

**Market Update**

**Equity**

Ukrainian equities clawed back most of their intraday losses to finish marginally lower on Tuesday (Apr 16) in line with European shares. In the US, markets rebounded from their Monday selloff after it was reported that US consumer prices fell in March, a sign that the Federal Reserve's monetary creation policy has not yet stoked inflation. The UX index was down 2.5% in the morning but finished with a drop of just 0.4%, closing just above the 800-point support level. Top liquid issue CentrEnergO (CEEN) was the main drag on the benchmark, falling 2.0% to UAH 3.89 on turnover of UAH 2.1mn, and Raiffeisen Aval (BAVL) shed 1.4%. The metallurgy sector notably outperformed the rest of the local blue chips, with the Metinvest-controlled trio of Avdyivka Coke (AVDK), Azovstal (AZST) and Yenakievo Steel (ENMZ) edging higher by 0.4%, 0.5% and 0.7% respectively. Outside the UX basket, another Metinvest name, Khartsysk Pipe (HRTR), slid 3.8% to 51 kopecks. In London, Ferrexpo (FXPO) bounced back from its Monday drop with a 3.9% gain, while JKC Oil & Gas (JKX) slipped 1.4% to GBp 69.25.

**Fixed Income**

Ukrainian sovereign Eurobonds were down on Tuesday. Ukraine-22s slid by 0.8p.p. to 101.6/102.4 (7.6%/7.4%) and Ukraine-17s declined by 0.4p.p. finishing at 99.5/100.3 (6.9%/6.7%). Corporate names were also mostly down. The leader of the decline was MHP-15s which dropped by 0.9p.p. to 106.4/107.2 (6.9%/6.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1954.00	-0.3%	3.8	142
CentrenergO	CEEN	3.887	-2.0%	2.1	236
DonbasenergO	DOEN	18.800	0.4%	1.4	238

**Growth Leaders**

Stakhanov Wagon	SVGZ	1.49	6.6%	0.03	11
Sumy Frunze Engineering	SMASH	2.50	4.2%	0.32	39
Enakievo Steel	ENMZ	33.19	0.7%	1.21	72

**Loss Leaders**

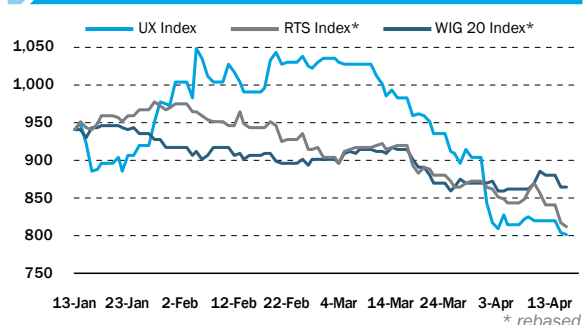
Yasynivsky Coke	YASK	0.56	-4.4%	0.00	7
Khartsysk Pipe	HRTR	0.51	-3.8%	0.05	15
Ukrtelecom	UTLM	0.13	-2.8%	0.06	10

**Highlights**

**STOCKS IN THE NEWS**

- > MHP Poultry Sales Volume Up 8% YoY in 1Q13
- > Astarta's Net Profit Down 48% in FY12 Despite 17% Revenue Growth

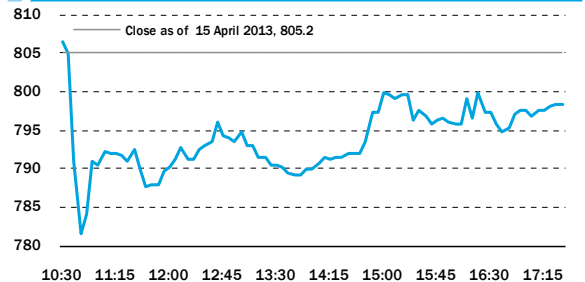
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

	Last	1D ch	1M ch	YTD
UX	802.2	-0.4%	-18.3%	-15.6%
RTS	1356.7	-0.7%	-11.8%	-11.2%
WIG20	2350.1	0.0%	-5.5%	-9.0%
MSCI EM	1008.9	0.6%	-3.2%	-4.4%
S&P 500	1574.6	1.4%	0.9%	12.3%

**UX INTRADAY APRIL 16, 2013**



**FIXED INCOME**

	Last	1D ch	1M ch	YTD
EMBI+Global	294.9	1.8%	2.6%	8.8%
CDS 5Y UKR	572.0	0.5%	5.2%	-8.5%
Ukraine-13	7.1%	0.2%	0.7%	-0.1%
Naftogaz Ukr-14	4.9%	-7.6%	0.6%	-0.4%
Ukraine-20	6.6%	0.0%	0.1%	-1.0%
Privatbank-16	13.13%	0.0 p.p.	0.6 p.p.	-2.2 p.p.

**CURRENCY**

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	0.0%	0.2%	1.2%
EUR	10.74	1.2%	1.0%	0.5%
RUB	0.26	0.9%	-1.8%	-1.7%

**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	88.7	0.0%	-5.4%	-3.8%
Gold, USD/oz	1367.9	1.5%	-14.1%	-17.4%

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**MHP Poultry Sales Volume Up 8% YoY in 1Q13**

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

**MHP (MHPC LI)**

Price: USD 17.10 Market Cap: USD 1,806mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	2.0	5.8	6.1	6%
2013E	1.9	6.7	5.5	6%

**NEWS**

MHP, Ukraine's largest poultry meat producer, expanded its poultry sales volume in 1Q13 by 8% YoY to 91,720 tonnes, the company announced on Tuesday (Apr 16). The average poultry selling price edged down by 3.0% YoY to UAH 16.3/kg (ex-VAT). The company increased its sales of sunflower oil by 8% YoY to 49,310 tonnes in 1Q13, with average selling price moving up by 6% YoY to USD 1,149 per tonne. MHP also sold 7,300 tonnes of processed meat products in 1Q13 (-2% YoY) at an average selling price of UAH 22.5/kg (+5 YoY).

Management said it expects a strong harvest of winter crops in 2013, and indicated that it aims to expand land under lease by 70,000 hectares during 2013, up from 385,000 as of end-2012.

**COMMENTARY**

This update looks positive for the MHPC stock. The 1Q13 sales volume of poultry meat turned out to be the best result among the company's first-quarter figures of the last several years. In light of a seasonal weakness in poultry meat consumption in 1Q on the domestic market, this was partly a result of higher export sales. In 1Q13, MHP exported 23,200 tonnes of poultry, or 40% of its FY12 export volume. Meanwhile, the lower realized price for poultry was due to higher export sales: MHP exports frozen (i.e. cheaper) meat, in contrast to its focus on fresh meat sales in Ukraine. The exported poultry price is some 10-12% lower compared to the price for fresh meat, according to management. On the sunflower oil side, the growth in sales volume coincided with a positive move in pricing.

Based on the operational data provided for 1Q13, we project that MHP's top line will come in at USD 340mn for the period, which would represent a rise of 14% YoY.

**Astarta's Net Profit Down 48% in FY12 Despite 17% Revenue Growth**

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

**ASTARTA (AST PW)**

Price: PLN 61.1 Market Cap: USD 480mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2011	1.7	8.3	7.2	0%
2012E	1.4	7.1	5.8	0%

**NEWS**

Astarta Holding, Ukraine's largest sugar producer, reported a drop in its net profit by 48% YoY to EUR 45mn despite revenue growth of 17% YoY to EUR 354mn in FY12, according to the company's financials published on Monday (Apr 15). The company's EBITDA fell 23% YoY to EUR 85mn while operating profit decreased by 36% YoY to EUR 59mn in the period. Astarta's export sales rose by 2.3x YoY to EUR 85mn, and accounted for 24% of overall revenue in 2012.

**ASTARTA 2012 FINANCIALS**

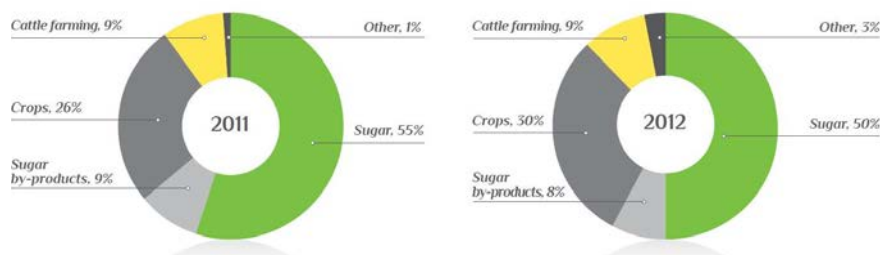
EUR mn	2012	2011	chg.
Net revenue	354	303	16.7%
EBITDA	85	110	-23.4%
margin	24%	37%	-13 p.p.
Net Income	45	87	-48.4%
net margin	13%	29%	-16 p.p.

Source: Company data.

**COMMENTARY**

The story for Astarta in 2012 is well-understood by the market, with weak sugar prices cutting into the company's profitability. Astarta increased its sugar beet harvest by 25% YoY to 2.6mn tonnes last year and produced 450,000 tonnes of sugar (+15% YoY). The strong operational results were reflected on the top line of the P&L statement, but not on the bottom. Astarta reported that its share in the domestic Ukrainian sugar market strengthened to 19% compared to 16% in 2011.

In a segment breakdown, 58% of revenue was earned from sugar and related sales (versus 64% in FY11), 30% came from crop sales, and 9% from the dairy segment.



Source: Company's data

On the balance sheet side, Astarta's total assets rose by 14.7% YoY to EUR 653mn. The company's net debt stood at EUR 242mn as of 31 Dec 2012, implying a Net Debt/EBITDA ratio of 2.9x, i.e. near the upper limit of what is viewed as a reasonably safe level.

Assuming that sugar prices eventually recover, Astarta should benefit from an further increase in its domestic market share, as the 2012-13 pricing slump has squeezed out some less efficient producers.

## EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
<b>Steel&amp;Pipes</b>						
Azovstal	AZST	0.07	0.07	-7%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.06	0.19	203%	BUY	The company has a 100% dividend payout policy, which we expect to remain in place going forward.
<b>Iron Ore</b>						
Ferrexpo	FXPO LN	2.66	3.33	25%	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	0.80	1.77	120%	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	0.78	1.30	66%	BUY	CGOK is a strong dividend play. A DPS of USD 0.27 was approved in April 2012, implying a dividend yield of 26%.
<b>Coke</b>						
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	507%	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.
<b>Coal</b>						
Pokrovske Mine	SHCHZ	0.07	0.36	404%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
<b>Railcar Manufacturing</b>						
Krukiv Wagon	KVBZ	2.68	6.18	130%	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	210%	BUY	LuganskTeplovoz's incorporation into TransMashHolding should help it to exploit its already-dominant position on the Russian market for diesel locomotives.
<b>Specialized Machinery</b>						
Motor Sich	MSICH	240	644	168%	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.
<b>Oil &amp; Gas</b>						
Concern Galnaftogaz	GLNG	0.018	0.030	63%	BUY	Galnaftogaz is pursuing a plan to aggressively expand its filling station network.
Regal Petroleum	RPT	0.35	1.52	331%	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	465%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
<b>Power Utilities</b>						
DonbasEnergO	DOEN	2.31	8.90	285%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.48	1.84	285%	BUY	CenterEnergO's privatization is on the horizon for 2013.
<b>Consumer</b>						
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	19.57	30.0	53%	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	8.10	28.3	250%	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	802.15	1428.72	747.84	-0.4%	-2.7%	-18.3%	-15.6%	0.0%	0.0%	0.0%	0.0%
<b>Steel</b>												
Alchevsk Steel	ALMK	0.044	0.09	0.04	-0.7%	-3.5%	-12.8%	-18.4%	-0.3%	-0.8%	5.5%	-2.7%
Azovstal	AZST	0.59	1.32	0.54	0.5%	-0.7%	-6.9%	-19.6%	0.9%	2.0%	11.4%	-4.0%
Dniprospezstal	DNSS	980	1,700	970	0.0%	1.0%	-2.0%	-1.9%	0.4%	3.7%	16.3%	13.7%
Enakievo Steel	ENMZ	33.2	65.8	27.7	0.7%	-0.9%	-5.5%	-12.7%	1.1%	1.8%	12.8%	3.0%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	0.4%	2.7%	-51.5%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	0.0%	0.0%	-5.0%	-13.6%	0.4%	2.7%	13.3%	2.0%
<b>Coke</b>												
Avdivka Coke	AVDK	3.05	5.14	1.90	0.4%	0.0%	-3.9%	-6.9%	0.8%	2.7%	14.4%	8.7%
Yasnyivsky Coking	YASK	0.56	1.28	0.54	-5.1%	0.0%	-12.5%	-16.4%	-4.7%	2.7%	5.8%	-0.8%
<b>Iron Ore Mining</b>												
Centralny GOK	CGOK	6.38	8.35	4.00	0.0%	-9.5%	-9.5%	-7.5%	0.4%	-6.8%	8.8%	8.1%
Ferrexpo	FXPO	2.67	4.78	2.35	4.2%	-5.9%	-14.4%	-33.8%	4.6%	-3.2%	4.0%	-18.2%
Pivnichny GOK	SGOK	6.54	12.75	6.00	0.0%	-26.9%	-25.7%	-12.1%	0.4%	-24.2%	-7.4%	3.5%
<b>Coal Mining</b>												
Pokrovske Mine	SHCHZ	0.58	1.40	0.40	0.0%	-3.3%	0.0%	-7.9%	0.4%	-0.6%	18.3%	7.7%
Komsomolets Donbasa	SHKD	1.07	2.00	0.80	0.0%	-3.6%	-7.0%	-9.3%	0.4%	-0.9%	11.4%	6.3%
Energy Coal	CLE	1.53	8.23	1.53	0.0%	-19.1%	-50.4%	-50.7%	0.4%	-16.4%	-32.1%	-35.1%
<b>Mining Machinery</b>												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	0.4%	2.7%	n/a	-15.4%
<b>Pipe Manufacturing</b>												
Khartsyzk Pipe	HRTR	0.51	1.34	0.49	-3.8%	-7.3%	-31.1%	-27.1%	-3.4%	-4.6%	-12.8%	-11.5%
Interpipe NMPP	NVTR	0.15	0.60	0.10	-21.1%	-21.1%	-25.0%	-31.8%	-20.7%	-18.4%	-6.7%	-16.2%
<b>Railcar Manufacturing</b>												
Kryukiv Wagon	KVBZ	21.8	24.0	14.2	-2.2%	-2.0%	-4.0%	12.4%	-1.9%	0.7%	14.4%	28.0%
Luhanskeplovoz	LTPL	1.68	2.45	1.28	-4.0%	-4.0%	-13.4%	-10.2%	-3.6%	-1.3%	4.9%	5.5%
Stakhanov Wagon	SVGZ	1.49	4.40	1.30	6.4%	0.7%	-3.2%	-13.9%	6.8%	3.4%	15.1%	1.7%
<b>Specialized Machinery</b>												
Bogdan Motors	LUAZ	0.04	0.22	0.03	0.0%	-16.4%	-23.6%	-16.1%	0.4%	-13.7%	-5.3%	-0.5%
Motor Sich	MSICH	1,954	2,880	1,750	-0.3%	-4.1%	-22.9%	-11.6%	0.1%	-1.4%	-4.5%	4.0%
Sumy Frunze Engineering	SMASH	2.50	4.00	0.76	4.2%	-28.6%	-3.8%	66.7%	4.5%	-25.9%	14.5%	82.3%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	0.4%	2.7%	n/a	n/a
WESTA ISIC	WES	0.20	1.12	0.13	0.0%	1.7%	-14.9%	-15.1%	0.4%	4.4%	3.4%	0.5%
<b>Telecom</b>												
Ukrtelecom	UTLM	0.13	0.40	0.12	-2.8%	3.2%	-2.6%	-16.9%	-2.4%	5.9%	15.7%	-1.3%
<b>Oil &amp; Gas</b>												
Regal Petroleum	RPT	0.35	0.59	0.21	2.5%	4.2%	-18.0%	-34.8%	2.9%	6.9%	0.3%	-19.2%
JXX Oil	JKX	1.06	2.37	0.87	-1.2%	-1.6%	-11.0%	-11.1%	-0.8%	1.1%	7.3%	4.5%
Ukrnafta	UNAF	113	292	80	-0.9%	-1.9%	-29.4%	-4.6%	-0.5%	0.8%	-11.1%	11.0%
<b>Power Utilities</b>												
Centrenerg	CEEN	3.89	8.43	3.76	-2.0%	-3.1%	-33.2%	-38.8%	-1.6%	-0.4%	-14.9%	-23.2%
Donbasenergo	DOEN	18.8	28.3	15.0	0.4%	-3.7%	-11.9%	-11.3%	0.8%	-1.0%	6.4%	4.3%
Zakhidenergo	ZAEN	75.0	197.6	54.0	0.0%	-10.4%	-22.8%	-22.7%	0.4%	-7.7%	-4.5%	-7.1%
<b>Consumer</b>												
Agroton	AGT	0.36	7.0	0.36	0.0%	-86.5%	-89.1%	-88.9%	0.4%	-83.8%	-70.8%	-73.3%
Astarta	AST	19.4	22.1	13.9	0.0%	-3.5%	3.1%	9.0%	0.4%	-0.8%	21.4%	24.6%
Avangardo	AVGR	8.1	14.3	7.61	0.6%	-1.1%	-16.5%	-28.6%	1.0%	1.6%	1.8%	-12.9%
Industrial Milk Company	IMC	4.46	5.48	2.73	0.0%	0.1%	-8.8%	-16.0%	0.4%	2.8%	9.6%	-0.3%
Kernel	KER	18.3	23.7	14.8	0.0%	-2.9%	-5.7%	-15.4%	0.4%	-0.2%	12.6%	0.2%
Mriya Agro Holding	MAYA	5.81	7.4	5.04	5.8%	-3.7%	-5.2%	-10.5%	6.2%	-1.0%	13.2%	5.2%
MHPC	MHPC	17.1	19.9	10.00	1.7%	0.6%	-8.3%	12.1%	2.0%	3.3%	10.0%	27.7%
Milkiland	MLK	4.22	6.3	4.22	0.0%	-5.2%	-13.1%	-10.3%	0.4%	-2.5%	5.2%	5.3%
Ovostar Union	OVO	29.2	33.8	23.2	0.0%	-3.2%	-7.8%	1.1%	0.4%	-0.5%	10.5%	16.7%
Sintal	SNPS	n/a	2.20	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
<b>Chemicals</b>												
Stirol	STIR	11.0	28.4	10.6	0.0%	-2.7%	-21.4%	-17.9%	0.4%	0.0%	-3.1%	-2.3%
<b>Banks</b>												
Raiffeisen Bank Aval	BAVL	0.095	0.128	0.061	-1.4%	-3.3%	-15.5%	11.3%	-1.1%	-0.6%	2.8%	26.9%
UkrSotsbank	USCB	0.115	0.215	0.107	-1.1%	-3.8%	-5.7%	-10.9%	-0.7%	-1.1%	12.6%	4.7%

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
<b>Steel</b>																
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
<b>Coke</b>																
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%
<b>Iron Ore Mining</b>																
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%
<b>Coal Mining</b>																
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%
<b>Pipe Manufacturing</b>																
Khartsyzk Pipe	HRTR	775	659	699	145	74	77	18.7%	11.3%	11.1%	98	34	34	12.7%	5.1%	4.9%
<b>Railcar Manufacturing</b>																
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%
<b>Specialized Machinery</b>																
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%
<b>Telecom</b>																
Ukrtelecom	UTLM	843	858	744	206	205	208	24.5%	23.8%	28.0%	-17	45	48	neg	5.3%	6.5%
<b>Oil &amp; Gas</b>																
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%
<b>Electric Utilities</b>																
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%
<b>Consumer</b>																
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%
<b>Banks</b>																
		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			
<b>Steel</b>																		
Alchevsk Steel	ALMK	138	3.9%	5	1,553	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	536	462	416	\$/tonne
Yenakievo Steel	ENMZ	43	8.8%	4	35	1.4	5.0	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	307	4.1%	13	285	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	51	48	46	\$/tonne
<b>Coke</b>																		
Avdyivka Coke	AVDK	73	7.5%	6	70	neg	neg	neg	11.5	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	48	1.3	1.7	1.7	1.7	1.7	1.7	0.1	0.1	0.1	1.7	1.7	1.7	\$/tonne
<b>Iron Ore Mining</b>																		
Centralny GOK	CGOK	918	0.5%	5	917	2.8	9.7	8.8	1.8	3.9	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	1,850	0.5%	10	1,975	2.4	4.2	5.2	1.7	2.4	3.1	1.1	1.3	1.5				
Ferrexpo	FXPO	1,569	24.0%	377	1,819	2.7	7.3	6.0	2.3	4.5	4.1	1.0	1.3	1.2				
<b>Coal Mining</b>																		
Komsomolets Donbasa	SHKD	44	5.4%	2	146	2.9	1.1	1.3	2.2	1.5	1.6	0.8	0.6	0.6	36	34	32	\$/tonne
Coal Energy	CLE	69	11.9%	8	95	1.9	1.8	1.6	1.9	1.5	1.5	0.6	0.6	0.5	1.9	1.5	1.5	\$/tonne
<b>Pipe Manufacturing</b>																		
Khartsyzk Pipe	HRTR	163	2.0%	3	205	1.7	4.8	4.8	1.4	2.8	2.7	0.3	0.3	0.3	326	540	513	\$/tonne
<b>Railcar Manufacturing</b>																		
LuganskTeplovoz	LTPL	45	24.0%	11	45	5.0	6.6	5.6	3.2	3.6	3.0	0.2	0.3	0.2				
Krukiw Wagon	KVBZ	307	5.0%	15	309	3.6	3.2	6.1	2.6	2.3	3.3	0.4	0.3	0.5				
Stakhanov Wagon	SVGZ	41	8.0%	3	81	2.1	>30	14.4	2.4	11.2	7.4	0.2	0.3	0.3				
<b>Specialized Machinery</b>																		
Turboatom	TATM	182	5.8%	10	130	3.4	4.8	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	499	24.0%	120	509	3.0	2.0	1.8	1.8	1.6	1.5	0.7	0.6	0.5				
<b>Telecom</b>																		
Ukrtelecom	UTLM	306	7.2%	22	642	neg	6.8	6.4	3.1	3.1	3.1	0.8	0.7	0.9				
<b>Oil &amp; Gas</b>																		
Ukrnafta	UNAF	753	3.0%	23	743	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	113	49.0%	55	96	17.7	9.4	4.7	neg	4.2	2.7	5.0	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	182	50.4%	92	291	3.1	4.6	3.6	2.5	2.0	1.9	1.2	1.3	1.2	77	53	40	\$/boe
<b>Electric Utilities</b>																		
CentrEnergO	CEEN	176	21.7%	38	259	>30	6.1	5.3	5.3	4.3	3.8	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	55	14.2%	8	111	neg	14.3	5.4	5.4	6.5	4.7	0.2	0.2	0.2	14	13	13	\$/MWh
<b>Consumer</b>																		
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	1,349	61.8%	833	1,960	6.0	6.4	6.9	6.3	6.1	5.8	1.0	0.9	0.7				
Astarta	AST	486	31.0%	151	633	4.3	9.7	8.2	4.4	6.5	5.2	1.6	1.4	1.2	3209	1954	1623	\$/tonne
Avangardco	AVGR	517	22.5%	116	665	2.6	2.3	2.2	2.7	2.4	2.3	1.2	1.1	0.9	151	114	108	\$/mneegs
Agroton	AGT	8	44.6%	3	41	neg	0.4	0.4	2.2	1.3	1.2	0.3	0.4	0.4	0.3	n/a	n/a	\$/th/ha
<b>Banks</b>																		
Raiffeisen Bank Aval	BAVL	352	4.0%	14		>30	>30	12.3	0.4	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	260	1.6%	4		>30	>30	21.8	0.3	0.3	0.3	0.06	0.06	0.06				

Source: Eavex Research

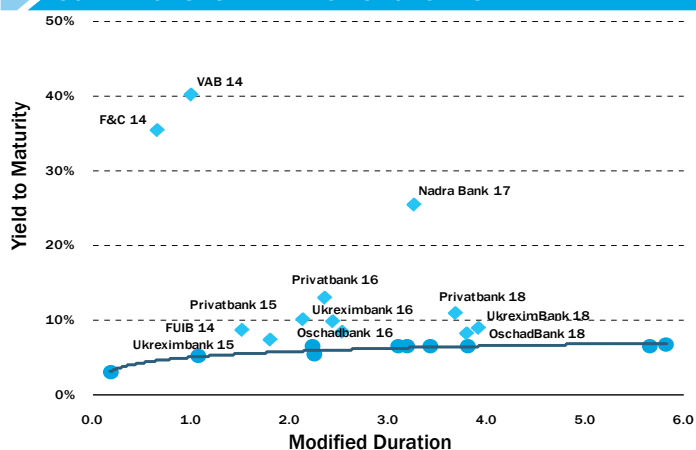
**UKRAINIAN EUROBONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Price chg. (YTD)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD	Ratings <sup>1</sup>
<b>Sovereign Eurobonds</b>											
Ukraine, 2013	100.3	100.8	5.8%	2.2%	-0.5%	0.1	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	102.4	103.0	5.6%	5.1%	0.9%	1.0	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.2	103.9	7.2%	6.7%	0.5%	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	100.3	101.1	6.7%	6.4%	-0.6%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	99.1	99.7	6.8%	6.7%	-0.4%	3.1	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	99.0	99.6	6.5%	6.4%	-0.3%	3.2	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	100.0	100.8	6.7%	6.5%	1.2%	3.8	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	108.8	109.5	6.8%	6.7%	1.8%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	101.0	102.5	8.2%	7.8%	3.6%	3.6	8.375%	S/A	3 Nov 2017	568	B2/-/-
Ukraine, 2018 Infr. projects	96.5	97.7	8.3%	8.0%	4.6%	3.9	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	105.5	106.3	6.8%	6.7%	2.8%	5.6	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	106.6	107.2	6.8%	6.7%	2.9%	5.8	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	103.8	104.5	7.2%	7.1%	3.2%	6.5	7.80%	S/A	28 Nov 2022	1,250	//B
<b>Corporate Eurobonds</b>											
Agroton, 2014	75.0	80.0	39.2%	32.9%	n/a	1.0	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	107.9	108.6	6.1%	5.9%	2.6%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	n/a	n/a	8.3%	8.1%	n/a	5.2	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	99.5	100.8	10.3%	9.7%	4.6%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	n/a	n/a	11.0%	10.8%	n/a	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	105.1	105.9	6.8%	6.3%	4.4%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	n/a	n/a	8.0%	7.8%	n/a	4.1	7.88%	S/A	4 Apr 2018	600	B2//B
Metinvest, 2015	106.5	107.1	6.9%	6.6%	2.9%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.5	103.5	8.1%	7.9%	6.2%	3.8	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	100.1	101.1	7.9%	7.4%	3.3%	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+
<b>Bank Eurobonds</b>											
Fin&Credit Bank, 2014	82.0	86.0	40.0%	32.6%	36.7%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	103.0	104.4	9.2%	8.3%	2.7%	1.5	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	73.0	80.0	28.7%	22.2%	5.0%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.3	99.2	10.7%	9.8%	3.6%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.4	84.5	13.5%	12.5%	8.1%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.6	101.2	11.0%	10.5%	0.4%	3.7	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	101.2	101.9	7.8%	7.4%	1.6%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.0	91.6	10.9%	9.3%	6.5%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	101.3	102.1	8.4%	8.1%	1.7%	3.8	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	73.0	75.0	42.3%	39.5%	35.2%	1.0	10.50%	Q	14 Jun 2014	125	Caa1-/WD
Oschadbank, 2016	99.0	99.8	8.7%	8.4%	4.5%	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
<b>Municipal Eurobonds</b>											
City of Kyiv, 2015	96.9	98.8	9.4%	8.5%	4.6%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	98.3	99.8	10.0%	9.4%	5.9%	2.7	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

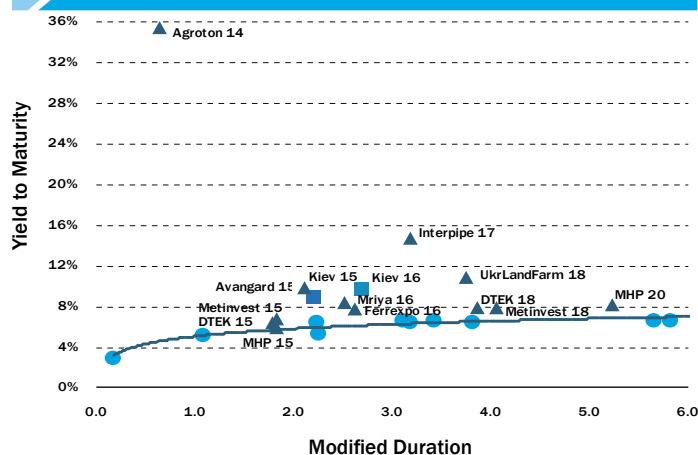
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



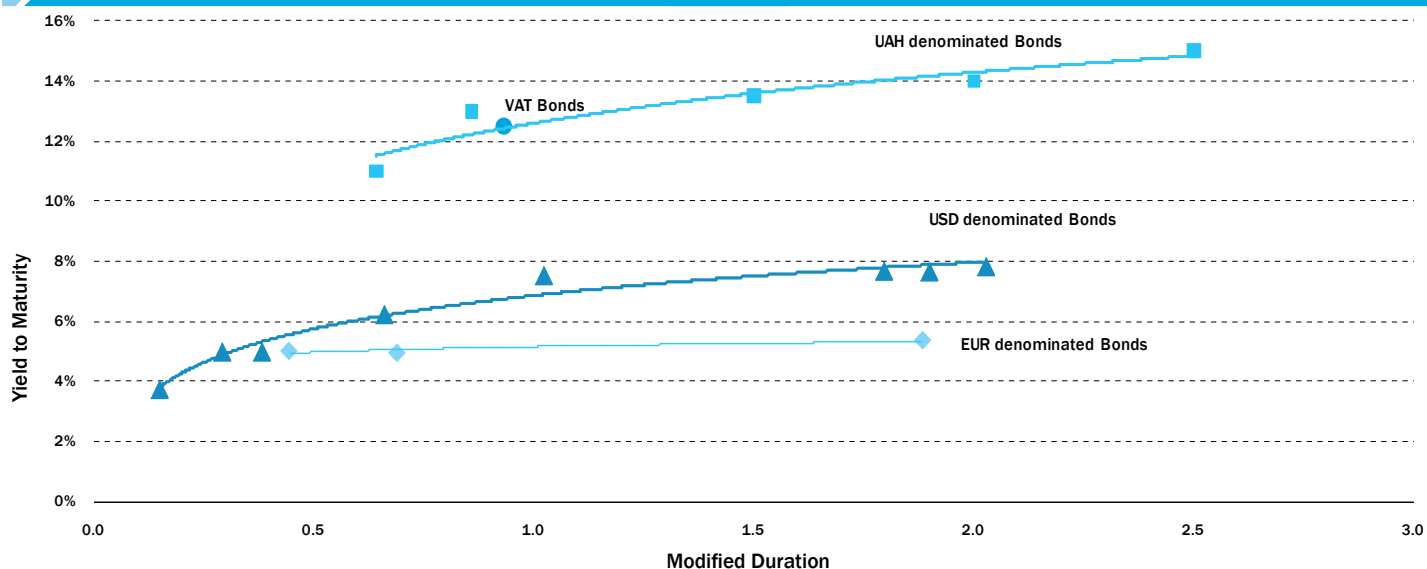
Source: Bloomberg, Cbonds, Eavex Research



**UKRAINIAN DOMESTIC BONDS**

Issue	Price (Bid)	Price (Ask)	YTM (Bid)	YTM (Ask)	Modified Duration	Coupon	Coupon Period	Maturity Date	Volume mn USD
<b>UAH denominated Bonds</b>									
UA4000119473			4.5%	3.0%	0.6	9.00%	S/A	22 May 2013	64
UA4000115117			11.8%	10.0%	0.9	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
<b>USD denominated Bonds</b>									
UA4000134431									
UA4000141063	100.3	100.5	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	103.6	104.1	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	107.1	108.1	8.1%	7.3%	1.9	9.45%	S/A	27 May 2015	152
UA4000142673	97.1	98.1	8.2%	7.5%	2.0	4.50%	S/A	17 Jun 2015	175
<b>EUR denominated Bonds</b>									
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	99.3	99.4	4.6%	4.5%	1.9	4.80%	S/A	6 May 2015	40
<b>VAT Bonds</b>									
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

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