

Business Description -

- Avangard is one of the leading agroindustrial companies in Ukraine, focusing on the production of shell eggs and egg products.
- According to Pro-Consulting, in 1H2010, Avangard had an estimated domestic market share of the industrially produced shell eggs market of approximately **40%** and an estimated domestic market share of the dry egg products market of approximately **78%**.
- Avangard's production facilities are located in **14** of the 24 regions of Ukraine and also in the Autonomous Republic of Crimea.
- Avangard exports its shell eggs and egg products to **16** countries mainly in the Middle East and Asia.

Financial Summary

US\$ mln	1H2010	2009	2008	2007
Revenue	166	320	302	128
Gross Profit	55	107	82	20
EBITDA	64	152	114	39
Net Income	62	134	77	30
EPS, \$	12	25	40	1,512
CAPEX	12	32	328	54



Photo of the grow-out farms for laying hens at Avis, October 2010

Key Ratios & Profitability

	1H2010	2009	2008	2007
Ratios				
P/S	2.11	-	-	-
P/E	5.04	-	-	-
EV/EBITDA*	6.4	-	-	-
Net debt/EBITDA*	0.4x (excl. IPO proc.)	0.7x	1.9x	6.7x
Debt/Equity	0.4	0.7	4.3	4.5
EBIT/Total interest*	4.9	3.1	2.0	1.5
Profitability				
Gross margin, %	33	33	27	15
EBITDA margin, %	38	48	38	30

*Last 12 months EBITDA, EBIT and Total interest are used to calculate ratios for 1H2010

Operational Summary

	9M2010	1H2010	2009	2008
Shell eggs production, m	2,968	1,910	3,634	2,422
Shell eggs avrg selling price, UAH/egg (excl. VAT)	0.48	0.52	0.56	0.48
Total flock, m birds	20.7	18.7	16.1	14.0
Laying hens, m birds	14.8	14.0	14.0	12.2

Our Leading Brand



Avangard currently has 5 registered trademarks for its shell eggs and egg products, but intends to continue to focus its marketing efforts on enhancing the value of its trademarks. Management believes that its trademarks are perceived as representing high quality and reliability thereby helping to support Avangard's pricing strategy. In the Autumn of 2010, Avangard has launched a new trademark for its shell eggs - "Kvochka".

Sales Trough Leading Supermarkets

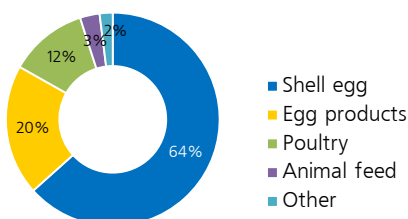
Sales through leading supermarkets in Ukraine:



In the first half of 2010, sales to supermarkets and other retailers increased to 7% (as compared to 2% at YE2009).

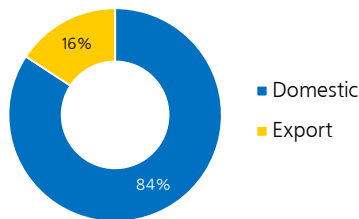
Key Diagrams

Sales breakdown by segment, 1H2010



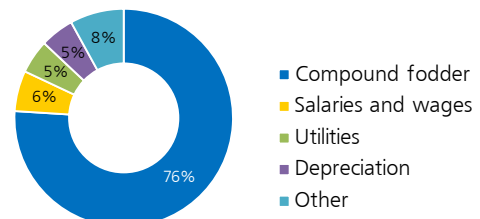
Source: Company data

Egg sales breakdown by destination, 1H2010



Source: Company data

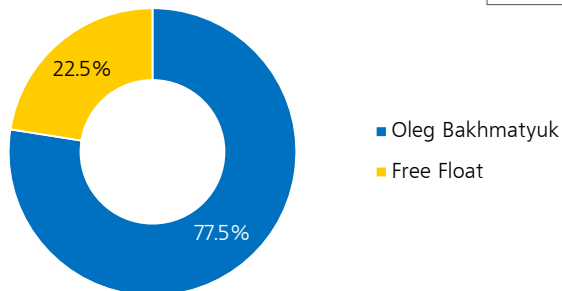
COGS breakdown by major item, 1H2010



Source: Company data

Shareholder Structure -

Share Capital Structure

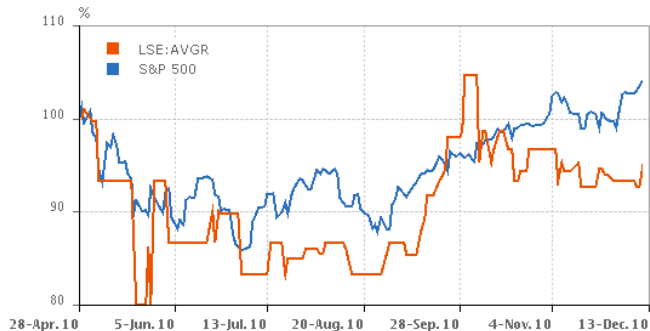


Source: Company data as of December 2010

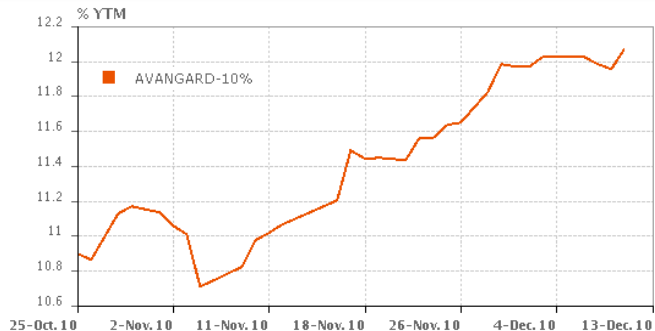
Securities Information

GDR\ADR's	Bonds
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 m
Offer Price	\$15.0 per GDR
Format	Reg S
Amount, \$ mln	200
Maturity	29 October 2015
Coupon	10%, payable semi-annually in arrears on 29 Apr and Oct commencing on 29 Apr 2011
Listing	LSE
Issue Rating	B (Fitch Ratings)

GDR's Performance -



Bond's Performance -



Board of Directors -



Oleg Bakhmatyuk
Non-Executive Chairman
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Served as the director of "Prykarpatska Finansova Kompaniya" LLC in 2004, as the president of "Stanislavska Torgova Kompaniya" LLC in 2005, as the Deputy Chairman of the Management Board of "NAK Naftogaz" of Ukraine from 2005 until 2006. Mr. Bakhmatyuk is a controlling shareholder of the Company and the Chairman of the Company. Mr. Bakhmatyuk owns other companies in the food, transport, real estate and financial sectors. Avangard remains his largest business holding.



Iryna Marchenko
Chief Financial Officer
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From 2005 until 2007, Ms. Marchenko served as the chief accountant of "Manufactura" LLC. Ms. Marchenko has served as the director of LLC "Agroholding Avangard" since 2007.



Nataliya Vasylyuk
Chief Executive Officer
[Read more](#)

Served as the director of sales and marketing in "Prykarpatska Finansova Kompaniya" LLC in 2004. She served as the chief financial officer of "STC Investments" LLC from 2004 until 2007. Ms. Vasylyuk served as the chief executive officer of Avangard from 2007.



Iryna Melnyk
Deputy Chief Financial Officer
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Iryna has been working for Avangard since 2010. Prior to Avangard, Iryna served as CFO of "Ukrmiasso" Ltd., a company processing agricultural produce.

IR & PR-Contacts

Victoria Korolchuk

Head of Investor Relations

Mob: +38 067 214 84 23

E-mail: v.korolchuk@avangard.co.uk

Lidia Slivotska

Head of Public Relations

Mob: +38 067 447 97 42

E-mail: lidia.slivotska@avangard.co.uk