

[DOWNLOAD KEY FACTS ABOUT AVANGARDCO IPL](#)**LETTER FROM CEO**

Dear Shareholders,

AVANGARDCO has had a challenging first half of 2017 with results marginally below our expectations. This is largely due to continued fluctuations in the domestic egg market resulting in the reduction of the price of shell eggs against growing costs and weakened consumer demand. The market was also affected by the trade ban during the avian influenza outbreak, which has significantly limited access to some external markets for domestic producers. Most countries have now removed these restrictions on imports, but it will take some time for the market to fully recover.

In response to the difficult market conditions, AVANGARDCO has adjusted its shell egg and dry egg product outputs to keep pace with lower demand and managed to prevent a further cost increase. Nonetheless our revenues in the reporting period have been impacted by the reduced price of sales as we had to sell shell eggs at below-cost prices.

Revenues have been further impacted by a decline in shell egg exports in Q1 2017 caused by the trade ban and a decline in dry egg product exports to Denmark. We are now in negotiations with our partners to resume supplies on mutually beneficial terms.

We continue to attract new customers and have expanded our geographic sales outreach, which partially mitigated the impact of trade bans on the Company's operations. This coupled with the expected seasonal increase in shell egg demand and an upward pricing trend in H2 2017, as well as overall post-crisis recovery in consumer spending in Ukraine, mean we enter the second half of the year with cautious confidence.

Sincerely,
Nataliya Vasylyuk
CEO, Board member

OUTLOOK FOR 2017

Taking into account seasonal growth in demand and sales price for shell eggs typical for the second half of the year, AVANGARDCO expects the below in H2 2017:

- The laying flock will remain flat, with a slight increase in shell egg output driven by increased productivity of laying hens;
- A moderate increase in sales, dependent on the gradual recovery of consumer demand in Ukraine and further export diversification;
- Moderate growth in sales of dry egg products, including inventory sales formed in 2016, subject to the recovery in exports to the Far East and EU;
- Continued increase in sales across our distribution channels with a focus on higher margin supermarkets and additional export opportunities in existing and new markets.

CONTACTS

Investor Relations
Valeriya Nikitina

Public Relations
Lidia Slivotska

Mob: +38 067 223 46 88

Mob.: +38 067 447 97 42

E-mail: v.nikitina@avangardco.ua

E-mail: l.slivotska@avangardco.ua

KEY ACHIEVEMENTS

Retaining industry leadership in a challenging operating environment:

- 24% share in the industrial production of shell eggs in Ukraine;
- 64% share in the production of dry egg products in Ukraine;
- 39% share in export of shell eggs and dry egg products from Ukraine.

Measures to prevent costs inflation proved effective:

- Cost per egg in UAH terms remained flat QoQ and YoY

Diversification of sales channels as export shrinks due to the trade ban:

- Revenue from the export of shell eggs and egg products generated 23% of the consolidated revenue;
- Export to 22 countries in the EU, Asia, the Far East, MENA, Sub-Saharan Africa and the CIS.

Strengthening sales channel mix:

- The share of shell egg sales through supermarkets and for export reached a hefty 62% and 14% from total sales respectively;
- AvangardCo sells shell eggs to the leading retail chains in Ukraine, including Auchan, ATB, Fozzy Group, Novus, Karavan, Velyka Kishenya, Eko Market, Billa, MegaMarket, Brusnichka, Tavria B, Evrotek and Pakko Holding;
- 86% of egg products are sold for exports.

AvangardCo's bio-security safeguards prove strong amid outbreaks of avian influenza in Ukraine.

Source: State Statistics Service of Ukraine, Pro-Consulting, Company data.

PRESS-RELEASES

[31.08.2017] – [FINANCIAL RESULTS FOR THE FIRST HALF OF 2017](#)

[17.07.2017] - [UKRLANDFARMING PLC AND AVANGARDCO INVESTMENTS PUBLIC LIMITED FINANCIAL RESTRUCTURING](#)

[27.06.2017] – [IT SYSTEMS OF UKRLANDFARMING PLC AND AVANGARDCO IPL UNDER A CYBER-ATTACK](#)

[31.05.2017] - [FINANCIAL RESULTS FOR THE FIRST QUARTER OF 2017](#)

[02.05.2017] - [AVANGARDCO INVESTMENTS PUBLIC LIMITED APRIL 2017 INTEREST PAYMENT](#)

[26.04.2017] – [2016 ANNUAL REPORT PUBLICATION](#)

[29.03.2017] - [FINANCIAL RESULTS FOR Q4 AND THE YEAR ENDED 31 DECEMBER 2016](#)

[22.03.2017] – [NOTIFICATION OF 2016 FINANCIAL RESULTS AND CONFERENCE CALL](#)

[21.03.2017] – [UKRLANDFARMING PLC MARCH 2017 INTEREST PAYMENT](#)

[17.03.2017] – [COMMENT ON THE TEMPORARY BAN ON IMPORT OF POULTRY AND POULTRY PRODUCTS FROM UKRAINE DUE TO AVIAN INFLUENZA](#)

[17.01.2017] – [OPEN LETTER TO UKRAINE'S TOP OFFICIALS](#)

Visit our website: [🌐](#)

Sign-up for news and press-releases: [🌐](#)

MACROECONOMIC OVERVIEW

MACROECONOMIC RECOVERY CONTINUED IN H1 2017:

- Real GDP was up 2.4% YoY in Q2 2017;
- Inflation accelerated to 15.6% YoY in June mainly triggered by an increase in food prices;
- Retail trade rose 7.3% YoY in Jan-June, implying that household spending is on the rise;
- FX market was relatively stable, however the Ukrainian Hryvnia depreciated a further 5% YoY** against the US dollar in H1 2017.

Source: State Statistics Service of Ukraine, Company data.

INDUSTRY OVERVIEW

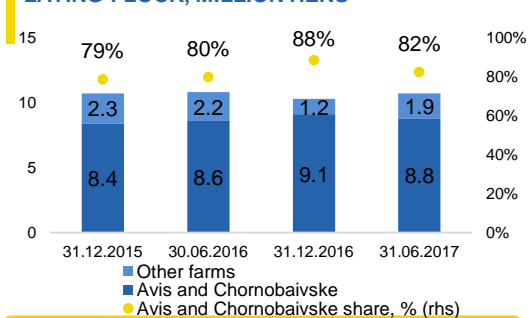
MARKET CONDITIONS IN THE EGG INDUSTRY REMAIN CHALLENGING

- WEAKER SHELL EGG PRICES CONTINUED TO AFFECT PROFITABILITY OF EGG PRODUCERS:**
 - In H1 2017, the price for shell eggs in Ukraine decreased by 22% YoY - to the lowest level in the last 3 years;
 - Higher egg supply than demand in domestic market causes extreme price fluctuations;
 - Both the trade ban on the import of Ukrainian poultry products and oversupply of shell eggs in the market due to lower production of egg products were further depressing prices;
 - Shell egg sales price erosion forced Ukrainian egg producers, including AvangardCo, to sell at a loss.
- In H1 2017, shell egg production in Ukraine grew 0.8% YoY and was mostly attributed to households (+1.6% YoY), rather than the industry (+0.1% YoY):
 - Shell egg production by households is now close to that of the industry;
 - The growing presence of egg-producing households further aggravates the oversupply situation and depresses prices.

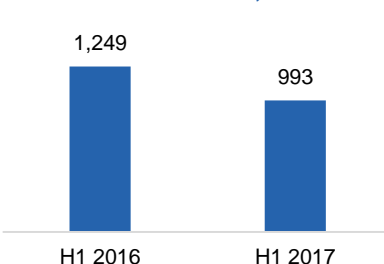
Source: State Statistics Service of Ukraine, Company data.

PRODUCTION: KEY CHARTS

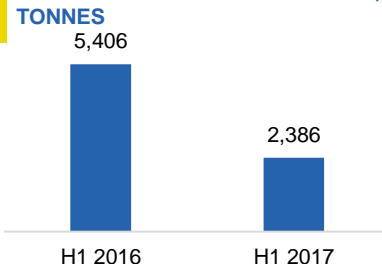
LAYING FLOCK, MILLION HENS



PRODUCTION OF EGGS, MILLION

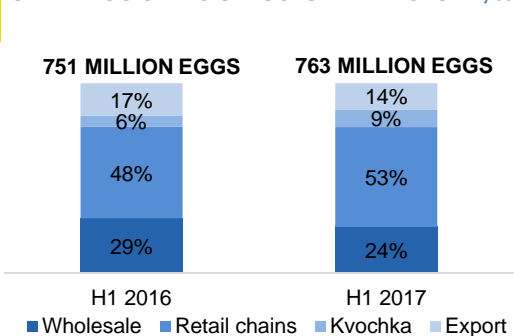


PRODUCTION OF EGG PRODUCTS, TONNES

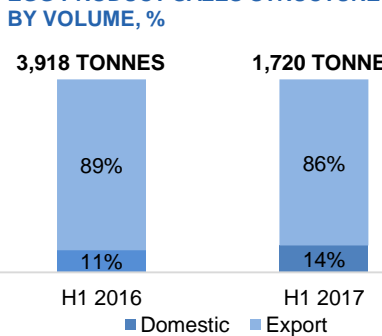


DIVERSIFIED SALES STRUCTURE

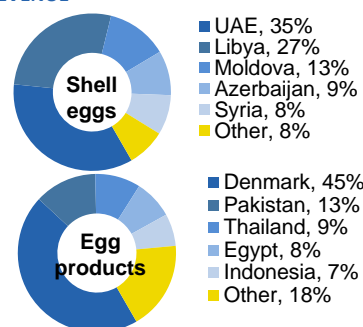
SHELL EGG SALES STRUCTURE BY VOLUME, %



EGG PRODUCT SALES STRUCTURE BY VOLUME, %

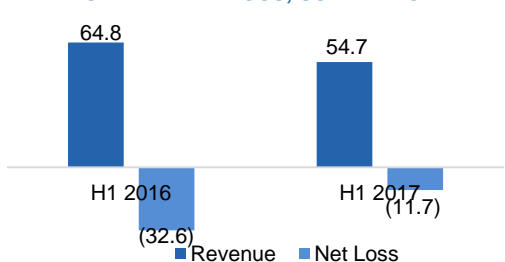


TOP-5 EXPORT MARKETS, % OF EXPORT REVENUE*

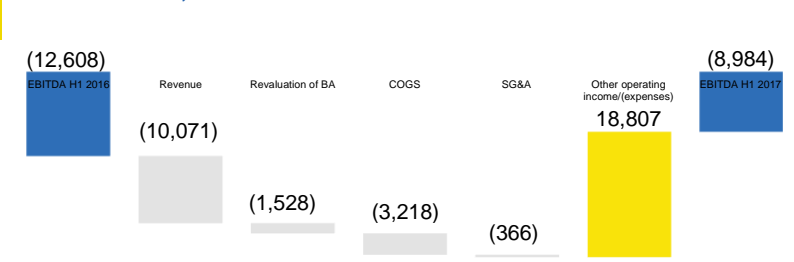


FINANCIAL RESULTS

REVENUE* AND NET LOSS, USD MILLION



EBITDA BRIDGE, USD THOUSAND



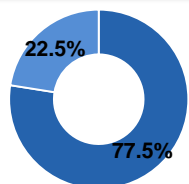
*Egg and egg product export revenue

*H1 2017 financials include operations with grain, purchased from an affiliated party. Detailed information on this is available at: http://avangardco.ua/fileadmin/files/PRESS-CENTRE/Press-releases/2017/AVGR_H1_2017_FS_ENG_final.pdf

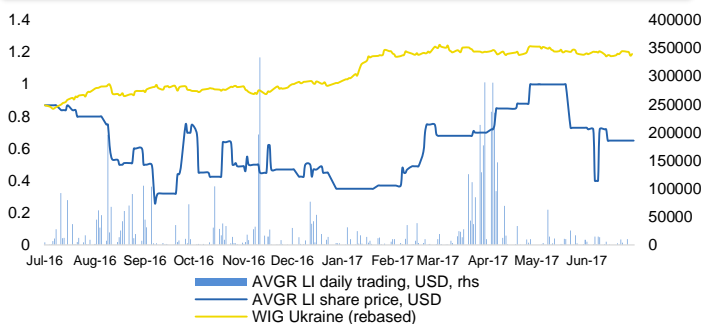
COMPETITIVE ADVANTAGES

- Largest producer of shell eggs and dry egg products in Ukraine and Europe.
- Vertically integrated business model ensures effective cost management and quality control at every stage of production.
- Production facilities across Ukraine enable the Company to meet consumer demand in an efficient and timely manner.
- Competitive prices for clients resulting from economies of scale.
- Modern facilities and equipment allow for high level of automatization resulting in greater efficiency and reduced margins for error.
- Consistent adherence to high standards of biosecurity ensures safety of products.
- AVANGARDCO's Quality Management System and its key production assets are certified to ISO, meaning that all manufacturing processes are clearly regulated, defined and controlled.
- Widespread geographic outreach with sales to the EU, Asia, the Far East, MENA and the CIS.
- Experienced management team and adherence to the best standards of corporate governance guarantee fair partnership and respect for clients.

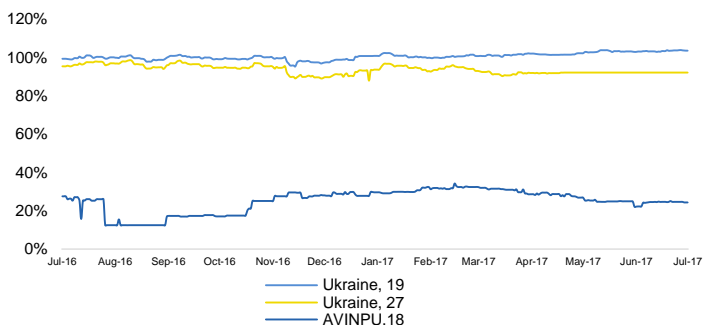
SHAREHOLDER STRUCTURE -



GDR PERFORMANCE -



EUROBOND PRICE -



SECURITIES DESCRIPTION

GDRS

TICKER	AVGR
STOCK EXCHANGE	LSE
DEAL SIZE	1,437,500 new ordinary shares in the form of GDRs
USE OF PROCEEDS	Finalization of capacity expansion programme
PROCEEDS	USD 208 million
OFFER PRICE	USD 15.0 per GDR

BONDS

On 28 October 2015, AvangardCo via Scheme of Arrangement extended maturity of its Eurobonds from 29 October 2015 to 29 October 2018

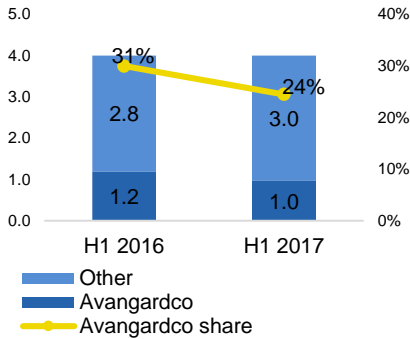
FORMAT	Reg S																					
AMOUNT	USD 200 million																					
MATURITY	29 October 2018																					
COUPON	<ul style="list-style-type: none"> • The 5% coupon payable on 29 October 2015 (representing the semi-annual payment of the existing 10% coupon) was paid as follows: (i) 2% in cash and (ii) 3% as payment in kind ("PIK"); • 10% payable semi-annually in arrears on 29 April and 29 October of each year, commencing 29 April 2016, subject to the following PIK and cash payment provisions: 																					
	<table border="1"> <thead> <tr> <th>Interest payment date</th> <th>PIK interest %</th> <th>Cash interest %</th> </tr> </thead> <tbody> <tr> <td>29.04.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.10.16</td> <td>75</td> <td>25</td> </tr> <tr> <td>29.04.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.10.17</td> <td>50</td> <td>50</td> </tr> <tr> <td>29.04.18</td> <td>25</td> <td>75</td> </tr> <tr> <td>29.10.18</td> <td>0</td> <td>100</td> </tr> </tbody> </table>	Interest payment date	PIK interest %	Cash interest %	29.04.16	75	25	29.10.16	75	25	29.04.17	50	50	29.10.17	50	50	29.04.18	25	75	29.10.18	0	100
Interest payment date	PIK interest %	Cash interest %																				
29.04.16	75	25																				
29.10.16	75	25																				
29.04.17	50	50																				
29.10.17	50	50																				
29.04.18	25	75																				
29.10.18	0	100																				

LISTING LSE

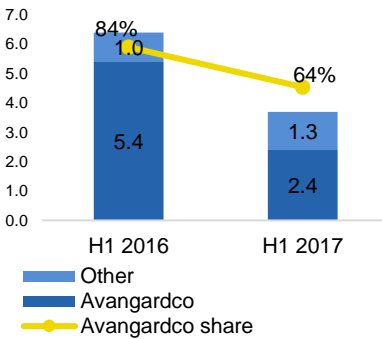
*AVANGARDCO IPL is currently in the process of negotiations regarding the restructuring of its USD 200,000,000 10.0% Notes due in 2018 (ISIN: XS0553088708). Further updates will be made as the restructuring develops at:

INDUSTRY LEADER IN UKRAINE

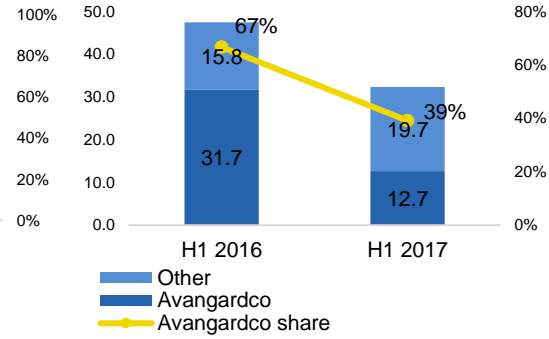
INDUSTRIAL PRODUCTION OF SHELL EGGS, BILLION



INDUSTRIAL PRODUCTION OF DRY EGG PRODUCTS, THOUSAND TONNES

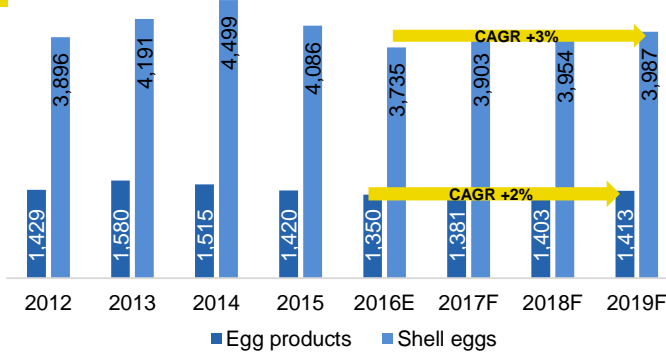


EXPORT OF SHELL EGGS AND DRY EGG PRODUCT FROM UKRAINE, USD MILLION

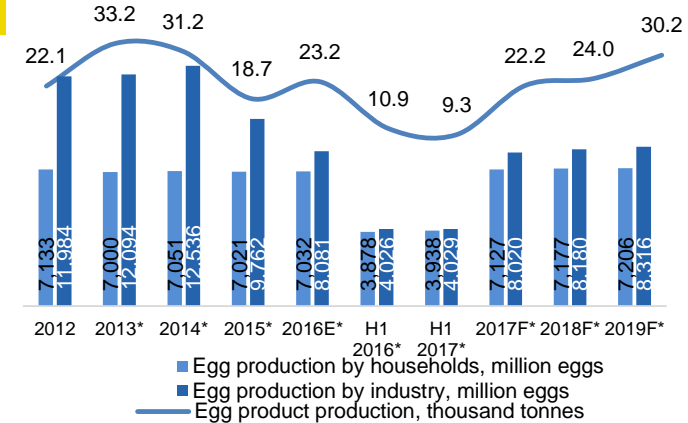


GROWTH POTENTIAL

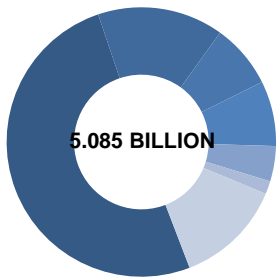
WORLD IMPORT OF EGGS AND EGG PRODUCTS, USD MILLION



PRODUCTION OF EGGS AND EGG PRODUCTS IN UKRAINE

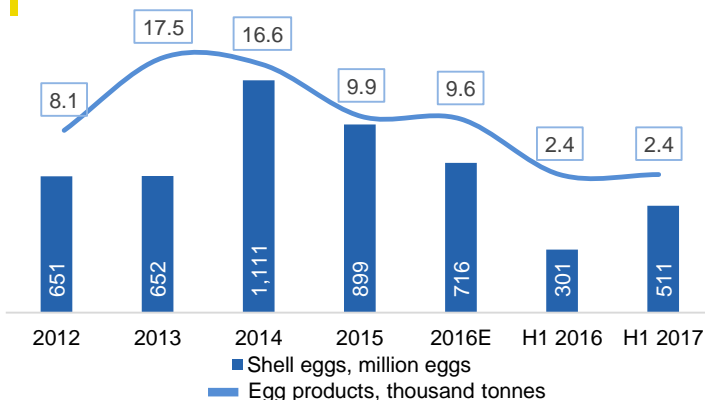


BREAKDOWN OF WORLD IMPORT OF EGGS AND EGG PRODUCTS IN 2016E, USD MILLION



- EU, 51%
- MENA, 15%
- Far East, 8%
- CIS, 8%
- Southeast Asia, 4%
- SSA, 2%
- Other, 12%

EXPORT OF EGGS AND EGG PRODUCTS FROM UKRAINE*



*Excluding the Autonomous Republic of Crimea, the city of Sevastopol and military conflict zone in Eastern Ukraine.
Source: State Statistics Service of Ukraine, International Trade Center, European Commission, Pro-Consulting, Company data.