



8 August, 2014

**AVANGARDCO INVESTMENTS PUBLIC LIMITED  
TRADING UPDATE FOR THE FIRST HALF OF 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 Eurasia, today announces its trading update for the first six months of 2014 ended June 30, 2014.

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

*“Despite the current situation in Ukraine, the Company managed to achieve good production results during the reporting period. The Company increased shell egg production by 9% to 3.7 billion pieces and processed one-third of this production into dry egg products increasing dry egg products output by 58% to 14,000 tons. Exports of shell eggs and dry egg products in egg equivalent rose by 56% to 1.2 billion pieces.*

*As previously announced, as a consequence of the Crimea annexation and the ongoing military conflict in the Eastern Ukraine, the Company decided to suspend operation of its facilities in the Crimea, and to limit the use of poultry farms in the Donetsk and Lugansk regions and has actively decided not to renew poultry flock in these poultry farms until the situation in the region stabilizes. It is important to emphasize that all the Company’s enterprises in the Donetsk and Lugansk regions, except for the Vyhlehirskiy feed mill, continue to operate in the normal operation mode.*

*The management of “AVANGARDCO IPL” hopes that the situation in the Eastern Ukraine will eventually return to normal and become peaceful again and is making every effort to minimize its negative impact on the Company and its results.”*

Update on the situation at the Vyhlehirskiy feed mill:

As of today, all activity remains suspended. Since the occupation by armed individuals overnight on July 18, 2014, the deliveries of feed to poultry farms in the Donetsk and Lugansk regions have been carried out from the Volnovakha feed mill, which has enough capacity to meet demand. Currently, the Company has no problems with the supplies of feed to the enterprises in the Eastern region. Poultry farms in the Kharkiv region purchase feed from the third parties.

Poultry flock

	Units	As at 30.06.2014	As at 30.06.2013	Change, %
Total Poultry Flock	Heads (mln)	30.7	30.3	1%
Laying Hens	Heads (mln)	22.8	22.8	0%

As at June 30, 2014 the total poultry flock increased by 1% year-on-year and amounted to 30.7 million heads (June 30, 2014: 30.3 million heads). The number of laying hens remained unchanged at 22.8 million heads.

As at June, 30 2014, the laying hens flock at the poultry farms in the Donetsk and Lugansk regions decreased and amounted to 13% of the total Company's laying hens flock (December 31, 2013: 22% of the total Company's laying hens flock) due to the Company's decision not to renew the flock at these sites.

#### Shell Egg Segment

	<b>Units</b>	<b>H1 2014</b>	<b>H1 2013</b>	<b>Change,%</b>
Total Production	<b>Pieces (bln)</b>	3.680	3.378	9%
Total Sales to Third Parties	<b>Pieces (bln)</b>	2.402	2.503	(4)%
Export	<b>Pieces (mln)</b>	308	241	28%
Average Sales Price	<b>UAH (excl. VAT)</b>	0.68	0.63	8%

In the first half of 2014, the production volume of shell eggs increased by 9% year-on-year to 3.680 billion pieces (1H 2013: 3.378 billion pieces).

As a result of the increase in the share of shell egg processing, sales to external customers were down by 4% year-on-year to 2.402 billion pieces (1H 2013: 2.503 billion pieces). The Company continues to strengthen its presence in existing sales channels increasing the share of exports and sales to supermarkets.

In the first half of 2014, the share of shell egg sales through supermarkets reached 37% of total sales to third parties (1H 2013: 35%).

In the first half of 2014, exports of shell eggs increased by 28% year-on-year to 308 million pieces (1H 2013: 241 million pieces). During the reporting period, shell eggs were mainly exported to the Middle East and North Africa, Central and West Africa, and the CIS countries.

In the first half of 2014 the Company increased by four times its sales of packaged eggs under the umbrella brand "Kvochka" to 97.3 million pieces (1H 2013: 25.3 million pieces).

In the first half of 2014, the average sales price increased by 8% year-on-year to 0.68 UAH per unit, excluding VAT (1H 2013: 0.63 UAH per unit, excluding VAT) as a result of increased share of shell eggs sales through supermarket chains and export.

#### Dry Egg Products Segment

	<b>Units</b>	<b>H1 2014</b>	<b>H1 2013</b>	<b>Change,%</b>
Dry egg products production	Tonnes	14,012	8,893	58%
Average Sales Price	<b>US\$/Kg (excl. VAT)</b>	6.88	7.65	(10%)

In the first half of 2014, the volume of processed shell eggs increased by 67% year-on-year to 1.203 billion pieces (1H 2013: 721 million pieces) due to increased processing capacities at "Imperovo Foods" plant and corresponds to the Company's strategy. As a result the production of dry egg products increased by 58% year-on-year and amounted to 14,012 tonnes (1H 2013: 8,893 tonnes).

In the first half of 2014, the Company's export of dry egg products amounted to 865 million eggs in egg equivalent (1H 2013: 509 million eggs in egg equivalent). During the reporting period, the Company exported its dry egg products to the markets of the Middle East, North Africa and Asia.

In the first half of 2014, the average sales price of dry egg products decreased by 10% year-on-year to US\$ 6.88/kg (1H 2013: US\$ 7.65/kg) which is associated with the Company's strategy to expand its customer base and increase sales volumes.

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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 of 30 June, 2014 the Company holds a 55% share of the industrial shell egg market and a 92% share of the dry egg products market in Ukraine. As of 30 June 2014, the Company has the largest population of laying hens in Ukraine with 22.8 million 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 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 "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 33 countries, with its primary export markets in the Middle East, Africa, Asia and the CIS.

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.