



12 February 2014

AVANGARDCO INVESTMENTS PUBLIC LIMITED

2013 FULL YEAR TRADING UPDATE

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 Eurasia, announces its full year trading update for the period ended 31 December 2013.

Total Flock

	Units	As at 31.12.2013	As at 31.12.2012	Change, %
Total Poultry Flock	Heads (mln)	32.5	27.5	18%
Laying Hens	Heads (mln)	27.0	22.8	18%

As at 31 December 2013, the total poultry flock was up by 18% year-on-year to 32.5 million heads (2012: 27.5 million heads) and the population of laying hens increased by 18% year-on-year to 27.0 million heads (2012: 22.8 million heads). In 2013, the increase in poultry flock followed the launch of new capacities and the placement of poultry flock at poultry complexes “Avis” and “Chornobaivske”. The growth rate of the poultry flock was in line with the operational plans of the Company.

At year end 2013, 38% of the total poultry flock and 34% of the total population of laying hens were housed in new poultry complexes “Avis” and “Chornobaivske”.

Shell Egg Segment

	Units	2013	2012	Change, %
Total Production	Pieces (mln)	7,019	6,287	12%
Total Sales to Third Parties	Pieces (mln)	5,093	5,223	-2%
Export	Pieces (mln)	499	516	-3%
Average Sales Price	UAH (excl. VAT)	0.69	0.70	-1%

Production: In 2013, the production volume of shell eggs increased by 12% year-on-year to 7,019 million units (2012: 6,287 million units) due to the increase in the population of laying hens.

Sales: In 2013, sales to external customers decreased by 2% year-on-year to 5,093 million units (2012: 5,223 million units). The decrease in sales to third parties was due to the increase in intergroup sales of shell eggs for further processing into dry egg products and was in line with the Company’s strategy.

In 2013, the share of shell egg sales through modern retail chains (supermarkets) was 33% of total sales to third parties (2012: 35%). As at year end 2013, the Company sells its products to the majority of national and regional retailers across Ukraine. The Company’s products are also widely sold through traditional retail outlets.

During 2013, the Company increased the sales of packaged eggs under the umbrella brand "Kvochka" to 42.9 million units (2012: 36.2 million units) due to the greater presence of branded products in retail chains and traditional retail outlets in Ukraine, as well as a growing recognition of TM "Kvochka" among Ukrainian customers.

Export: In 2013, exports of shell eggs decreased by 3% year-on-year to 499 million units (2012: 516 million units) in line with the Company's strategy to increase the volumes of shell eggs used for further processing into dry egg products. In 2013, the main shell eggs export markets were the countries of the Middle East and North Africa, Central and West Africa, the CIS countries. The Company is one of the main exporters of shell eggs to these regions.

Average Sales Price: In 2013, the average selling price of shell eggs decreased by 1% year-on-year to 0.69 UAH per unit, excluding VAT (2012: 0.70 UAH per unit, excluding VAT).

Dry Egg Products Segment

Production: During 2013 the volume of processed shell eggs increased by 73% year-on-year to 1,864 million eggs (2012: 1,078 million eggs) due to the increased processing capacities at "Imperovo Foods" processing plant.

Export: In 2013, the Company continued to develop exports of shell eggs and dry egg products which amounted to 1.9 billion eggs in egg equivalent (2012: 1.1 billion eggs in egg equivalent), or around 30% of the Company's total sales.

During the year the Company exported its dry egg products to the markets of the Middle East, North Africa and Asia.

Average Price: In 2013, average sales price for dry egg products decreased by 6% year-on-year to US\$7.64 per kg (2012: US\$8.11 per kg) due to a significant increase in export sales volumes to new and existing customers.

Investment Projects

By the end of 2013 the Company, according to its stated plans, has completed in full the construction of two poultry complexes for egg production "Avis" and "Chornobaivske" in Khmelnytsky and Kherson regions. At the moment, the commissioning works are taking place at both complexes ahead of the launch.

In 2013, the Company has finished the first stage of capacity expansion at its egg processing plant "Imperovo Foods" increasing the processing capacity from 3 million to 6 million eggs per day. The implementation of the second stage of capacity expansion to increase the processing capacity up to 10 million eggs per day is underway.

Corporate Events

- On 5 February 2013, the Company announced changes in the composition of its Board of Directors and Management Board. Nataliya Vasylyuk was elected as Chairwoman of the Board of Directors of AVANGARDCO IPL. Iryna Marchenko was appointed the CEO of the Company and Iryna Melnik was appointed as the CFO.
- On 12 September 2013, at the AGM the Company has adopted its dividend policy. The dividend payout ratio for dividend payments in 2014 on the basis of 2013 financial results was set at 25%.
- On 2 December 2013, Oleksiy Yergiyev has joined the Company as Head of Investments.

- Ends -

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Information for editors

AVANGARDCO IPL is one of the largest agro-industrial companies in Ukraine, specializing in the production of shell eggs and dry egg products. As at December 31, 2013 the Company holds a 57% share of the industrial egg market and a 91% share of the dry egg products market in Ukraine. The Company has the largest population of laying hens in Ukraine with 27.0 mln heads.

Production cycle of AVANGARDCO IPL is vertically integrated. The Company's facilities are located in 14 regions of Ukraine and the Autonomous Republic of Crimea. The Company has nineteen farms for laying hens; three second order breeder farms; ten farms for rearing young laying hens; six feed mills; three long-term storage facilities and the egg processing plant "Imperovo Foods", which is one of the most technologically-advanced facilities for processing eggs in Europe.

The Company is in the process of significant capacity expansion at its two poultry complexes for egg production "Avis" and "Chornobaivske", which is expected to increase the number of laying hens to 30.1 mln heads with the growth in production of shell eggs to 8.6 bln pieces annually.

The Company exports its products to 33 countries, with its primary export markets in the Middle East, Africa, Asia and the CIS.

As of September 30, 2013, the Company's revenues amounted to US\$ 466.5 mln (9M 2012: US\$ 445.8 mln) and EBITDA was US\$ 205 mln (9M 2012: US\$ 194 mln).

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 \$200 million 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 November 1, 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.