



УКРАЇНА
Закрите акціонерне
товариство

«AVK»

УКРАИНА
Закрытое акционерное
общество

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Press Release

AVK Leads Ukraine's Chocolate Confectionaries Market

Donetsk, Ukraine – February 25, 2003– In 2002 AVK led the Ukrainian confectionery industry in sales of chocolate candies with a remarkable 32% year-on-year increase. Today AVK's 76 varieties of chocolate candies account for 45% of its product mix and sales revenues of \$37.3 million (UAH 199 million).

AVK's production volume of chocolate candies reached 24,000 tons, making it the leader in this competitive segment of the Ukrainian confectionaries market in 2002. AVK's chocolate candy production volumes represent 28% of total domestic industry output, according to a recent press release of the State Foodstuffs Department of Ukraine.

Commenting on the year, AVK's General Director Iryna Starodubova said: "AVK worked diligently to achieve these results in a difficult and competitive marketplace. Our team succeeded in improving distribution, while focusing on improvement of our product mix with new, branded, higher margin products. These efforts have enabled us to increase our revenues well above the average industry growth of 1.2%."

AVK increased its overall market share based on volume produced to 13.3% in 2002, according to the State Foodstuffs Department of Ukraine, ensuring its number two position in the industry. At the same time, the company's total sales revenues climbed 10% as compared to 2001 and constituted over \$84.7 million (UAH 451.6 million).

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AVK is a portfolio company of Western NIS Enterprise Fund (WNISEF), the region's leading private equity fund that invests in small- and medium-sized private enterprises in Ukraine and Moldova. WNISEF has contributed to AVK's success by providing the company with over \$8 million in capital to grow and post investment value-added activities such as introduction of western corporate governance principles, implementation of a world-class management information system, marketing support, as well as numerous management trainings and seminars. Since inception, WNISEF has invested approximately \$77 million in 24 companies in Ukraine and Moldova.

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