

Business Description -

- Avangard is one of the leading agroindustrial companies in Ukraine, focusing on the production of shell eggs and egg products.
- According to Pro-Consulting, in 2010, Avangard had an estimated domestic market share of the industrially produced shell eggs market of approximately **43%** and an estimated domestic market share of the dry egg products market of approximately **79%**.
- Avangard's production facilities are located in **14** of the 24 regions of Ukraine and also in the Autonomous Republic of Crimea.
- Avangard exports its shell eggs and egg products to **15** countries mainly in the Middle East and Asia.

Financial Summary

US\$ mln	2010	2009	2008	2007
Revenue	440	320	302	128
Gross Profit	158	107	82	20
EBITDA	194	152	114	39
Net Income	62	134	77	30
EPS, \$	32	25	40	1,512
CAPEX	82	32	328	54



Photo of the grow-out farms for laying hens at Avis, October 2010

Key Ratios & Profitability

	2010	2009	2008	2007
Ratios				
P/S	2.8	-	-	-
P/E	6.9	-	-	-
EV/EBITDA	7.0	-	-	-
Net debt/EBITDA	0.4x (excl. IPO proc.)	0.7x	1.9x	6.7x
Debt/Equity	0.1	0.7	4.3	4.5
EBIT/Total interest	6.0	3.1	2.0	1.5
Profitability				
Gross margin, %	36	33	27	15
EBITDA margin, %	44	48	38	30

Operational Summary

	2010	2009	2008
Shell eggs production, m	4,42	3,634	2,422
Shell eggs av. selling price, UAH/egg (excl. VAT)	0.57	0.56	0.48
Total flock, m birds	24.3	16.1	14.0
Laying hens, m birds	18.7	14.0	12.2

Our Leading Brand



Avangard currently has 5 registered trademarks for its shell eggs and egg products, but intends to continue to focus its marketing efforts on enhancing the value of its trademarks. Management believes that its trademarks are perceived as representing high quality and reliability thereby helping to support Avangard's pricing strategy. In autumn of 2010, Avangard has launched a new trademark for its shell eggs - "Kvochka".

Sales Trough Leading Supermarkets

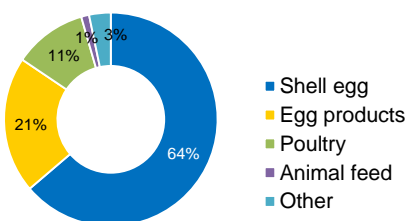
Sales through leading supermarkets in Ukraine:



In 2010, sales to supermarkets and other retailers increased to 16% (as compared to 2% at YE2009).

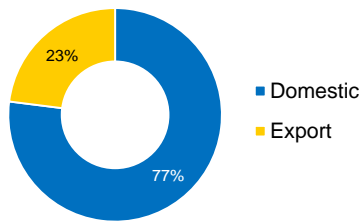
Key Diagrams

Sales breakdown by segment, 2010



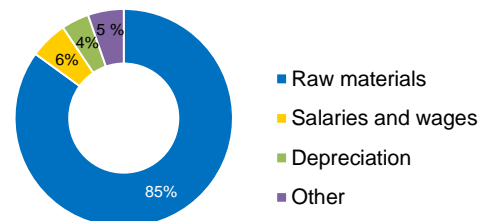
Source: Company data

Egg sales breakdown by destination, 2010



Source: Company data

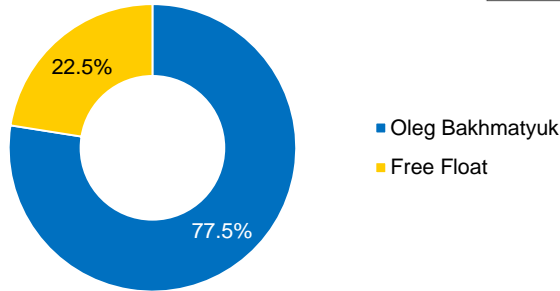
COGS breakdown by major item, 2010



Source: Company data

Shareholder Structure -

Share Capital Structure



Source: Company data as of December 2010

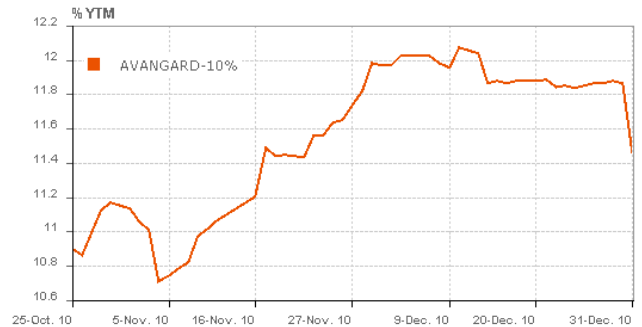
Securities Information

GDRs		Bonds	
Ticker	AVGR	Format	Reg S
Stock Exchange	LSE	Amount, \$ mln	200
Deal Size	1,437,500 new ordinary shares in the form of GDRs	Maturity	29 October 2015
Use of Proceeds	Finalization of new capacity expansion programs	Coupon	10%, payable semi-annually in arrears on 29 Apr and Oct commencing on 29 Apr 2011
Proceeds	USD 208 m	Listing	LSE
Offer Price	\$15.0 per GDR	Issue Rating	B (Fitch Ratings)

GDR's Performance -



Bond's Performance -



Board of Directors -



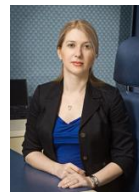
Oleg Bakhmatyuk
Non-Executive Chairman
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Served as the director of "Prykarpatska Finansova Kompaniya" LLC in 2004, as the president of "Stanislavska Torgova Kompaniya" LLC in 2005, as the Deputy Chairman of the Management Board of "NAK Naftogaz" of Ukraine from 2005 until 2006. Mr. Bakhmatyuk is a controlling shareholder of the Company and the Chairman of the Company. Mr. Bakhmatyuk owns other companies in the food, transport, real estate and financial sectors. Avangard remains his largest business holding.



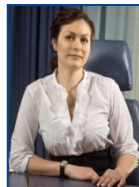
Nataliya Vasyluk
Chief Executive Officer
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Served as the director of sales and marketing in "Prykarpatska Finansova Kompaniya" LLC in 2004. She served as the chief financial officer of "STC Investments" LLC from 2004 until 2007. Ms. Vasyluk served as the chief executive officer of Avangard from 2007.



Iryna Marchenko
Chief Financial Officer
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From 2005 until 2007, Ms. Marchenko served as the chief accountant of "Manufatura" LLC. Ms. Marchenko has served as the director of LLC "Agroholding Avangard" since 2007.



Oksana Prosolenko
Vice-president, Business Development
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Ms. Prosolenko served as the head of marketing and analysis of the Association of the Union of Poultry Breeders of Ukraine from 2005 until 2006. She then served as the chief marketing officer of "Boryspil Agro-Trade" LLC, a company active in the poultry sector. Ms. Prosolenko served as the chief marketing director of LLC "Agroholding Avangard" from 2007 until 2009. Ms. Prosolenko has served as the head of the marketing department of CJSC "Avangard" since 2010.

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