

Market Update

Equity

Locally-traded Ukrainian stocks ended a rough week with a pronounced slide on Friday (Mar 22), underperforming the main European indices, which suffered only a limited impact from the ongoing Cyprus banking crisis. Turnover was light, as a massive late-season blizzard descended on Kyiv during the day, suppressing trading activity. The UX index moved down by 1.8% to close at 934 points. Alchevsk Steel (ALMK) led the decline with a 3.8% loss to 4.77 kopecks, and CentrEnergO (CEEN) slumped 3.3% after having outperformed in the previous session on its FY12 dividend announcement. Raiffeisen Aval (BAVL) retreated back toward the 10-kopeck level with a 1.9% fall, and volume leader Motor Sich (MSICH) slipped 1.2% on UAH 5.1mn in deals. In second-tier names, beaten-down automotive name Bogdan Motors (LUAZ) saw some action, moving up 5.8% to 4.92 kopecks. In London, an awful 5-day run for Ferrexpo (FXPO LN) and Avangard (AVGR LI) finished with the issues posting respective drops of 1.0% and 3.2%, leaving both with double-digit losses for the week, and Regal Petroleum (RPT LN) shed 4.7% to GBp 25.50.

Fixed Income

Ukrainian sovereign Eurobonds were down on Friday. Ukraine-21s declined by 1.2p.p. to 106.6/107.3 (6.8%/6.7%) and Ukraine-17s slid by 1.0p.p. finishing at 100.5/101.0 (6.6%/6.5%). Corporate names were also mostly down. Metallurgical bonds Metinvest-15s and Ferrexpo-16s edged down by 0.1p.p. to 105.9/106.8 (7.2%/6.8%) and 100.3/101.3 (7.8%/7.3%), respectively. Avangard-15s dropped by 0.2p.p. to 99.9/101.8 (10.1%/9.2%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	2397.00	-1.2%	5.1	214
CentrenergO	CEEN	5.606	-3.3%	3.6	305
Raiffeisen Bank Aval	BAVL	0.103	-1.9%	2.4	303

Growth Leaders

Pokrovske Mine	SHCHZ	0.60	49.8%	0.00	21
DniproenergO	DNEN	234.00	20.6%	0.07	36
Stakhanov Wagon	SVGZ	1.58	1.9%	0.00	14

Loss Leaders

Pivnichny GOK	SGOK	8.22	-6.2%	0.10	28
Alchevsk Steel	ALMK	0.05	-3.8%	1.54	296
CentrenergO	CEEN	5.61	-3.3%	3.58	305

Highlights

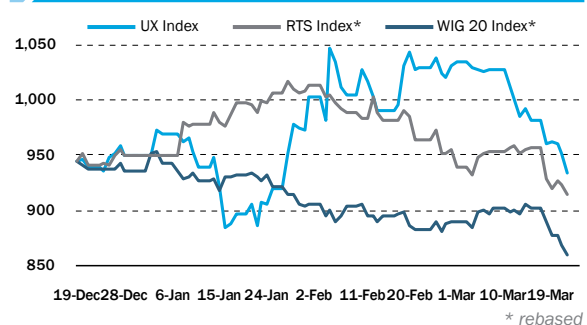
STOCKS IN THE NEWS

- > ZakhidEnergO Reports Net Profit of UAH 22mn for FY12

FIXED INCOME

- > MHP Places 7-year USD 750mn Bonds at 8.25%

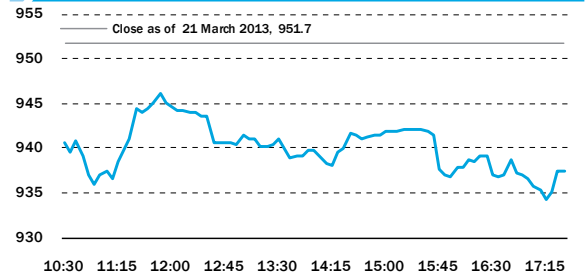
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	934.1	-1.9%	-9.4%	-1.7%
RTS	1470.9	-1.0%	-7.6%	-3.7%
WIG20	2370.0	-1.1%	-4.3%	-8.2%
MSCI EM	1015.5	-0.7%	-4.6%	-3.8%
S&P 500	1556.9	0.7%	1.7%	11.0%

UX INTRADAY MARCH 22, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	300.2	0.7%	9.9%	10.8%
CDS 5Y UKR	571.7	1.3%	-2.4%	-8.5%
Ukraine-13	5.08%	0.0 p.p.	0.6 p.p.	-0.2 p.p.
Naftogaz Ukr-14	6.73%	0.0 p.p.	-0.3 p.p.	-0.9 p.p.
Ukraine-20	6.55%	0.0 p.p.	-0.4 p.p.	-0.7 p.p.
Privatbank-16	12.88%	-0.3 p.p.	-1.8 p.p.	-2.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	2.1%	0.1%	1.1%
EUR	10.57	0.7%	-2.8%	-1.1%
RUB	0.26	0.4%	-2.3%	-0.4%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	320.0	0.0%	0.0%	0.0%
Steel, USD/t	577.5	0.0%	-3.3%	8.5%
Oil, USD/bbl	93.7	1.4%	-3.9%	2.1%
Gold, USD/oz	1608.6	-0.4%	0.2%	-2.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

ZakhidEnergo Reports Net Profit of UAH 22mn for FY12

by Dmitry Churin
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ZAKHIDENERGO (ZAEN UK)

Price: UAH 89.1 Market Cap: USD 140mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	1.3	0.2	51.3	5.8	0.0%
2013E	1.1	0.2	16.3	4.9	0%

NEWS

DTEK-controlled electricity generation company ZakhidEnergo reported a net profit (IFRS standards) of UAH 22mn (USD 2.7mn) for FY12 on Friday (Mar 22). According to preliminary data, ZakhidEnergo’s fixed assets increased by 31.4% YoY to UAH 2.6bn (USD 330mn) over 2012 while its total assets grew by 78% YoY to UAH 5.8bn (USD 729mn). The company has not yet released its full P&L statement.

COMMENTARY

Western Ukraine-based ZakhidEnergo, which was taken over by Rinat Akhmetov’s DTEK in 2011 after a privatization auction, had a grim 4Q12, with net losses for the period amounting to UAH 215mn, nearly nullifying a net profit of UAH 237mn earned in the first 9 months of the year. In our opinion, ZakhidEnergo suffered from the national electricity tariff decrease more than its peers did, as the company’s power units were less efficient in terms of fuel consumption than the industry’s average rate. Nevertheless, ZakhidEnergo is undergoing a large-scale modernization funded by DTEK aimed at better exploiting the company’s monopoly right to export electricity to neighboring EU countries Poland, Hungary, and Slovakia. We assume that this modernization is being reflected in the sharp reported rise in ZakhidEnergo’s fixed assets. Since privatization, turnover in the ZAEN stock has largely dried up, but a small remaining free float still provides for some occasional trading action.

**MHP Places 7-year USD 750mn
Bonds at 8.25%**

by Ivan Dzvinka
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NEWS

MHP, Ukraine's largest poultry meat producer, has placed a USD 750mn dollar-denominated bond issue with maturity in March 2020, Bloomberg News reported on Friday (Mar 22). The bond's coupon, which was set at 8.25%, will be paid semiannually. The new bond issue envisages a Net debt to EBITDA covenant of 3.0x, compared to 2.5x for MHP's previous bond issue maturing in 2015.

COMMENTARY

The new MHP placement amount is the largest in Ukrainian corporate history, along with a 7-year USD 750mn placement in early 2011 by metallurgical group Metinvest. The new bond allows the company to significantly prolong its debt maturity. If MHP, according to its previously announced intention, buys back USD 350mn of its outstanding USD 585mn 2015 bonds using the proceeds from the new issue, the company will have to repay only USD 235mn in 2015 before the USD 750mn maturing in 2020. This repayment distribution should free up sufficient funding to finance the construction of the second phase of MHP's Vinnytsia expansion project, as well as to sustain the company's annual dividend payout policy, which was announced earlier this month.

Taking into account the additional USD 400mn of debt (USD 750mn minus the USD 350mn buyback), we estimate MHP's Net debt/EBITDA ratio at 2.8-2.9x, or only slightly below the stated covenant of 3.0x. The company says it targets holding this ratio within a range of 2.0-2.5x.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-9%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.10	0.19	98%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
Iron Ore						
Ferrexpo	FXPO LN	2.60	U/R	n/a	U/R	Under Review
Pivnichny GOK	SGOK	1.01	1.77	75%	BUY	Pivnichny GOK's dividend payout was 99% for FY11 with a DPS of USD 0.33, implying a dividend yield of 22%. The company has a dividend payout policy of nearly 100%, which we expect to remain in place going forward.
Centralny GOK	CGOK	0.86	1.30	50%	BUY	CGOK is a strong dividend play. A DPS of USD 0.27 was approved in April 2012, implying a dividend yield of 26%.
Coke						
Avdyivka Coke	AVDK	0.38	0.76	103%	BUY	AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.
Yasnyivsky Coke	YASK	0.08	0.42	453%	BUY	Yasnyivsky Coke benefits from steady demand for its output both in Ukraine & abroad thanks to the high quality of its coke relative to other domestic producers.
Coal						
Pokrovske Mine	SHCHZ	0.07	0.36	389%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.66	6.18	133%	BUY	Having achieving its post-1991 production maximum in 2011, Krukiv Wagon's revenue should rise at a 7% CAGR in 2012-2016E, with the EBITDA and net margins for the period near 15% and 11%, respectively.
LuganskTeplovoz	LTPL	0.23	0.64	175%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
Specialized Machinery						
Motor Sich	MSICH	295	644	119%	BUY	Motor Sich should see its sales grow with a 2012-2016E CAGR of 9%, reaching USD 1.2bn. For 2012-2016, we forecast an average EBITDA margin of 35% and a net margin of 28%.
Turboatom	TATM	0.44	1.09	148%	BUY	We model Turboatom's revenue as increasing at 18% CAGR over 2012-2015. Deliveries of hydro and steam turbines to export markets will remain the company's key revenue drivers.
Oil & Gas						
Concern Galnaftogaz	GLNG	0.018	0.030	63%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.40	1.52	280%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.2	6.0	410%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnerg	DOEN	2.54	8.90	251%	BUY	DonbasEnerg recently launched Ukraine's most efficient power generation unit.
CenterEnerg	CEEN	0.69	1.84	167%	BUY	CenterEnerg's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	17.4	24.0	38%	BUY	MHP plans to launch production at Phase 1 of its new Vinnitsya poultry complex in early 2013. This will expand its poultry production capacity by some 60,000 tonnes p.a. in 2013, up from the current 384,000 tonnes.
Astarta	AST	17.76	30.0	69%	BUY	Rising global prices for agriculture products should offset the company's weaker than expected harvest this year. Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming.
Avangardco	AVGR	8.33	28.3	240%	BUY	Avangard operates with a gross margin of 36% vs. the industry average of 22% and expects to raise its output by 56% by 2015, to 6.8bn eggs. Exports to the EU and the Middle East will be sales growth drivers.

Source: Eavex Research

PRICES AND QUOTES

Name	Ticker	Today, UAH*	52 high, UAH*	52 low, UAH*	Absolute performance				Performance relative to the UX index			
					1d	1w	1m	ytd	1d	1w	1m	ytd
UX Index	UX	934.10	1452.55	747.84	-1.9%	-4.9%	-9.4%	-1.7%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.048	0.10	0.04	-3.8%	-4.6%	-9.7%	-10.7%	-2.0%	0.3%	-0.2%	-8.9%
Azovstal	AZST	0.61	1.33	0.54	-1.8%	-4.4%	-13.2%	-17.5%	0.1%	0.5%	-3.8%	-15.7%
Dniprospezstal	DNSS	970	1,700	970	0.0%	-3.0%	-3.0%	-2.9%	1.9%	1.9%	6.4%	-1.2%
Enakievo Steel	ENMZ	34.7	85.0	27.7	0.1%	-1.1%	-5.1%	-8.6%	2.0%	3.8%	4.4%	-6.8%
Arcelor Mittal KR	KSTL	3.98	n/a	n/a	0.0%	0.0%	n/a	n/a	1.9%	4.9%	n/a	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	-10.0%	-10.0%	-18.2%	-18.2%	-8.1%	-5.1%	-8.7%	-16.5%
Coke												
Avdivka Coke	AVDK	3.06	5.44	1.90	-0.5%	-3.6%	-9.8%	-6.5%	1.4%	1.3%	-0.3%	-4.8%
Yasnyivsky Coking	YASK	0.62	1.31	0.56	0.0%	-3.1%	-12.7%	-7.5%	1.9%	1.8%	-3.2%	-5.7%
Iron Ore Mining												
Centralny GOK	CGOK	7.04	8.35	4.00	0.0%	-0.1%	11.4%	2.0%	1.9%	4.7%	20.8%	3.8%
Ferrexpo	FXPO	2.60	4.89	2.35	-0.7%	-16.5%	-41.3%	-35.4%	1.1%	-11.6%	-31.9%	-33.7%
Pivnichny GOK	SGOK	8.22	12.75	6.00	-6.2%	-6.6%	1.2%	10.5%	-4.3%	-1.7%	10.7%	12.2%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	1.40	0.40	50.0%	3.4%	-10.4%	-4.8%	51.9%	8.3%	-1.0%	-3.0%
Komsomolets Donbasa	SHKD	1.08	2.00	0.80	-1.8%	-6.1%	-11.5%	-8.5%	0.0%	-1.2%	-2.0%	-6.7%
Energy Coal	CLE	2.43	8.69	2.43	-2.0%	-21.1%	-35.7%	-21.5%	-0.2%	-16.2%	-26.3%	-19.8%
Mining Machinery												
Svitlo Shakhtara	HMBZ	n/a	0.58	0.003	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.78	1.34	0.60	6.8%	5.4%	-8.2%	11.4%	8.7%	10.3%	1.2%	13.2%
Interpipe NMPP	NVTR	0.23	0.60	0.12	4.5%	15.0%	64.3%	4.5%	6.4%	19.9%	73.7%	6.3%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	21.6	23.5	14.2	0.3%	-4.7%	-7.8%	11.5%	2.2%	0.2%	1.6%	13.2%
Luhanskeplovoz	LTPL	1.89	2.45	1.28	2.2%	-2.6%	-2.1%	1.1%	4.0%	2.3%	7.4%	2.8%
Stakhanov Wagon	SVGZ	1.58	4.55	1.46	1.9%	2.6%	-14.1%	-8.7%	3.8%	7.5%	-4.7%	-6.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	5.8%	0.0%	-10.5%	9.8%	7.7%	4.9%	-1.1%	11.6%
Motor Sich	MSICH	2,397	2,880	1,750	-1.2%	-5.4%	-3.0%	8.5%	0.6%	-0.5%	6.5%	10.2%
Sumy Frunze Engineering	SMASH	3.70	4.23	0.76	6.0%	42.3%	105.6%	146.7%	7.9%	47.2%	115.0%	148.4%
Turboatom	TATM	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
WESTA ISIC	WES	0.21	1.25	0.13	2.5%	-11.7%	-0.2%	-11.9%	4.3%	-6.8%	9.2%	-10.2%
Telecom												
Ukrtelecom	UTLM	0.14	0.42	0.12	0.0%	-1.2%	-2.5%	-15.6%	1.9%	3.7%	6.9%	-13.9%
Oil & Gas												
Concern Galnaftogas	GLNG	0.12	n/a	n/a	0.0%	0.0%	-7.7%	0.0%	1.9%	4.9%	1.7%	1.7%
JKX Oil	JKX	1.18	2.95	0.87	-0.9%	-1.5%	17.8%	-1.7%	0.9%	3.4%	27.2%	0.1%
Ukrnafta	UNAF	148	309	80	-1.5%	-7.7%	-12.8%	24.8%	0.4%	-2.8%	-3.4%	26.5%
Power Utilities												
Centrenerg	CEEN	5.61	8.43	4.05	-3.3%	-3.7%	-5.9%	-11.7%	-1.4%	1.2%	3.6%	-10.0%
Donbasenergo	DOEN	20.6	29.4	15.0	-1.1%	-3.3%	-6.7%	-2.6%	0.8%	1.6%	2.7%	-0.9%
Zakhidenergo	ZAEN	89.1	239.6	54.0	4.8%	-8.3%	-2.4%	-8.1%	6.7%	-3.5%	7.0%	-6.4%
Consumer												
Agroton	AGT	3.14	7.7	2.24	-1.0%	-5.1%	-4.6%	-3.2%	0.9%	-0.2%	4.9%	-1.4%
Astarta	AST	17.7	22.1	13.9	-0.8%	-6.0%	-11.2%	-0.6%	1.1%	-1.1%	-1.7%	1.1%
Avangardo	AVGR	8.3	14.3	8.33	-3.2%	-14.2%	-17.5%	-26.5%	-1.3%	-9.3%	-8.1%	-24.8%
Industrial Milk Company	IMC	4.67	5.48	2.73	-2.3%	-4.5%	-11.2%	-12.0%	-0.4%	0.4%	-1.7%	-10.3%
Kernel	KER	17.3	23.7	14.8	2.8%	-11.1%	-22.0%	-20.3%	4.7%	-6.2%	-12.6%	-18.6%
Mriya Agro Holding	MAYA	5.94	7.4	5.04	0.5%	-3.1%	-6.6%	-8.5%	2.3%	1.8%	2.8%	-6.7%
MHPC	MHPC	17.4	19.9	10.00	-1.1%	-6.6%	-8.6%	14.2%	0.8%	-1.8%	0.8%	15.9%
Milkiland	MLK	4.44	6.3	4.24	0.0%	-8.7%	-10.9%	-5.7%	1.9%	-3.8%	-1.5%	-4.0%
Ovostar Union	OVO	30.2	41.5	23.2	1.0%	-4.8%	-0.1%	4.5%	2.8%	0.1%	9.4%	6.2%
Sintal	SNPS	n/a	2.35	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.88	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	13.6	28.4	11.7	0.0%	-3.2%	-2.7%	1.1%	1.9%	1.7%	6.8%	2.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.103	0.137	0.061	-1.9%	-8.9%	-16.6%	20.1%	-0.1%	-4.0%	-7.2%	21.8%
UkrSotsbank	USCB	0.120	0.218	0.107	-0.4%	-2.0%	-14.6%	-7.4%	1.4%	2.9%	-5.2%	-5.6%

Source: Bloomberg

* companies listed abroad are in USD

MAIN FINANCIAL FORECASTS, USD mn

Name	Ticker	Net Sales			EBITDA			EBITDA margin			Net Profit			Net Profit margin		
		2011	2012E	2013E	2011	2012E	2013E	2011	2012E	2013E	2011	2012	2013E	2011	2012E	2013E
Steel																
Alchevsk Steel	ALMK	2,339	1,695	1,667	145	3	22	6.2%	0.2%	1.3%	36	-81	-17	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,611	1,577	-108	-102	-69	neg	neg	neg	31	-39	-125	1.8%	neg	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-278	-170	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-142	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	436	29	26	28	5.1%	5.9%	6.4%	15	7	12	2.7%	1.5%	2.7%
Iron Ore Mining																
Centralny GOK	CGOK	805	566	508	497	238	202	61.8%	42.0%	39.8%	325	95	104	40.4%	16.8%	20.5%
Pivnichny GOK	SGOK	1,834	1,515	1,301	1,174	813	640	64.0%	53.6%	49.2%	783	436	359	42.7%	28.8%	27.6%
Ferrexpo	FXPO	1,788	1,424	1,566	801	402	445	44.8%	28.2%	28.4%	575	215	263	32.2%	15.1%	16.8%
Coal Mining																
Komsomolets Donbasa	SHKD	192	256	255	67	99	90	35.1%	38.8%	35.3%	15	39	35	8.0%	15.1%	13.7%
Coal Energy	CLE	151	165	199	51	62	64	33.7%	37.5%	32.1%	37	38	43	24.4%	23.2%	21.7%
Pipe Manufacturing																
Khartsyzk Pipe	HRTR	775	659	699	145	112	117	18.7%	17.0%	16.8%	98	38	39	12.7%	5.8%	5.5%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	199	167	209	14	15	19	7.0%	9.3%	8.9%	9	9	10	4.5%	5.2%	4.8%
Kryukiv Wagon	KVBZ	770	887	816	118	134	119	15.3%	15.1%	14.5%	85	93	82	11.0%	10.5%	10.0%
Stakhanov Wagon	SVGZ	437	385	388	33	21	17	7.6%	5.4%	4.4%	20	9	9	4.6%	2.3%	2.2%
Specialized Machinery																
Turboatom	TATM	169	173	183	63	47	50	37.0%	27.3%	27.3%	53	38	40	31.5%	22.1%	22.1%
Motor Sich	MSICH	722	873	933	285	309	330	39.4%	35.5%	35.3%	168	243	248	23.2%	27.8%	26.6%
Telecom																
Ukrtelecom	UTLM	843	815	707	206	205	179	24.5%	25.1%	25.3%	-17	31	33	neg	3.8%	4.6%
Oil & Gas																
Ukrnafta	UNAF	3,051	2,816	2,444	439	507	429	14.4%	18.0%	17.6%	272	312	226	8.9%	11.1%	9.2%
Regal Petroleum																
JKX Oil	JKX	237	225	250	114	145	150	48.3%	64.4%	60.2%	59	40	50	24.9%	17.8%	20.0%
Electric Utilities																
Centrenergo	CEEN	894	1,071	1,136	49	61	68	5.4%	5.7%	6.0%	4	29	33	0.5%	2.7%	2.9%
Donbasenergo	DOEN	495	600	665	21	17	24	4.2%	2.9%	3.6%	-3	4	10	neg	0.6%	1.5%
Consumer																
MHP	MHPC	1,229	1,408	1,532	401	468	523	32.6%	33.2%	34.1%	259	311	271	21.1%	22.1%	17.7%
Kernel	KER	1,899	2,157	2,800	310	322	339	16.3%	14.9%	12.1%	226	211	195	11.9%	9.8%	7.0%
Astarta	AST	402	458	549	144	98	121	29.9%	17.8%	18.3%	114	50	59	23.6%	9.1%	9.0%
Avangardco	AVGR	553	629	701	251	280	293	45.3%	44.5%	41.8%	196	228	232	35.5%	36.3%	33.1%
Agroton	AGT	122	93	107	19	31	33	15.3%	33.5%	31.0%	-2	19	21	neg	20.0%	19.5%
Banks																
		Total Assets			Total Equity			Total Income			Net Profit			Return on Equity		
Raiffeisen Bank Aval	BAVL	6,948	7,020	7,476	812	861	924	750	707	646	0	4	29	0.0%	0.5%	3.1%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	151	3.9%	6	1,566	4.1	neg	neg	10.8	>30	>30	0.7	0.9	0.9	540	466	419	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	38	1.4	neg	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	315	4.1%	13	294	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
DniproSpetzStal	DNSS																	
Coke																		
		73	7.5%	6	71	neg	neg	neg	11.6	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Avdyivka Coke	AVDK	21	9.0%	2	50	1.4	3.1	1.8	1.7	1.9	1.8	0.1	0.1	0.1	1.7	1.9	1.8	\$/tonne
Yasynivsky Coke	YASK																	
Iron Ore Mining																		
Centralny GOK	CGOK	2,327	0.5%	13	2,452	3.0	5.3	6.5	2.1	3.0	3.8	1.3	1.6	1.9				
Pivnichny GOK	SGOK	1,530	24.0%	367	1,780	2.7	7.1	5.8	2.2	4.4	4.0	1.0	1.3	1.1				
Ferrexpo	FXPO																	
Coal Mining																		
Komsomolets Donbasa	SHKD	110	11.9%	13	135	3.0	2.9	2.6	2.7	2.2	2.1	0.9	0.8	0.7	2.7	2.2	2.1	\$/tonne
Pokrovske Mine	SHCHZ																	
Mining Machinery		249	2.0%	5	292	2.5	6.5	6.4	2.0	2.6	2.5	0.4	0.4	0.4	463	767	729	\$/tonne
Svitlo Shakhtara	HMBZ																	
Pipe Manufacturing																		
		51	24.0%	12	51	5.7	5.9	5.1	3.6	3.3	2.7	0.3	0.3	0.2				
Khartsyzk Pipe	HRTR	305	5.0%	15	307	3.6	3.3	3.7	2.6	2.3	2.6	0.4	0.3	0.4				
Interpipe NMPP	NVTR	44	8.0%	4	83	2.2	5.1	5.1	2.5	4.0	4.8	0.2	0.2	0.2				
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	182	5.8%	10	130	3.4	4.8	4.5	2.1	2.8	2.6	0.8	0.8	0.7				
Krukiv Wagon	KVBZ	612	24.0%	147	622	3.7	2.5	2.5	2.2	2.0	1.9	0.9	0.7	0.7				
Stakhanov Wagon	SVGZ																	
Specialized Machinery																		
Sumy Frunze Engineering	SMASH	311	7.2%	22	647	neg	10.1	9.5	3.1	3.2	3.6	0.8	0.8	0.9				
Turboatom	TATM	986	3.0%	30	976	3.6	3.2	4.4	2.2	1.9	2.3	0.3	0.3	0.4	n/a	n/a	n/a	\$/boe
Motor Sich	MSICH																	
Auto Industry																		
Bogdan Motors	LUAZ	202	50.4%	102	310	3.4	5.0	4.0	2.7	2.1	2.1	1.3	1.4	1.2	82	57	42	\$/boe
Telecom																		
Ukrtelecom	UTLM	254	21.7%	55	337	>30	8.8	7.6	6.9	5.6	5.0	0.4	0.3	0.3	23	24	19	\$/MWh
		60	14.2%	9	117	neg	15.7	5.9	5.7	6.8	4.9	0.2	0.2	0.2	14	14	13	\$/MWh
Oil & Gas																		
Ukrnafta	UNAF	1,839	34.1%	627	2,884	7.1	5.9	6.8	7.2	6.2	5.5	2.3	2.0	1.9	9013	9013	9013	\$/tonne
Concern Galnaftogaz	GLNG	1,272	61.8%	786	1,882	5.6	6.0	6.5	6.1	5.8	5.6	1.0	0.9	0.7				
JKX Oil & Gas	JKX	443	31.0%	138	590	3.9	8.9	7.5	4.1	6.1	4.9	1.5	1.3	1.1	2992	1821	1513	\$/tonne
Electric Utilities																		
CentrEnerg	CEEN	532	22.5%	120	680	2.7	2.3	2.3	2.7	2.4	2.3	1.2	1.1	1.0	154	117	110	\$/mneggs
DonbasEnerg	DOEN	68	44.6%	30	101	neg	3.7	3.3	5.4	3.3	3.0	0.8	1.1	0.9	0.8	n/a	n/a	\$/th/ha
ZakhidEnerg	ZAEN	380	4.0%	15		>30	>30	13.3	0.5	0.4	0.4	0.05	0.05	0.05				
Consumer																		
		270	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				
MHP	MHPC	1,177	16.3%	192	2,059	5.5	4.5	5.7	6.3	5.1	5.3	2.2	1.7	1.6	6433	6433	6433	\$/tonne
Kernel	KER	1,286	58.4%	751	1,594	8.5	5.7	5.0	8.4	5.1	4.3	1.6	0.8	0.7				
Astarta	AST	403	31.0%	125	550	4.4	3.5	3.7	4.6	3.8	3.7	2.2	1.4	0.9	2789	1698	1410	\$/tonne
Avangardco	AVGR	642	22.5%	144	717	3.5	3.3	2.5	3.7	2.9	2.3	1.6	1.3	1.0	162	123	116	\$/mneggs
Agroton	AGT	51	44.6%	23	84	3.2	neg	2.7	2.4	4.5	2.0	0.9	0.7	0.7	0.6	0.6	n/a	\$/harv ha
Sintal*	SNPS	39	36.3%	14	39	19.7	3.7	2.2	6.8	2.7	1.7	0.9	0.7	0.5	0.5	0.4	0.3	\$/harv ha
MCB Agricole*	4GW1	7	24.4%	2	4	1.3	0.4	0.4	0.5	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.0	\$/harv ha
Chemicals																		
Stirol	STIR	51	9.7%	5	102	neg	neg	8.3	neg	neg	3.1	0.4	0.2	0.2	102	41	37	\$/tonne
Banks																		
Raiffeisen Bank Aval	BAVL	328	4.0%	13		>30	>30	7.1	0.4	0.4	0.4	0.05	0.05	0.04				
UkrSotsbank	USCB	342	1.5%	5		>30	>30	14.3	0.4	0.4	0.3	0.09	0.09	0.09				

Source: Eavex Research

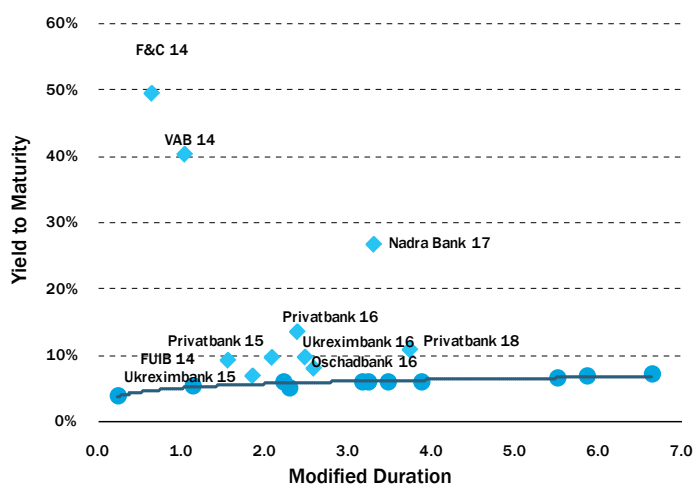
UKRAINIAN EUROBONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings ¹
Sovereign Eurobonds											
Ukraine, 2013	100.3	100.8	6.3%	3.9%	-0.5%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.6	103.1	5.6%	5.2%	1.0%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.6	104.3	7.0%	6.5%	0.9%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.5	100.0	5.6%	4.9%	1.8%	2.3	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	101.8	102.3	6.1%	5.9%	0.7%	2.3	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	100.3	101.0	6.5%	6.3%	0.8%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	99.5	100.3	6.4%	6.2%	0.3%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.5	101.0	6.6%	6.5%	1.5%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	110.1	110.8	6.5%	6.4%	3.1%	3.5	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	103.3	104.8	7.6%	7.2%	5.9%	3.7	8.375%	S/A	3 Nov 2017	568	B2/-/B
Ukraine, 2018 Infr. projects	97.6	99.2	8.0%	7.6%	6.0%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/B
Ukraine, 2020	106.3	107.8	6.7%	6.4%	3.9%	5.7	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	106.6	107.3	6.8%	6.7%	2.9%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	104.3	104.8	7.2%	7.1%	3.5%	6.6	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	38.6%	32.5%	#VALUE!	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.7	108.5	6.3%	6.1%	2.5%	1.9	10.25%	S/A	29 Apr 2015	585	B3//B
Avangardco, 2015	99.9	101.8	10.1%	9.2%	5.4%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
Mriya, 2016	103.7	104.8	9.5%	9.1%	1.2%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.1	106.2	6.8%	6.3%	4.5%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
Metinvest, 2015	105.9	106.8	7.2%	6.8%	2.4%	1.9	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	103.0	104.0	8.0%	7.7%	6.8%	3.9	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	100.3	101.3	7.8%	7.3%	3.5%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interpipe, 2017	84.0	88.0	15.4%	13.8%	5.0%	3.2	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	80.0	84.0	41.2%	34.1%	33.3%	0.7	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.7	104.3	9.4%	8.4%	2.6%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	71.0	80.0	31.1%	22.1%	5.0%	3.3	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	98.7	100.1	10.0%	9.4%	4.8%	2.2	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	81.9	84.9	13.6%	12.1%	8.1%	2.4	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	101.0	11.0%	10.6%	0.3%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.9	102.8	7.4%	6.9%	2.4%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	90.2	91.9	9.8%	9.1%	8.0%	2.5	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	102.1	103.0	8.2%	8.0%	2.6%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	72.0	74.0	41.8%	39.1%	33.3%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/WD
Oschadbank, 2016	98.8	99.7	8.8%	8.4%	4.3%	2.6	8.25%	S/A	10 Mar 2016	700	B2//B
Municipal Eurobonds											
City of Kyiv, 2015	97.2	99.0	9.2%	8.4%	4.9%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	99.1	100.4	9.7%	9.2%	6.7%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

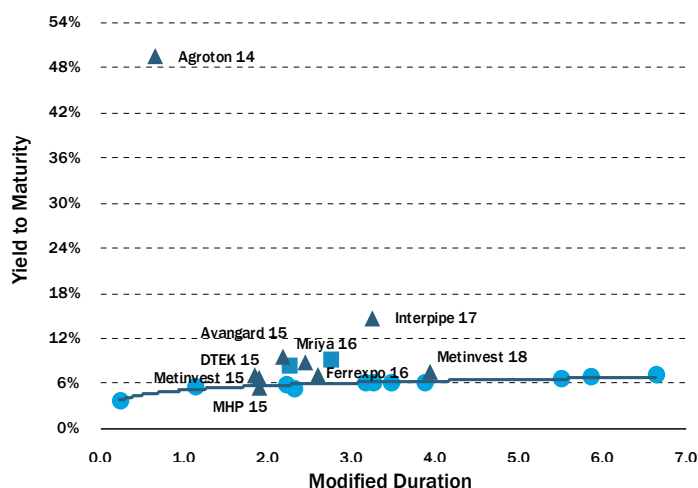
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

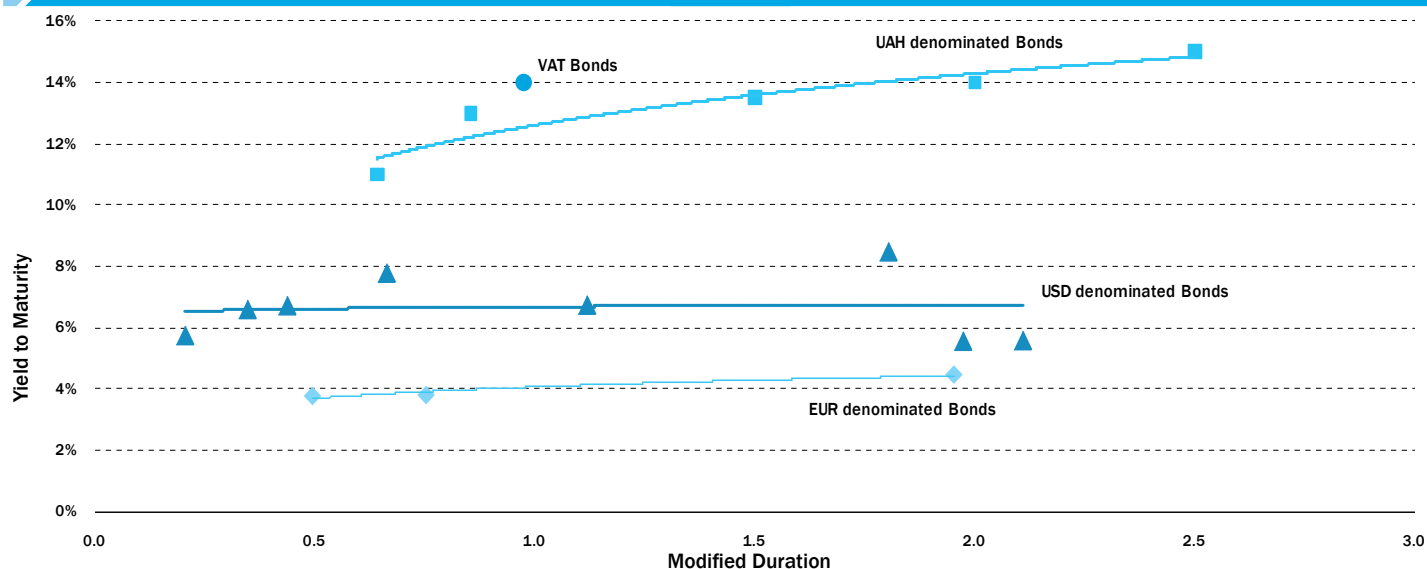


Source: Bloomberg, Cbonds, Eavex Research

UKRAINIAN DOMESTIC BONDS

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
UAH denominated Bonds									
UA4000119473			9.0%	7.5%	0.6	9.00%	S/A	22 May 2013	64
UA4000115117			14.0%	10.0%	0.8	10.75%	S/A	26 Mar 2014	187
UA4000141592			15.0%	12.0%	1.5	14.30%	S/A	20 May 2015	31
UA4000142665			17.0%	15.0%	2.0	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000134431									
UA4000141063	100.4	100.6	6.50%	5.00%	0.2	9.30%	S/A	29 May 2013	235
UA4000142384	100.7	101.0	7.00%	6.21%	0.3	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.9	101.3	7.24%	6.22%	0.4	9.27%	S/A	28 Aug 2013	254
UA4000138002	102.6	103.1	8.10%	7.50%	0.7	9.30%	S/A	27 Nov 2013	86
UA4000140362	104.0	104.5	5.75%	7.75%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	100.0	101.8	9.00%	8.00%	1.8	9.45%	S/A	22 Apr 2015	312
UA4000141071	107.6	108.6	5.80%	5.33%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.6	98.6	5.83%	5.34%	2.1	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.6	100.8	3.93%	3.70%	0.5	4.80%	S/A	18 Sept 2013	205
UA4000138846	101.0	101.1	4.07%	3.91%	0.7	4.80%	S/A	25 Dec 2013	70
UA4000142681	101.3	101.4	4.56%	4.50%	1.9	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.5%	11.5%	0.9	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	11.5%	0.3	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	11.5%	0.3	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

DOMESTIC BONDS YIELD CURVE


Source: Bloomberg, Cbonds, Eavex Research

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