

Market Update

Equity

Ukrainian blue chips finished a week of underperformance with some marginal gains on Friday (Apr 12), although two of the top three liquid issues ended lower. The UX index inched up 0.2% percent to close at 821 points. Beaten-down UkrNafta (UNAF) picked up 1.3%, while Avdyivka Coke (AVDK), Azovstal (AZST), Alchevsk Steel (ALMK), and CentrEnergO (CEEN) all posted rises in the neighborhood of half a percent. The week's top performer, Raiffeisen Aval (BAVL), gave back 1.0% on profit-booking, and volume leader Motor Sich (MSICH) slipped 0.6% to UAH 1988 on turnover of UAH 7.1mn. Outside the UX basket, Pivnichny GOK (SGOK) continued to demonstrate volatility ahead of next week's shareholder meeting with a 8.6% slide, and ZakhidEnergO (ZAEN) fell 7.4% to UAH 75. In Warsaw, Agroton (AGT PW) suffered the largest 1-day drop of any major Ukrainian equity issue since the 2009 financial crisis, after Standard & Poors used unusually blunt language in cutting the company's credit rating to triple-C; the stock plunged by 56% to PLN 3.60.

Fixed Income

Ukrainian sovereign Eurobonds were down on Friday. Ukraine-22s declined by 0.2p.p. to 103.3/104.0 (7.3%/7.2%) and Ukraine-17s dropped by 0.5p.p. finishing at 100.5/101.3 (6.6%/6.4%). Corporate names were aslo down. The leader of the loss was MHP-15s which decreased by 0.2p.p. to 107.0/108.5 (6.5%/5.8%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1988.00	-0.6%	7.1	129
Pivnichny GOK	SGOK	8.121	-8.6%	5.4	49
Kryukiv Wagon	KVBZ	22.980	3.4%	3.8	24

Growth Leaders

Ukrtelecom	UTLM	0.14	4.6%	0.08	7
Kryukiv Wagon	KVBZ	22.98	3.4%	3.84	24
Yasynivsky Coke	YASK	0.59	3.3%	0.07	8

Loss Leaders

Bogdan Motors	LUAZ	0.03	-31.1%	0.12	28
Sumy Frunze Engineering	SMASH	2.89	-11.2%	0.00	7
Pivnichny GOK	SGOK	8.12	-8.6%	5.43	49

Highlights

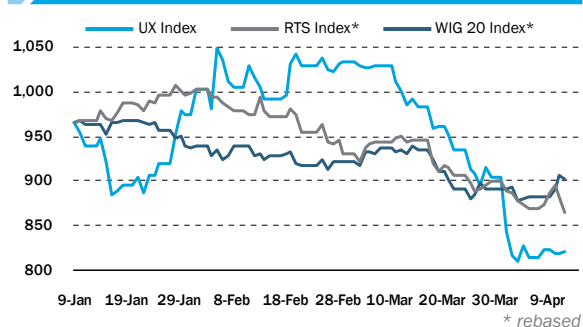
STOCKS IN THE NEWS

- > Agroton Stock Crashes After S&P Questions Company's Solvency

FIXED INCOME

- > Mriya Raises USD 400mn Via 5-Year Placement at 9.75%

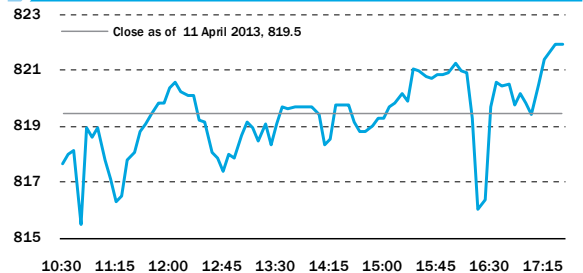
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	821.0	0.2%	-18.0%	-13.6%
RTS	1405.5	-1.9%	-8.9%	-8.0%
WIG20	2397.1	-0.5%	-3.4%	-7.2%
MSCI EM	1019.6	-0.9%	-3.6%	-3.4%
S&P 500	1588.9	-0.3%	2.3%	13.3%

UX INTRADAY APRIL 12, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	285.3	1.7%	1.4%	5.3%
CDS 5Y UKR	552.3	0.4%	0.8%	-11.6%
Ukraine-13	3.77%	-1.3 p.p.	-0.6 p.p.	-1.5 p.p.
Naftogaz Ukr-14	6.49%	-0.1 p.p.	-0.2 p.p.	-1.1 p.p.
Ukraine-20	6.73%	0.0 p.p.	0.1 p.p.	-0.5 p.p.
Privatbank-16	12.61%	0.0 p.p.	-0.4 p.p.	-2.7 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	0.0%	0.2%	1.1%
EUR	10.67	0.2%	0.8%	-0.2%
RUB	0.26	-0.6%	-1.0%	-1.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	322.1	0.0%	0.0%	0.0%
Steel, USD/t	565.0	0.0%	-2.6%	6.1%
Oil, USD/bbl	91.3	-2.4%	-1.8%	-1.1%
Gold, USD/oz	1483.0	-5.0%	-6.9%	-10.4%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Agroton Stock Crashes After S&P Questions Company's Solvency

by Ivan Dzvinka
i.dzvinka@eavex.com.ua

AGROTON (AGT PW)

Price: PLN 3.60 Market Cap: USD 24mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.6	1.3	1.9	0%
2013E	0.5	1.2	1.7	0%

NEWS

Ratings agency Standard & Poors downgraded the rating of Warsaw-listed crop grower Agroton to 'CCC' from 'CCC+' on Friday (Apr 12) and put it on its CreditWatch (i.e., "negative") list, due to what it called a "deteriorating liquidity position" and insufficient reporting disclosure and transparency. Agroton's cash and equivalents amounted to only USD 6.5mn as of Mar 31, or 68% lower compared to Sept 30 of last year. Further, USD 4.5mn of this 6.5mn is currently unavailable, as the funds are frozen in the Bank of Cyprus. This creates a risk of Agroton being unable to pay a USD 3mn coupon on its outstanding Eurobonds due this July. If the coupon is paid, S&P said it would delist the company from CreditWatch; if not, it would assign a 'D' rating to the Lugansk-based crop producer.

COMMENTARY

The news destroyed the AGT stock, which suffered the biggest single-day loss of any major Ukrainian equity issue since the 2008-09 financial crisis - 56% - in Friday trading on the WSE. While we consider the risk of a technical default in July as only moderate, we definitely share the view of S&P on the disclosure and especially transparency problems at Agroton; manipulation of financial results by the company is a major concern, in our view. However, we see a good chance that Agroton will be able to avoid a default in July by selling its inventories or obtaining payment on its trade receivables by the date of the coupon payment. As we stated in mid-March after Agroton reported preliminary unaudited earnings that looked impressive at first blush, the nature of the growth was not an achievement in operating results, but instead a result of significant other operating income and change in fair value of biological assets. This P&L item is under the discretion of management and can be easily inflated.

Mriya Raises USD 400mn Via 5-Year Placement at 9.75%

by Dmitry Churin
d.churin@eavex.com.ua

NEWS

Western-Ukraine based crop grower Mriya Agro Holding placed USD 400m in 5-year bonds with a 9.45% coupon on Thursday (Apr 11), Interfax reported on Friday (Apr 12). The bond was priced below par at 98.835, resulting in an initial yield of 9.75%. Citigroup, Credit Suisse, Goldman Sachs, and Sberbank arranged the deal.

COMMENTARY

The final pricing was probably somewhat disappointing for the company, which had hoped to pay between 8.5% and 9%, i.e. closer to the current yield on its outstanding 2016 bonds. However, given the superior transparency of premier Ukrainian agro sector name MHP relative to Mriya, we see the 150 bps spread in initial yield between Mriya-18s and recently-issued MHP-18s as being near what was expected. On the plus side, Mriya was able to raise USD 50mn more than its initial guidance of USD 350mn for the issue. Mriya will use the proceeds from the bond placement to refinance part of its USD 250mn 2016 bonds and to create new storage facilities for its harvested products. The company emphasized in its strategy an increase in corn growing and massive investments in logistics infrastructure. The new Mriya-18 have a spread to the sovereign curve of 300 bps compared a spread of 210 bps for Mriya-16s.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-8%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.07	0.19	192%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
Iron Ore						
Ferrexpo	FXPO LN	2.79	3.33	20%	BUY	Launch of its new Yeristovo Mine in 2H12 should allow Ferrexpo to increase pellet output by 10% YoY to 10.6mn tonnes in 2013 with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	1.00	1.77	77%	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	0.77	1.30	68%	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.
Yasynivsky Coke	YASK	0.07	0.42	475%	BUY	Yasynivsky 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	388%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.82	6.18	119%	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	0.21	0.64	198%	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	244	644	164%	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	0.34	1.52	346%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.1	6.0	452%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnergO	DOEN	2.38	8.90	273%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.49	1.84	273%	BUY	CenterEnergO's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	17.1	24.0	40%	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	20.10	30.0	49%	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	8.43	28.3	236%	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	820.97	1428.72	747.84	0.2%	0.9%	-18.0%	-13.6%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.046	0.09	0.04	0.4%	2.2%	-10.4%	-14.4%	0.3%	1.4%	7.6%	-0.8%
Azovstal	AZST	0.60	1.32	0.54	0.7%	1.3%	-8.9%	-18.4%	0.5%	0.5%	9.1%	-4.8%
Dniprospezstal	DNSS	980	1,700	970	0.0%	1.0%	-2.0%	-1.9%	-0.2%	0.2%	16.0%	11.7%
Enakievo Steel	ENMZ	33.8	65.8	27.7	0.6%	-0.2%	-4.5%	-11.1%	0.4%	-1.1%	13.4%	2.6%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	-0.2%	-0.9%	-51.9%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	0.0%	-5.0%	-5.0%	-13.6%	-0.2%	-5.9%	13.0%	0.0%
Coke												
Avdivka Coke	AVDK	3.06	5.14	1.90	0.4%	1.5%	-5.4%	-6.6%	0.2%	0.6%	12.6%	7.0%
Yasnyivsky Coking	YASK	0.59	1.28	0.54	1.7%	-1.7%	-6.3%	-11.9%	1.5%	-2.5%	11.6%	1.7%
Iron Ore Mining												
Centralny GOK	CGOK	6.30	8.35	4.00	-2.0%	-7.9%	-12.5%	-8.7%	-2.2%	-8.8%	5.5%	4.9%
Ferrexpo	FXPO	2.79	4.78	2.35	-6.2%	17.2%	-14.8%	-30.6%	-6.3%	16.4%	3.1%	-17.0%
Pivnichny GOK	SGOK	8.12	12.75	6.00	-8.7%	-6.1%	-15.4%	9.1%	-8.8%	-7.0%	2.6%	22.8%
Coal Mining												
Pokrovske Mine	SHCHZ	0.60	1.40	0.40	3.4%	0.0%	-4.8%	-4.8%	3.3%	-0.9%	13.2%	8.9%
Komsomolets Donbasa	SHKD	1.15	2.00	0.80	3.6%	13.9%	0.0%	-2.5%	3.4%	13.0%	18.0%	11.1%
Energy Coal	CLE	1.70	8.29	1.70	-11.3%	-2.8%	-46.6%	-45.0%	-11.5%	-3.7%	-28.6%	-31.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	-0.2%	-0.9%	n/a	-17.4%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.53	1.34	0.50	0.0%	-24.3%	-30.3%	-24.3%	-0.2%	-25.2%	-12.3%	-10.7%
Interpipe NMPP	NVTR	0.20	0.60	0.10	17.6%	0.0%	5.3%	-9.1%	17.5%	-0.9%	23.2%	4.5%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.0	24.0	14.2	3.4%	7.4%	1.0%	18.5%	3.2%	6.5%	19.0%	32.1%
Luhanskeplovoz	LTPL	1.75	2.45	1.28	0.0%	-2.8%	-7.4%	-6.4%	-0.2%	-3.7%	10.6%	7.2%
Stakhanov Wagon	SVGZ	1.51	4.40	1.44	4.1%	2.7%	-5.6%	-12.7%	4.0%	1.8%	12.4%	0.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.03	0.22	0.03	-31.1%	-30.0%	-32.6%	-30.8%	-31.3%	-30.9%	-14.6%	-17.2%
Motor Sich	MSICH	1,988	2,880	1,750	-0.6%	-2.2%	-22.3%	-10.0%	-0.8%	-3.0%	-4.3%	3.6%
Sumy Frunze Engineering	SMASH	2.89	4.00	0.76	-11.3%	-17.4%	60.6%	92.7%	-11.5%	-18.3%	78.5%	106.3%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	-0.2%	-0.9%	n/a	n/a
WESTA ISIC	WES	0.21	1.12	0.13	-1.5%	5.3%	-11.7%	-12.2%	-1.7%	4.4%	6.2%	1.5%
Telecom												
Ukrtelecom	UTLM	0.14	0.40	0.12	4.6%	-0.1%	1.6%	-14.4%	4.4%	-1.0%	19.5%	-0.7%
Oil & Gas												
Regal Petroleum	RPT	0.34	0.59	0.21	-3.5%	-3.0%	-19.5%	-36.9%	-3.7%	-3.9%	-1.6%	-23.2%
JKX Oil	JKX	1.09	2.37	0.87	-2.3%	-4.2%	0.9%	-8.8%	-2.5%	-5.0%	18.9%	4.8%
Ukrnafta	UNAF	113	292	80	1.3%	-0.5%	-29.6%	-4.4%	1.2%	-1.4%	-11.6%	9.2%
Power Utilities												
Centrenerg	CEEN	4.02	8.43	3.90	0.5%	2.5%	-29.9%	-36.7%	0.3%	1.6%	-11.9%	-23.1%
Donbasenergo	DOEN	19.4	28.3	15.0	-0.2%	-0.9%	-11.5%	-8.4%	-0.4%	-1.7%	6.5%	5.2%
Zakhidenergo	ZAEN	75.0	197.6	54.0	-7.4%	-10.4%	-21.0%	-22.7%	-7.6%	-11.3%	-3.0%	-9.0%
Consumer												
Agroton	AGT	1.15	7.1	1.15	-55.8%	-56.1%	-61.2%	-64.6%	-55.9%	-57.0%	-43.3%	-50.9%
Astarta	AST	20.2	22.1	13.9	-0.1%	1.3%	4.6%	13.3%	-0.2%	0.4%	22.6%	27.0%
Avangardo	AVGR	8.4	14.3	7.61	2.1%	9.4%	-14.5%	-25.6%	1.9%	8.5%	3.5%	-12.0%
Industrial Milk Company	IMC	4.71	5.48	2.73	3.5%	7.5%	-5.2%	-11.2%	3.3%	6.6%	12.8%	2.4%
Kernel	KER	19.1	23.7	14.8	0.0%	2.8%	-2.8%	-12.0%	-0.2%	1.9%	15.2%	1.6%
Mriya Agro Holding	MAYA	6.04	7.4	5.04	-0.2%	0.7%	-1.2%	-6.9%	-0.4%	-0.2%	16.8%	6.7%
MHPC	MHPC	17.1	19.9	10.00	-1.0%	5.3%	-10.0%	12.1%	-1.2%	4.4%	7.9%	25.8%
Milkiland	MLK	4.38	6.3	4.24	0.0%	0.8%	-8.8%	-7.0%	-0.2%	-0.1%	9.2%	6.7%
Ovostar Union	OVO	30.4	33.8	23.2	0.0%	3.8%	-5.3%	5.1%	-0.2%	2.9%	12.6%	18.7%
Sintal	SNPS	n/a	2.21	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	1.14	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	10.7	28.4	10.6	-1.4%	-11.0%	-23.6%	-20.1%	-1.6%	-11.9%	-5.6%	-6.5%
Banks												
Raiffeisen Bank Aval	BAVL	0.099	0.128	0.061	-1.0%	3.7%	-15.5%	14.9%	-1.2%	2.8%	2.5%	28.6%
UkrSotsbank	USCB	0.118	0.215	0.107	0.7%	2.6%	-10.5%	-8.3%	0.5%	1.7%	7.5%	5.3%

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	-21	-2	6.2%	neg	neg	36	-127	-52	1.6%	neg	neg
Enakievo Steel	ENMZ	1,716	1,578	1,577	-108	-84	-69	neg	neg	neg	31	9	-125	1.8%	0.5%	neg
Azovstal	AZST	3,867	2,794	2,788	-102	-173	-64	neg	neg	neg	-64	-333	-170	neg	neg	neg
Coke																
Avdyivka Coke	AVDK	1,457	1,072	1,054	6	-128	-74	0.4%	neg	neg	-32	-137	-97	neg	neg	neg
Yasynivsky Coking	YASK	566	444	448	29	29	28	5.1%	6.5%	6.2%	15	11	11	2.7%	2.4%	2.4%
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	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
Railcar Manufacturing																
Luhanskteplovoz	LTPL	199	167	213	14	12	15	7.0%	7.4%	7.2%	9	7	8	4.5%	4.1%	3.8%
Kryukiv Wagon	KVBZ	770	887	643	118	134	93	15.3%	15.1%	14.4%	85	95	50	11.0%	10.7%	7.9%
Stakhanov Wagon	SVGZ	437	311	318	33	7	11	7.6%	2.3%	3.4%	20	1	3	4.6%	0.2%	0.9%
Specialized Machinery																
Turboatom	TATM	169	173	193	63	47	52	37.0%	27.3%	26.8%	53	38	42	31.5%	22.1%	21.7%
Motor Sich	MSICH	722	828	933	285	309	330	39.4%	37.4%	35.3%	168	247	270	23.2%	29.8%	28.9%
Telecom																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
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	RPT	19	50	80	-4	23	36	neg	45.9%	44.7%	6	12	24	33.7%	24.0%	30.0%
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%
Ukrspasbank	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	145	3.9%	6	1,560	4.0	neg	neg	10.7	neg	neg	0.7	0.9	0.9	538	464	418	\$/tonne
Yenakievo Steel	ENMZ	44	8.8%	4	36	1.4	5.1	neg	neg	neg	neg	0.0	0.0	0.0	15	14	13	\$/tonne
Azovstal	AZST	312	4.1%	13	290	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
Coke																		
Avdyivka Coke	AVDK	73	7.5%	6	71	neg	neg	neg	11.6	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	20	9.0%	2	49	1.3	1.8	1.8	1.7	1.7	1.8	0.1	0.1	0.1	1.7	1.7	1.8	\$/tonne
Iron Ore Mining																		
Centralny GOK	CGOK	907	0.5%	5	907	2.8	9.5	8.7	1.8	3.8	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	2,300	0.5%	13	2,424	2.9	5.3	6.4	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,643	24.0%	395	1,894	2.9	7.6	6.2	2.4	4.7	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	47	5.4%	3	149	3.1	1.2	1.4	2.2	1.5	1.7	0.8	0.6	0.6	36	35	33	\$/tonne
Coal Energy	CLE	77	11.9%	9	102	2.1	2.0	1.8	2.0	1.7	1.6	0.7	0.6	0.5	2.0	1.7	1.6	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	169	2.0%	3	212	1.7	5.0	5.0	1.5	2.9	2.7	0.3	0.3	0.3	336	558	530	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	47	24.0%	11	47	5.3	6.8	5.8	3.4	3.8	3.1	0.2	0.3	0.2				
Krukiv Wagon	KVBZ	324	5.0%	16	326	3.8	3.4	6.4	2.8	2.4	3.5	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	42	8.0%	3	81	2.1	>30	14.6	2.4	11.3	7.4	0.2	0.3	0.3				
Specialized Machinery																		
Turboatom	TATM	182	5.8%	10	130	3.4	4.8	4.3	2.1	2.8	2.5	0.8	0.8	0.7				
Motor Sich	MSICH	508	24.0%	122	518	3.0	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	315	7.2%	23	651	neg	7.0	6.6	3.2	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	756	3.0%	23	746	2.8	2.4	3.3	1.7	1.5	1.7	0.2	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	110	49.0%	54	92	17.1	9.1	4.6	neg	4.0	2.6	4.8	1.8	1.1	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	187	50.4%	94	296	3.2	4.7	3.7	2.6	2.0	2.0	1.2	1.3	1.2	78	54	40	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	182	21.7%	40	265	>30	6.3	5.5	5.5	4.4	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	56	14.2%	8	113	neg	14.8	5.6	5.5	6.6	4.7	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,806	34.1%	616	2,851	7.0	5.8	6.7	7.1	6.1	5.5	2.3	2.0	1.9	8910	8910	8910	\$/tonne
Kernel	KER	1,404	61.8%	867	2,015	6.2	6.7	7.2	6.5	6.3	5.9	1.1	0.9	0.7				
Astarta	AST	506	31.0%	157	652	4.4	10.1	8.6	4.5	6.7	5.4	1.6	1.4	1.2	3308	2014	1673	\$/tonne
Avangardco	AVGR	538	22.5%	121	686	2.7	2.4	2.3	2.7	2.5	2.3	1.2	1.1	1.0	155	118	111	\$/mneggs
Agroton	AGT	25	44.6%	11	58	neg	1.3	1.2	3.1	1.9	1.7	0.5	0.6	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	364	4.0%	15		>30	>30	12.7	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	268	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

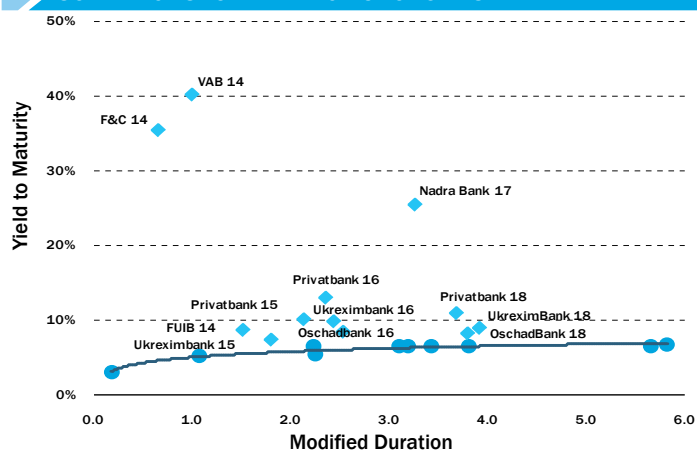
UKRAINIAN EUROBONDS

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	5.9%	2.4%	-0.5%	0.2	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.6	103.2	5.5%	5.0%	1.1%	1.1	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.3	104.0	7.1%	6.6%	0.6%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	98.5	99.5	5.6%	5.2%	1.5%	2.2	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	100.5	101.0	6.7%	6.4%	-0.5%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	99.3	100.3	6.8%	6.5%	-0.1%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	98.9	99.6	6.6%	6.4%	-0.4%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.5	101.5	6.6%	6.4%	1.8%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	109.3	110.0	6.7%	6.5%	2.3%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	102.0	103.5	7.9%	7.5%	4.6%	3.6	8.375%	S/A	3 Nov 2017	568	B2/-/-
Ukraine, 2018 Infr. projects	97.2	98.5	8.2%	7.8%	5.4%	3.9	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	106.0	107.0	6.7%	6.5%	3.4%	5.6	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	107.0	108.0	6.8%	6.6%	3.5%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	104.4	105.1	7.2%	7.0%	3.8%	6.6	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	39.4%	33.0%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.9	108.5	6.1%	5.9%	2.6%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	99.9	100.6	8.3%	8.1%	0.3%	5.2	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	99.7	101.0	10.2%	9.6%	4.9%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	99.5	100.4	11.0%	10.8%	-0.1%	3.7	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.1	107.2	8.6%	8.2%	3.5%	2.5	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.5	106.1	6.6%	6.2%	4.6%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	99.6	100.2	8.0%	7.8%	-0.1%	4.1	7.88%	S/A	4 Apr 2018	600	B2//B
Metinvest, 2015	106.4	107.3	6.9%	6.4%	2.9%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.7	103.7	8.0%	7.8%	6.5%	3.8	8.75%	S/A	14 Feb 2018	750	B2-/-/B-
Ferrexpo, 2016	99.7	100.8	8.0%	7.5%	2.9%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	84.0	88.0	15.5%	13.8%	5.0%	3.2	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	82.0	86.0	39.8%	32.4%	36.7%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	103.1	104.6	9.2%	8.2%	2.8%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	73.7	80.2	28.7%	22.2%	5.0%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.7	99.2	10.5%	9.8%	3.9%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.0	84.4	13.7%	12.5%	7.8%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	101.1	11.0%	10.6%	0.4%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.4	102.2	7.6%	7.2%	1.9%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.8	91.7	10.6%	9.2%	7.0%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	101.5	102.3	8.4%	8.1%	1.9%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	73.0	75.0	42.2%	39.3%	35.2%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/-/WD
Oschadbank, 2016	99.1	99.9	8.6%	8.3%	4.6%	2.5	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	99.1	100.0	9.1%	8.9%	-0.4%	3.9	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	97.0	98.9	9.4%	8.5%	4.7%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	98.1	99.8	10.1%	9.4%	5.8%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

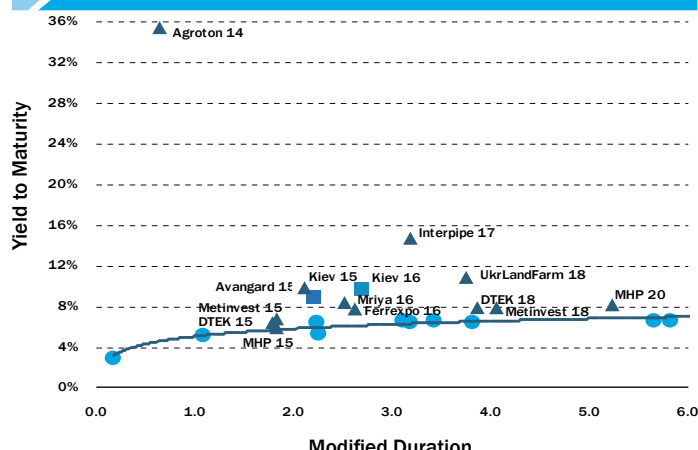
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

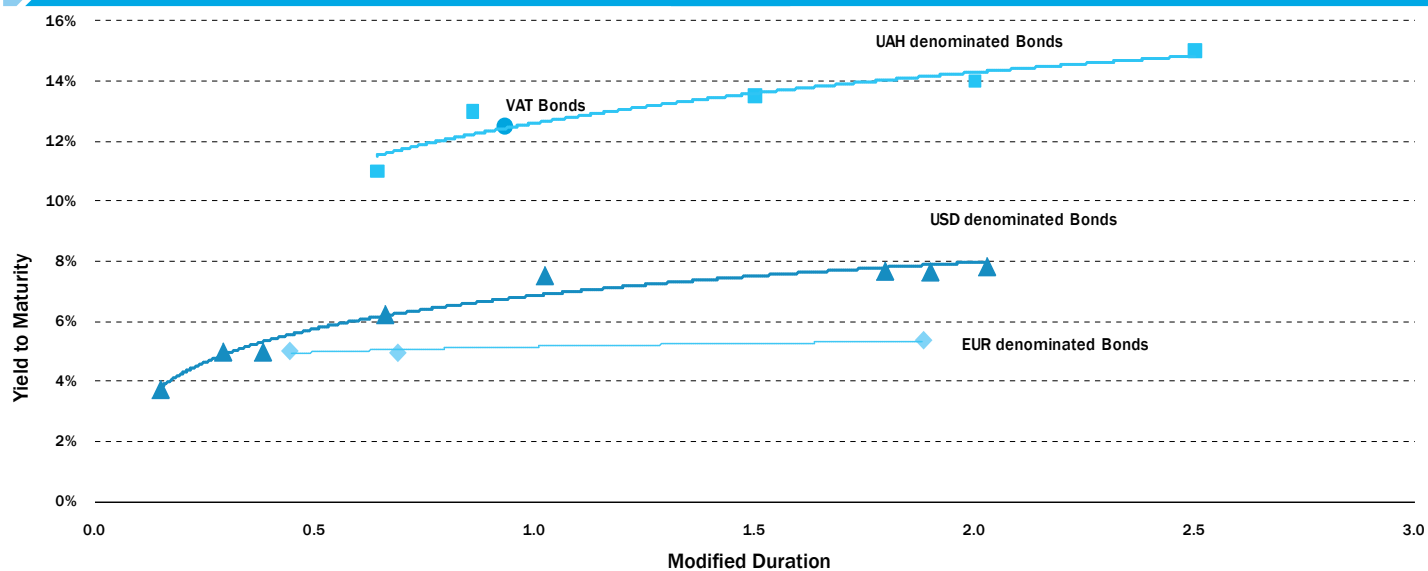


Source: Bloomberg, Cbonds, Eavex Research

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			4.5%	3.0%	0.6	9.00%	S/A	22 May 2013	64
UA4000115117			11.8%	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	100.3	100.4	4.5%	3.0%	0.1	9.30%	S/A	29 May 2013	235
UA4000142384	100.6	100.9	5.5%	4.5%	0.3	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.8	101.2	5.5%	4.5%	0.4	9.27%	S/A	28 Aug 2013	254
UA4000138002	102.3	102.8	6.5%	6.0%	0.6	9.30%	S/A	27 Nov 2013	86
UA4000140362	103.8	104.3	7.9%	7.2%	1.0	9.20%	S/A	21 May 2014	171
UA4000142699	101.1	102.9	8.1%	7.3%	1.8	9.45%	S/A	22 Apr 2015	312
UA4000141071	107.4	108.4	8.1%	7.3%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.4	98.4	8.2%	7.5%	2.0	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.1	100.3	3.9%	3.7%	0.4	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.3	100.4	4.1%	3.9%	0.7	4.80%	S/A	25 Dec 2013	70
UA4000142681	99.6	99.8	4.6%	4.5%	1.9	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.5%	10.8%	0.9	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.5%	10.8%	0.3	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.5%	10.8%	0.3	5.50%	S/A	25 Aug 2015	415

Source: Bloomberg, Cbonds, Eavex Research

DOMESTIC BONDS YIELD CURVE


Source: Bloomberg, Cbonds, Eavex Research

Eavex Capital

Evropa Plaza
33 Shevchenko Blvd.
Floor 11
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

Chairman of the Board

yuriy.yakovenko@eavex.com.ua

SALES & TRADING

Pavel Korovitskiy

Managing Director

Equity and Fixed Income

p.korovitsky@eavex.com.ua

Alexander Klymchuk

Equity & Fixed Income

a.klymchuk@eavex.com.ua

Eugene Klymchuk

Fixed Income Sales & Trading

e.klymchuk@eavex.com.ua

Artem Mateshko

Equity Trading

a.mateshko@eavex.com.ua

RESEARCH

Dmitry Churin

Head of Research

d.churin@eavex.com.ua

Ivan Dzvinka

Research Associate

i.dzvinka@eavex.com.ua

Will Ritter

Research editor

w.ritter@eavex.com.ua

INVESTMENT BANKING

Anatoliy Zaslavchik

Managing Director

Corporate Finance & IB

a.zaslavchik@eavex.com.ua

Investing in emerging markets' securities may entail certain risks. There may be limited information available on such securities. Securities of emerging markets' companies may be less liquid and their prices more volatile than securities of comparable developed markets' companies. In addition, exchange rate movements may have an adverse effect on the value of an investment.

This document is based on data we deem to be reliable, though we do not guarantee its accuracy or completeness and make no warranties regarding results from its usage. Forecasts are estimates by specialists working for us, and actual events may turn out to be fundamentally different due to unforeseen circumstances. This document is provided for information purposes only.

Copyright 2013 Eavex Capital. All rights reserved.

Securities and Stock Market State Commission licence AB No.534282, issued 20.07.2010