

## Business Description -

### #1 shell eggs / dry egg products producer in Ukraine\*

- 57% share in the industrial production of shell eggs in 2013
- 91% share in the production of dry egg products in 2013
- 90% share in export of eggs and dry egg products from Ukraine in 2013

### Distribution and Sales

- The Company exports shell eggs as well as sells them to domestic wholesalers and retailers with an **increasing share of export and retail chains**
- The Company exports its products to **33 countries**
- Exports constituted **30%** of the Company's total sales in volume terms as of YE2013
- Shell eggs are exported primarily to the **Middle East, Asia, Africa and the CIS**
- The Company's "Kvochka" – branded products are sold across Ukraine

## Financial Summary

\$'000	2013	2012
Revenue	661,202	629,306
Gross profit	266,665	258,537
EBITDA	301,237	279,768
Operating profit	275,750	264,484
EPS, \$	37	35

## Operational Summary

	2013	2012
Total flock, mln birds	32.5	27.5
Laying hens, mln birds	27.0	22.8
Shell eggs production, mln pcs	7.0	6.3
Shell eggs avrg. selling price, UAH/egg (excl. VAT)	0.69	0.70
Eggs processed, mln pcs	1.9	1.1
Egg products avrg. selling price, \$/kg		

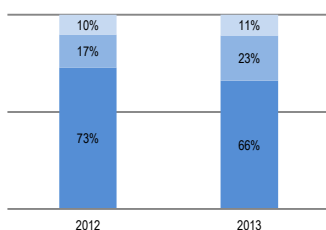
## Our Leading Brand

- The Company sells non-branded and branded shell eggs through the main retail chains in Ukraine
- Packaged shell eggs under the "Kvochka" umbrella brand are represented in the most popular consumer price segments
- In 2013 the Company sold 42.9 mln pieces of packaged eggs under the umbrella brand "Kvochka", which was 19% higher compared to the 2012.

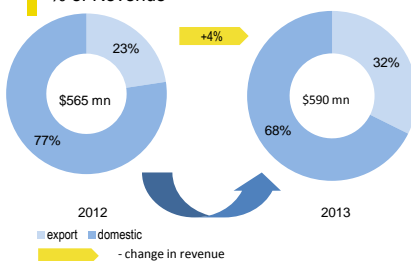


## Key Diagrams

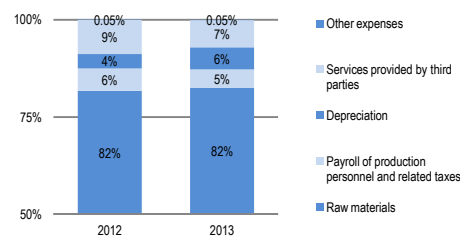
Sales Revenue Structures, %



Sales Structure of Eggs and Egg product, % of Revenue



Cost of Finished Goods Sold Structure



## Investments projects

### Two greenfield projects - poultry complexes "Avis" and "Chornobaivske" are completed.

The projects increased the total capacity to **30.1 mn laying hens** (+59% from 18.9 mn laying hens in 2010) and total egg output capacity to **8.6 bn pcs** (+65% from 5.2 bn pcs in 2010).

#### Avis egg production complex

- New "Avis" poultry complex with capacity of **5.2 mn laying hens** and **1.6 bn shell eggs** is launched

Avis. Rearing site (total capacity of 2.635 mn hens)



Avis. Industrial site (total capacity of 5.202 mn hens)



#### Chornobaivske egg production complex

- New "Chornobaivske" poultry complex with capacity of **6.0 mn laying hens** and **1.9 bn shell eggs** is launched

Chornobaivske. Rearing site (total capacity of 2.410 mn hens)



Chornobaivske. Industrial site (total capacity of 5.977 mn hens)



#### Imperovo Foods" egg processing plant

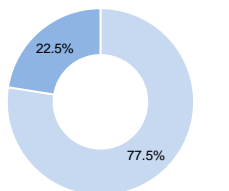
- The processing capacity has been increased to **6 mn eggs per day**; "Imperovo Foods" has operated at full capacity since May 2013
- Currently the processing capacity is being gradually increased to process **10 mn eggs per day**.

## Key Ratios & Profitability

Ratios	2013	2012	2011
	as at 31.12.2013	as at 31.12.2012	as at 31.12.2011
P/S	1.1	1.3	0.8
P/E	3.2	3.8	2.2
EV/EBITDA	3.2	3.3	2.1
total debt/LTM EBITDA	1.1	1.3	1.3
<b>Profitability</b>			
Gross margin, %	35%	35%	33%
EBITDA margin, %	44%	44%	42%

## Shareholder Structure -

### Share Capital Structure



■ Ukrlandfarming PLC ■ Free Float



- In September 2011, with the goal to restructure and rationalize his ownership in agricultural assets Mr. Bakhmatyuk made a decision to transfer his 77.5% shareholding in Avangardco IPL to Ukrlandfarming PLC.

## Securities Information

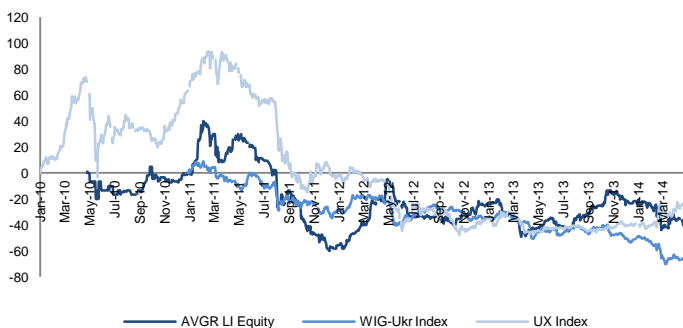
### GDR/ADR's

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	USD 208 m
Offer Price	\$15.0 per GDR

### Bonds

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 -



**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 worked as a financial director in LLC Stanislavska Trade Company. Nataliya Vasylyuk joined the Company in 2007. In 2010 she became CEO of AVANGARDCO IPL. Natalia Vasylyuk became Chairwoman of the Board in 2013.



**Oleg Bakhmatyuk**  
Board Member  
[Read more](#)

Oleg Bakhmatyuk graduated from the Economy and Law Institute in Chernovitsi, Ivano-Frankivsk region, with a Business Management degree. He obtained a second degree in 2005 at the Ivano-Frankivsk National Technical University of Oil and Gas (engineering, physics and management). He founded the Company in 2003. Oleg Bakhmatyuk owns several other companies involved in the food industry, transport, real estate and finance. In addition, Mr. Bakhmatyuk has held various management positions: he was a director of LLC Prykarpattya Financial Company in 2004, a president of LLC Stanislavska Trade Company in 2005 and a deputy chairman of Naftogaz of Ukraine from 2005 to 2006.



**Oleg Pohotsky**  
Board Member,  
Independent director,  
[Read more](#)

Mr. Pohotsky received his MBA from Harvard Business School and a doctorate degree in law from the University of Miami. He also obtained a Bachelor of Sciences in Chemical Engineering from the University of Clarkson. Oleg Pohotsky is the partner-founder of Right Bank Partners and is on the board of directors of two closed investment funds listed on the NYSE. He is also a member of the Consultation Council at Kaufman & Co, a Boston based boutique investment banking firm, and senior advisor at Governance Metrics International. Oleg Pohotsky became an independent director of the Board in March 2011.



**Iryna Marchenko**  
Board Member,  
CEO  
[Read more](#)

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 Chief Executive Officer of the Company in 2013.

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