

Business Description -

- **#1 shell eggs and egg products producer in Ukraine and Eurasia**
- **55% share in the industrial production of shell eggs and 90% share in the production of dry egg products in 1H2013**
- **Production facilities are located in 14 of 24 regions of Ukraine and also in the Autonomous Republic of Crimea**
- **High level of vertical integration across all key stages of egg production**
- **Shell eggs are sold for export as well as to domestic wholesale and retail customers with increasing share of export and retail chains**
- **Export to 33 countries. Key sales export destinations are Middle East, Asia, Africa and the CIS**
- **Shell eggs are sold to 27 national and regional retail chains across Ukraine. "Kvochka" is presented in about 2400 outlets**

Financial Summary

\$'000	1H2013	1H2012	1H2011
Revenue	304,288	283,562	223,940
Gross profit	118,605	113,938	84,263
EBITDA	134,654	122,127	91,194
Net Income	105,561	97,600	67,036
EPS, \$	16	15	10

Operational Summary

	1H2013	1H2012	1H2011
Total flock, mln birds	30.3	25.9	24.4
Laying hens, mln birds	22.8	20.6	18.8
Shell eggs production, mln pcs	3,378	3,106	2,875
Shell eggs avgr. selling price, UAH/egg (excl. VAT)	0.63	0.67	0.53
Eggs processed, mln pcs	721	541	534
Egg products avgr. selling price, \$/kg	7.65	7.54	6.91

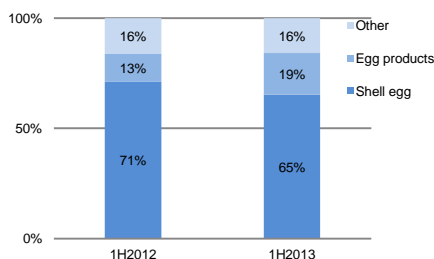
Our Leading Brand

- **Non-branded and branded shell eggs are sold in the main retail chains in Ukraine**
- **"Kvochka" demonstrates positive dynamics in the leading Ukrainian supermarket chains. As as 1H2013 "Kvochka" was sold in about 2400 outlets**
- **In 1H2013 the Company sold 25.3 mln pieces packaged eggs under the umbrella brand "Kvochka", which was 23.4% higher compared to the 1H2012**

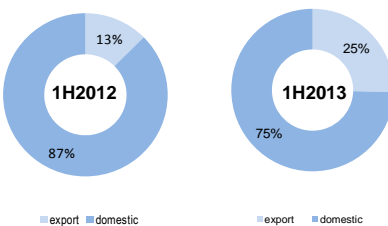


Key Diagrams

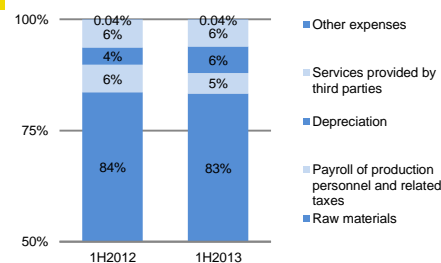
Sales Revenue Structures, %



Sales Structure of Eggs and Egg product, % of Revenue



Cost of Finished Goods Sold Structure



Investments projects

Avis



Chornobaivske



Imperovo Foods



Avis egg production complex of 5.2 mln laying hens and 1,616 mln shell eggs once fully operational:

- Rearing site with total capacity of **2.635 mln** hens is capable of operating
- 2nd stage of industrial site is in progress. Current total capacity of **4.705 mln** hens is capable of operating
- Fodder mill complex is at stage of the final works for installation of equipment and the start-up works, that will be completed by the end of the year
- Biogas unit is on schedule

Chornobaivske egg production complex of 6.0 mln laying hens and 1,865 mln shell eggs once fully operational:

- Rearing site with total capacity of **2.410 mln** hens is capable of operating
- 2nd stage of industrial site is in progress. Current total capacity of **3.011 mln** hens is capable of operating
- Fodder mill complex is in progress
- Biogas unit is on schedule

Imperovo Foods egg processing plant:

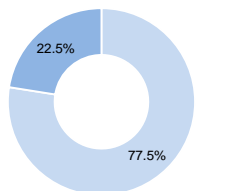
- The processing capacity has been increased to **6 mln eggs per day** and since May 2013 "Imperovo Foods" operates at full capacity
- Currently the processing capacity is being gradually modernized to process **10 mln eggs per day**

Key Ratios & Profitability

Ratios	1H2013 as at 28.06.2013	1H2012 as at 29.06.2012	1H2011 as at 30.06.2011
P/S	0.9	1.1	1.9
P/E	2.5	3.3	5.6
EV/EBITDA	2.6	3.0	5.4
Net debt/EBITDA	1.16	-0.04	1.30
Profitability			
Gross margin, %	39	40	38
EBITDA margin, %	44	43	41

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
[Read more](#)

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 Pohotsky
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.



Oleg Bakhmatyuk
Director
[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.



Iryna Marchenko
Director
[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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