debt amounted to US\$225.9 mln (31 December 2013: US\$166.0 mln), with net debt/ LTM EBITDA ratio equalling 1.74.

The Company's Eurobond issue with a maturity on 29 October 2015 amounted to 58% of the Company's total debt. The Company's total debt/LTM EBITDA ratio equals 2.65 and is in line with its Eurobond covenants.

Segment review

Shell Eggs Segment

| | Units | As at 31.12.2014 | As at 31.12.2013 | Change |
|---------------------|-------------|------------------|------------------|--------|
| Total Poultry Flock | Heads (mln) | 23.3 | 32.5 | (28%) |
| Laying Hens | Heads (mln) | 18.6 | 27.0 | (31%) |

As at 31 December 2014, the total poultry flock was down by 28% year-on-year to 23.3 million heads (2013: 32.5 million heads) and the number of laying hens decreased by 31% year-on-year to 18.6 million heads (2013: 27 million heads). The decrease in the number of poultry flock was largely due to the closure of poultry farms in the Donetsk and Luhansk regions, and in the Autonomous Republic of Crimea, which had a total capacity of around 3.7 million laying hens. The Company's remaining poultry farms in the areas close to and in the conflict zone are working at the minimum level of production capacity. As a result, as at 31 December 2014, the Company's total available laying hens' capacity amounted to 21.7 million.

| | Units | 4Q2014 | 4Q2013 | Change | 2014 | 2013 | Change |
|------------------------------|-----------------|--------------|--------|--------|--------------|-------|--------|
| Total Production | Pieces (mln) | 1,192 | 1,901 | (37%) | 6,306 | 7,019 | (10%) |
| Total Sales to Third Parties | Pieces (mln) | 789 | 1,351 | (42%) | 4,288 | 5,093 | (16%) |
| Export | Pieces (mln) | 105 | 150 | (30%) | 567 | 499 | 14% |
| Average Sales Price | UAH (excl. VAT) | 0.99 | 0.77 | 29% | 0.77 | 0.69 | 12% |

In 4Q2014, the production volume of shell eggs decreased by 37% year-on-year to 1,192 million units (4Q2013: 1,901 million units). In 2014, it declined by 10% year-on-year to 6,306 million units (2013: 7,019 million units) due to the reduction in the number of laying hens.

As a result, in 4Q2014, sales of shell eggs to external customers decreased by 42% year-on-year to 789 million units (4Q2013: 1,351 million units). In 2014, sales to external customers decreased by 16% year-on-year to 4,288 million units (2013: 5,093 million units).

In 2014, The Company continued to develop its retail and export sales channels. As a result, the share of shell eggs sales to supermarket chains and for export increased to 35% (2013: 33%) and 13% (2013: 10%) of the Company's total sales to third parties, while sales through a lower margin wholesale channel declined to 51% (2013: 57%).

In 4Q2014, exports of shell eggs decreased by 30% year-on-year to 105 million units (4Q2013: 150 million units) due to the decrease in production volumes as well as increased exports of other Ukrainian producers of shell eggs. In 2014, exports of shell eggs increased by 14% year-on-year to 567 million units (2013: 499 million units) which is in line with the Company's strategy to increase the share of sales of shell eggs through a high margin export channel. In 2014, the main export markets for shell eggs were the Middle East and North Africa, Central and West Africa and the CIS.

In 4Q2014, the average sales price of shell eggs increased by 29% year-on-year to 0.99 UAH per unit, excluding VAT (4Q2013: 0.77 UAH per unit, excluding VAT) due to the seasonal increase in prices and inflation. For the full year 2014, the average sales price of shell eggs increased by 12% year-on-year to 0.77 UAH per unit, excluding VAT (2013: 0.69 UAH per unit, excluding VAT) reflecting the increase in the volume of shell egg sales through high margin sales channels and inflation.

In 2014, the shell egg segment's revenue decreased by 37% year-on-year and amounted to US\$275.6 mln (2013: US\$436.8 mln) as a result of the devaluation of the Ukrainian Hryvnia against the US dollar since approximately 79% of the segment revenue comes from the sales in Ukraine.

The segment's net profit decreased by 69% year-on-year and amounted to US\$68.6 mln (2013: US\$218.9 mln) due to the increased cost of sales, as prices of 67% of its components are linked to the world currencies.

Dry Egg Products Segment

| | Units | 4Q2014 | 4Q2013 | Change | 2014 | 2013 | Change |
|-----------------------------|---------|--------------|--------|--------|---------------|--------|--------|
| Dry egg products production | Tonnes | 3,584 | 7,458 | (52%) | 21,323 | 22,915 | (7%) |
| Sales volume | Tonnes | 2,711 | 6,402 | (58%) | 18,592 | 20,052 | (7%) |
| Average Sales Price | US\$/Kg | 6.41 | 7.68 | (17%) | 6.29 | 7.64 | (18%) |

In 4Q2014, the production of dry egg products declined by 52% year-on-year to 3,584 tonnes (4Q2013: 7,458 tonnes). In 2014, the production of dry egg products decreased by 7% year-on-year to 21,323 tonnes (2013: 22,915 tonnes).

As a result, in 4Q2014, sales of dry egg products declined by 58% year-on-year to 2,711 tonnes (4Q2013: 6,402 tonnes). In 2014, sales of dry egg products decreased by 7% year-on-year and amounted to 18,592 tonnes (2013: 20,052 tonnes).

In 2014, the export of dry egg products decreased by 9% year-on-year to 15,453 tonnes (2013: 16,956 tonnes). This was due to the decline in sales to Jordan in 2H2014, following the ongoing military conflict in the Middle East which led to a decrease in manufacturing of value-added food products in the region.

In 4Q2014, the average sales price of dry egg products decreased by 17% year-on-year to US\$6.41/kg (2013: US\$7.68/kg) due to changes in the sales mix of dry egg products. In 2014, the average sales price of dry egg products decreased by 18% year-on-year to US\$6.29/kg (2013: US\$7.64/kg). This was due to the Company's strategy to increase sales volumes and change in the sales mix of dry egg products by growing the share of sales from cheaper products (whole egg powder and egg yolk powder).

The main importers of the Company's dry egg products were the Middle East, North Africa, Asia and Oceania. In 2014, the Company made a number of important steps aimed at the diversification of its export channels. On 30 September 2014, the Imperovo Foods Egg Processing Plant received an EU certificate for the export of its egg products and made the first shipment to the EU. In 2014, AVANGARDCO IPL made its first shipment of dry egg products to Panama.

In 2014, as a result of the decrease in sales and average sales price of dry egg products, revenues in the dry egg products segment decreased by 24% year-on-year to US\$117.0 mln (2013: US\$153.1 mln).

The segment's net profit decreased by 83% year-on-year and amounted to US\$9.6 mln (2013: US\$57.2 mln) due to decreased sales, lower average sales price and the increased cost of sales of shell eggs.

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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 31 December 2014, the Company holds a 49% share of the industrial shell eggs market and a 91% share of the dry eggs products market in Ukraine. The Company's laying hens flock is one of the largest globally.

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 farms for laying hens, 3 second order breeder farms, 10 farms for rearing young laying hens, 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 35 countries, with its primary export markets in 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 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 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.

Consolidated statement of financial position

AS AT 31 DECEMBER 2014

(in USD thousand, unless otherwise stated)

| | 31 December 2014 | 31 December 2013 |
|-----------------------------------------------------|-------------------------|-------------------------|
| ASSETS | | |
| Property, plant and equipment | 579,922 | 1,103,630 |
| Non-current biological assets | 21,637 | 76,678 |
| Deferred tax assets | 2,489 | 3,059 |
| Held to maturity investments | 17,959 | - |
| Other non-current assets | 28 | 373 |
| Total non-current assets | 622,035 | 1,183,740 |
| Inventories | 115,896 | 193,382 |
| Current biological assets | 28,228 | 60,648 |
| Trade accounts receivable, net | 79,221 | 88,972 |
| Prepaid income tax | 48 | 85 |
| Prepayments and other current assets, net | 29,094 | 30,845 |
| Taxes recoverable and prepaid | 45,949 | 104,439 |
| Cash and cash equivalents | 117,856 | 156,804 |
| Total current assets | 416,292 | 635,175 |
| TOTAL ASSETS | 1,038,327 | 1,818,915 |
| EQUITY | | |
| Share capital | 836 | 836 |
| Share premium | 201,164 | 201,164 |
| Reserve capital | 115,858 | 115,858 |
| Retained earnings | 1,077,158 | 1,132,803 |
| Effect of translation into presentation currency | (776,404) | (68,194) |
| Equity attributable to owners of the Company | 618,612 | 1,382,467 |
| Non-controlling interests | 27,276 | 64,631 |
| Total equity | 645,888 | 1,447,098 |
| LIABILITIES | | |
| Long-term loans | 79,844 | 61,495 |
| Long-term bond liabilities | - | 197,131 |
| Deferred tax liabilities | 26 | 44 |
| Deferred income | 2,245 | 4,743 |
| Long-term finance lease | 63 | 1 |
| Total non-current liabilities | 82,178 | 263,414 |
| Short-term bond liabilities | 198,635 | - |
| Current portion of non-current liabilities | 15,368 | 14,504 |
| Short-term loans | 50,000 | 50,000 |
| Trade payables | 6,907 | 15,084 |
| Other accounts payable | 39,351 | 28,815 |
| Total current liabilities | 310,261 | 108,403 |
| TOTAL LIABILITIES | 392,439 | 371,817 |
| TOTAL EQUITY AND LIABILITIES | 1,038,327 | 1,818,915 |

Consolidated statement of profit and loss and other comprehensive income

FOR THE YEAR ENDED 31 DECEMBER 2014

(in USD thousand, unless otherwise stated)

| | Year ended | |
|-----------------------------------------------------------------------------|------------------|------------------|
| | 31 December 2014 | 31 December 2013 |
| Revenue | 419,618 | 661,202 |
| Profit from revaluation of biological assets at fair value | 15,364 | 35,158 |
| Cost of sales | (314,001) | (429,695) |
| GROSS PROFIT | 120,981 | 266,665 |
| General administrative expenses | (10,772) | (16,746) |
| Distribution expenses | (20,532) | (25,630) |
| Income from government grants and incentives | 218 | 299 |
| Impairment of non current assets | (23,589) | (20) |
| Income from special VAT treatment | 36,490 | 55,198 |
| Other operating expenses | (18,680) | (1,657) |
| PROFIT FROM OPERATING ACTIVITIES | 84,116 | 278,109 |
| Finance income | 3,176 | 124 |
| Finance costs | (44,101) | (38,887) |
| Losses on exchange | (71,284) | (2,359) |
| (LOSS)/PROFIT BEFORE TAX | (28,093) | 236,987 |
| Income tax credit | 1,175 | 1,096 |
| (LOSS)/PROFIT FOR THE YEAR | (26,918) | 238,083 |
| OTHER COMPREHENSIVE INCOME: | | |
| <i>Items that are or may be reclassified subsequently to profit or loss</i> | | |
| Effect from translation into presentation currency | (746,465) | (60) |
| Effect from changes in ownership | 1,715 | 41,880 |
| TOTAL COMPREHENSIVE INCOME | (771,668) | 279,903 |
| (LOSS)/PROFIT FOR THE YEAR ATTRIBUTABLE TO: | | |
| Owners of the Company | (26,103) | 236,032 |
| Non-controlling interests | (815) | 2,051 |
| | (26,918) | 238,083 |
| TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: | | |
| Owners of the Company | (734,313) | 233,387 |
| Non-controlling interests | (37,355) | 46,516 |
| | (771,668) | 279,903 |
| (Loss)/earnings per share, USD (basic and diluted) | (4) | 37 |

Consolidated statement of cash flows
 FOR THE YEAR ENDED 31 DECEMBER 2014
(in USD thousand, unless otherwise stated)

| | Year ended | |
|-------------------------------------------------------------|-------------------------|-------------------------|
| | 31 December 2014 | 31 December 2013 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| (Loss)/profit before income tax | (28,093) | 236,987 |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 21,792 | 25,487 |
| Change in allowance for irrecoverable amounts | 12,921 | 683 |
| Other provisions | (357) | 131 |
| (Profit)/loss on disposal of current assets | (44) | 377 |
| Loss on disposal of property, plant and equipment | 2,168 | 365 |
| Impairment of current assets | 9,140 | 1,123 |
| Effect of fair value adjustments on biological assets | (15,364) | (35,158) |
| Gains realised from accounts payable written-off | (3,888) | (296) |
| Amortization of deferred income on government grants | (218) | (299) |
| Discount bonds amortization | 1,504 | 1,352 |
| Discount on VAT government bonds on initial recognition | 12,679 | - |
| Discount on VAT government bonds amortization | (1,459) | - |
| Impairment of non current assets | 23,589 | - |
| Interest income | (3,176) | (124) |
| Interest payable on loans | 28,051 | 28,770 |
| Losses on exchange | 36,822 | - |
| Operating profit before working capital changes | 96,067 | 259,398 |
| Increase in trade receivables | (36,919) | (33,272) |
| Decrease/(increase) in prepayments and other current assets | (16,816) | (9,785) |
| Increase in taxes recoverable and prepaid | (13,074) | (1,872) |
| Increase in inventories | (32,159) | (16,030) |
| Increase/(decrease) in deferred income | 7 | (5) |
| Decrease in other non-current assets | 214 | 18 |
| Increase/(decrease) in trade payables | 2,909 | (9,055) |
| Decrease in biological assets | 40,920 | 479 |
| Decrease in finance leases | (744) | (2,552) |
| Increase in other accounts payable | 9,822 | 7,342 |
| Cash generated from operations | 50,227 | 194,666 |
| Interest paid | (8,983) | (7,136) |
| Income tax paid | (73) | (92) |
| Net cash generated from operating activities | 41,171 | 187,438 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Payments and receipts - property, plant and equipment | (77,030) | (184,808) |
| Interest received | 159 | 124 |
| Net cash used in investing activities | (76,871) | (184,684) |

Consolidated statement of cash flows (cont.)
 FOR THE YEAR ENDED 31 DECEMBER 2014
(in USD thousand, unless otherwise stated)

| | Year ended | |
|---------------------------------------------------------------|------------------|------------------|
| | 31 December 2014 | 31 December 2013 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| New loans received | 96,144 | 85,334 |
| Repayment of loans | (62,760) | (88,516) |
| Interest paid for bonds issued | (20,000) | (22,043) |
| Repayment of short-term bonds | - | (25,023) |
| Blocked deposit | - | 794 |
| Net cash generated from/(used in) financing activities | 13,384 | (49,454) |
| Net decrease in cash | (22,316) | (46,700) |
| Cash and cash equivalents at 1 January | 156,804 | 203,504 |
| Effect from translation into presentation currency | (16,632) | - |
| Cash and cash equivalents at 31 December | 117,856 | 156,804 |