

Market Update
Equity

Ukrainian stocks ended last week with a fairly sharp selloff on Friday (Apr 26), underperforming global equity markets and giving back most of their gains of the previous week. The UX index lost 2.0%, closing at 806 points. Avdyivka Coke (AVDK) was the worst-hit blue chip, dropping 6.2% to UAH 2.95, and Alchevsk Steel (ALMK) and UkrNafta (UNAF) both shed more than 4%. Volume leader Motor Sich (MSICH) was down by a more moderate 1.1% on turnover of UAH 5.9mn, while CentrEnero (CEEN) was the only major name to end the day higher, edging up by 0.4%. Among active second-tier issues, beaten-down Stakhanov Wagon (SVGZ) suffered a 10.7% decline to UAH 1.38. In London, Ferrexpo (FXPO LN) pulled back by 2.3% after recent gains, while Astarta (AST PW) moved in the opposite direction, rallying sharply in Warsaw after a string of losses; the stock added 8.0% to PLN 50 on the nose.

Fixed Income

Ukrainian sovereign Eurobonds were down on Friday. Ukraine-22s slid by 0.7p.p. to 99.7/100.4 (7.8%/7.7%) while Ukraine-17s declined by 0.6p.p. closing at 99.1/99.8 (7.0%/6.8%). Corporate names were mixed. MHP-15s inched down by 0.1p.p. to 105.7/106.9 (7.2%/6.5%) while Metinvest-18s inched up by 0.1p.p. finishing at 102.0/103.3 (8.2%/7.9%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1971.00	-1.1%	6.0	189
Centrenero	CEEN	3.986	0.4%	1.7	197
Raiffeisen Bank Aval	BAVL	0.098	-3.0%	1.6	247

Growth Leaders

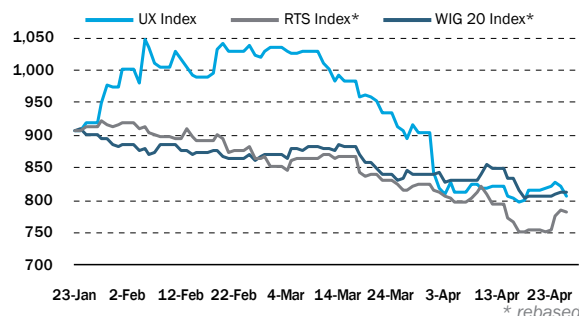
Kryukiv Wagon	KVBZ	25.00	2.0%	0.06	17
Centrenero	CEEN	3.99	0.4%	1.72	197
Donbasenergo	DOEN	19.51	-0.6%	0.96	103

Loss Leaders

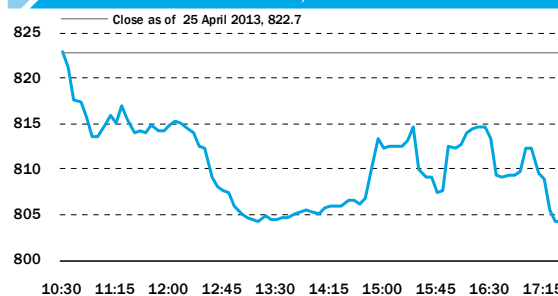
Mostobud	MTBD	14.00	-22.2%	0.00	8
Stakhanov Wagon	SVGZ	1.38	-10.7%	0.19	9
Pivnichny GOK	SGOK	6.48	-7.4%	0.08	35

Highlights
STOCKS IN THE NEWS

- > CentrEnero Posts 1Q Net Profit of USD 9.4mn
- > Avdyivka Coke Announces 1Q Net Profit of USD 4mn
- > Azovstal Reports 1Q Net Loss of USD 75mn
- > UkrNafta's Net Profit Declines 43% YoY to USD 41mn in 1Q13
- > Yenakievo Steel Posts First Positive EBITDA Since 4Q08

STOCK MARKET PERFORMANCE

MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	806.3	-2.0%	-11.2%	-15.2%
RTS	1382.2	-0.4%	-4.4%	-9.5%
WIG20	2294.1	0.3%	-2.5%	-11.2%
MSCI EM	1022.4	-0.5%	-0.6%	-3.1%
S&P 500	1582.2	-0.2%	1.2%	12.8%

UX INTRADAY APRIL 26, 2013

FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	296.8	1.1%	-1.4%	9.5%
CDS 5Y UKR	612.7	0.3%	6.6%	-2.0%
Ukraine-13	7.5%	0.1%	0.7%	0.3%
Naftogaz Ukr-14	3.0%	-1.2%	-0.6%	-2.3%
Ukraine-20	6.7%	0.1%	-0.2%	-0.9%
Privatbank-16	12.93%	-0.2 p.p.	0.3 p.p.	-2.4 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.14	0.0%	0.2%	1.2%
EUR	10.61	0.2%	1.6%	-0.7%
RUB	0.26	-0.5%	-1.1%	-1.8%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	322.1	0.0%	0.0%	0.0%
Steel, USD/t	540.0	0.0%	-4.4%	1.4%
Oil, USD/bbl	93.0	-0.7%	-3.7%	0.8%
Gold, USD/oz	1462.1	-0.4%	-8.6%	-11.7%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

CentrEnergO Posts 1Q Net Profit of USD 9.4mn

by Dmitry Churin
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CENTRENERGO (CEEN UK)

Price: UAH 3.99 Market Cap: USD 181mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.7	0.2	6.3	4.0	4.8%
2013E	0.7	0.4	neg	7.9	0.0%

NEWS

CentrEnergO, Ukraine's second-largest thermal electricity generation company, posted a net profit of UAH 77mn (USD 9.4mn) in 1Q13 compared to net loss of UAH 174mn in 1Q12, according to financials released on Thursday evening (Apr 25). The company's revenue declined by 10% YoY to UAH 2.0bn (USD 247mn) in the period while EBITDA was UAH 125mn (USD 15.3mn) compared to negative EBITDA for 1Q12.

CENTRENERGO 1Q13 FINANCIALS

USD mn	1Q13	1Q12	chg.
Net revenue	247	274	-10%
EBITDA	15.3	-14.8	+/-
margin	6.2%	-5.4%	+11.6 p.p.
Net Income	9.4	-21.7	+/-
net margin	3.8%	-7.9%	+11.7 p.p.

Source: Company data

COMMENTARY

Along with other thermal generation companies, CentrEnergO has been benefiting from Ukraine's coal glut, which has pushed down coal prices. More importantly, however, the fire that shut down CentrEnergO's Uglegorska power plant on Mar 29 occurred too late to show up in the 1Q financials, but it will negatively affect CentrEnergO's operations and results later this year. There is still no official information on how long it will take to repair the station. We expect the capacity loads at CentrEnergO's other plants at Tripilska and Zuevska to increase until the restoration of Uglegorska, but believe the company will suffer net losses over the next several quarters due to its inability to use about 16% of its total capacity.

Avdyivka Coke Announces 1Q Net Profit of USD 4mn

by Ivan Dzvinka
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AVDYIVKA COKE (AVDK UK)

Price: UAH 2.96 Market Cap: USD 71mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.06	neg	neg	0.0%
2013E	0.07	neg	neg	0.0%

NEWS

Avdyivka Coke, Ukraine's largest coke manufacturer, reported net income of UAH 34mn (USD 4.2mn) for 1Q13, according to the company's quarterly report. The coke maker ended Jan-Mar 2013 with a net margin of 2%, vs. a negative figure of -14% in 1Q12. The company's top line dropped by 21% YoY to USD 233mn on the back of a 7% YoY decline in coke output to 1.0mn tonnes. EBITDA improved to USD 17mn compared to negative USD 40mn in 1Q12.

AVDYIVKA COKE: OPERATIONAL AND FINANCIAL RESULTS

USD mn	1Q12	1Q13	YoY
Coke output, '000t	1,090	1,016	-7%
Net revenue	296.3	232.8	-21%
EBITDA	-39.7	16.5	nm
EBITDA margin	-13%	7%	20pp
Net profit	-41.0	4.2	nm
Net margin	-14%	2%	16pp

Source: Company data

COMMENTARY

The better earnings in 1Q13 YoY were, in our view, a result of a favorable differential between prices for coking coal and coke as well as a slight improvement in the company's financial transparency. According to our estimates, prices for coking coal dropped by 30% YoY in 1Q13 compared to a smaller 16% YoY decline in prices for coke. Based on Avdyivka's cost of sales, the implied purchasing price for coking coal was around 25% higher in 1Q13 vs. the domestic market price, while in 1Q12 this difference was closer to 30%. We continue to see such a large difference as unjustified, even taking into account that a large share of Avdyivka's needs in coking coal (near 50%) is covered by more expensive imported material. We also note that Avdyivka's realized price for its coke is close market levels for ordinary coke, despite the fact that the company is now producing higher-value-added premium coke in significant quantities.

Azovstal Reports 1Q Net Loss of USD 75mn

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AZOVSTAL (AZST UK)

Price: UAH 0.571 Market Cap: USD 296mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.09	neg	neg	0.0%
2013E	0.09	neg	neg	0.0%

NEWS

Mariupol-based Azovstal, Ukraine's third-largest steel mill, finished 1Q13 with a net loss of UAH 612mn (USD 75mn), according to the company's latest financial report. This compares to net losses of USD 102mn and USD 93mn reported for 1Q12 and 4Q12, respectively. The company also reduced its losses on the EBITDA level. Negative EBITDA in 1Q13 amounted to USD 25mn vs. USD -69mn in 1Q12 and USD -57mn in 4Q12. Azovstal's revenue fell 15% YoY to 644mn in 1Q13 (+2% QoQ).

AZOVSTAL: OPERATIONAL AND FINANCIAL RESULTS

USD mn	1Q12	4Q12	1Q13	QoQ	YoY
Rolled steel output, '000t	1,067	991	1,068	8%	0%
Net revenue (USD mn)	756	630	644	2%	-15%
EBITDA	(69)	(57)	(25)	nm	nm
EBITDA margin	-9.1%	-9.1%	-3.8%	5.3pp	5.3pp
Net profit	(102)	(93)	(75)	nm	nm
Net margin	-13.5%	-14.8%	-11.7%	3.1pp	1.7pp

Source: Company data

COMMENTARY

While the reduction in Azovstal's losses in 1Q13 is marginally positive news, the financial transparency of the company still obviously leaves much to be desired. Azovstal continues to sell its steel products at a premium of 5-15% to market prices (depending on the particular product). However, the "positive" effect from higher-than-market realized prices for steel was more than offset by inflation in the cost of goods sold. The reported production cash cost of Azovstal in 1Q13 was USD 600 per tonne of tradable steel, which is some 20-23% higher than the cost implied by market prices for raw materials, according to our estimates. With opaque financials still a material issue for the company, we stick to our negative outlook for the AZST stock.

UkrNafta's Net Profit Declines 43% YoY to USD 41mn in 1Q13

by Dmitry Churin
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UKRNAFTA (UNAF UK)

Price: UAH 113 Market Cap: USD 757mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012E	0.3	2.4	1.5	12.5%
2013E	0.3	3.3	1.7	9.0%

Yenakievo Steel Posts First Positive EBITDA Since 4Q08

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YENAKIEVO STEEL (ENMZ UK)

Price: UAH 32.5 Market Cap: USD 42mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.02	neg	neg	0.0%
2013E	0.02	neg	neg	0.0%

NEWS

UkrNafta, Ukraine's national flagship oil company, reported that its net profit declined by 43% YoY to UAH 335mn (USD 41mn) in 1Q13, according to financials unveiled on Thursday (Apr 25). The company's revenue decreased by a more moderate 5.6% YoY to UAH 3.3bn (USD 400mn), while its gross profit fell by 28.5% YoY to UAH 776mn (USD 95mn).

COMMENTARY

The company's release disappointed the market due to a higher-than-expected drop in net profit. On the other hand, the fact that UkrNafta's profit fell in 1Q13 amid a 7.7% YoY drop in its oil extraction was hardly surprising. The average spot price for Brent oil was USD 110 per barrel in 1Q13, or the nearly the same as the average price in 1Q12. In segment results, UkrNafta's gross oil sales (incl. VAT and royalties) amounted UAH 3.3bn, while petroleum product sales (mostly gasoline retailing) amounted to UAH 1.8bn in 1Q13.

NEWS

Yenakievo Steel, Ukraine's 7th-largest steelmaker by output, reported positive EBITDA of UAH 46mn (USD 6mn) in 1Q13, according to the company's quarterly report. In 1Q12 and 4Q12, Yenakievo had posted negative EBITDA of USD 43mn and USD 8mn, respectively. Revenue in 1Q13 decreased by 10% YoY to 359mn on a 2% YoY decline in rolled steel output and lower steel prices. The company's bottom line was negative at USD -44mn, compared to a loss of USD 78mn in 1Q12 and a profit of USD 177mn in 4Q12 (the latter was mainly due to one-off non-operating income).

YENAKIEVO STEEL: OPERATIONAL AND FINANCIAL RESULTS

USD mn	1Q12	4Q12	1Q13	QoQ	YoY
Rolled steel output, '000t	662	608	646	6%	-2%
Net revenue	400	350	359	3%	-10%
Gross Profit	(18)	8	20	nm	nm
Gross margin	-0.6%	0.3%	0.7%	0.4pp	1.3pp
EBITDA	(43)	(8)	6	nm	nm
EBITDA margin	-10.6%	-2.3%	1.6%	3.9pp	12.2pp
Net profit	(75)	177	(44)	nm	nm
Net margin	-18.8%	50.5%	-12.2%	-62.7pp	6.6pp

Source: Company data

COMMENTARY

1Q13 was the first time since 4Q08 when Yenakievo reported positive EBITDA. The company's average selling price amounted to USD 555 per tonne of steel in 1Q13, which, taking into account the company's product mix, was close to the market levels. We also note that the reported production cash cost in 4Q12 and especially in 1Q13 (USD 525/t) was much closer to the level implied by market raw materials prices compared to Yenakievo's decidedly inflated costs reported in the previous 15 quarters. The obvious question on the table is whether 1Q13's numbers are the start of a trend, or simply a one-off event. If the former is the case and Yenakievo posts decent numbers in the next 2-3 quarters, we believe this could serve as a strong catalyst for the ENMZ stock.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-3%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.06	0.19	215%	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	0.80	1.77	122%	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	0.75	1.30	73%	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	0.36	0.76	110%	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	509%	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	433%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	3.07	6.18	101%	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.
Specialized Machinery						
Motor Sich	MSICH	242	644	166%	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	0.41	1.52	273%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	1.0	6.0	473%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnergO	DOEN	2.40	8.90	272%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.49	1.84	276%	BUY	CenterEnergO's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	18.6	24.0	29%	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	15.71	30.0	91%	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	8.50	28.3	233%	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	806.29	1406.21	747.84	-2.0%	-1.3%	-11.2%	-15.2%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.09	0.04	-4.7%	0.5%	-8.6%	-20.2%	-2.7%	1.7%	2.7%	-5.0%
Azovstal	AZST	0.57	1.27	0.54	-2.2%	-1.0%	-5.1%	-22.7%	-0.2%	0.2%	6.1%	-7.6%
Dniprospezstal	DNSS	700	n/a	n/a	0.0%	-28.6%	-27.8%	-29.9%	2.0%	-27.3%	-16.6%	-14.8%
Enakievo Steel	ENMZ	32.5	63.7	27.7	-1.4%	-3.2%	-6.2%	-14.5%	0.6%	-2.0%	5.0%	0.7%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	0.0%	-69.8%	n/a	2.0%	1.3%	-58.6%	n/a
Mariupol Ilyicha	MMKI	0.19	0.32	0.13	0.0%	0.0%	5.6%	-13.6%	2.0%	1.3%	16.8%	1.5%
Coke												
Avdivka Coke	AVDK	2.96	4.89	1.90	-6.2%	-3.9%	-3.1%	-9.7%	-4.2%	-2.6%	8.2%	5.5%
Yasnyivsky Coking	YASK	0.56	1.26	0.54	-3.4%	-3.4%	-12.5%	-16.4%	-1.5%	-2.2%	-1.3%	-1.2%
Iron Ore Mining												
Centralny GOK	CGOK	6.10	7.74	4.00	1.7%	-3.2%	-9.6%	-11.6%	3.7%	-1.9%	1.6%	3.6%
Ferrexpo	FXPO	2.78	4.78	2.35	-1.9%	9.5%	6.1%	-31.0%	0.1%	10.7%	17.3%	-15.8%
Pivnichny GOK	SGOK	6.48	12.50	5.77	-7.4%	5.2%	-23.3%	-12.9%	-5.4%	6.5%	-12.1%	2.3%
Coal Mining												
Pokrovske Mine	SHCHZ	0.55	1.40	0.40	0.0%	-6.8%	-16.7%	-12.7%	2.0%	-5.5%	-5.4%	2.5%
Komsomolets Donbasa	SHKD	0.92	2.00	0.76	0.0%	-8.0%	-12.4%	-22.0%	2.0%	-6.7%	-1.1%	-6.9%
Energy Coal	CLE	1.22	7.95	0.85	0.5%	3.7%	-36.1%	-60.6%	2.5%	5.0%	-24.9%	-45.4%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.003	0.0%	0.0%	n/a	-31.0%	2.0%	1.3%	n/a	-15.9%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.49	1.33	0.47	-2.0%	-2.0%	-35.5%	-30.0%	0.0%	-0.7%	-24.3%	-14.8%
Interpipe NMPP	NVTR	0.18	0.60	0.10	-14.3%	12.5%	-5.3%	-18.2%	-12.3%	13.8%	6.0%	-3.0%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	25.0	25.9	14.2	2.0%	0.0%	10.6%	28.9%	4.0%	1.3%	21.9%	44.0%
Luhanskeplovoz	LTPL	1.68	2.45	1.28	-1.2%	0.0%	-15.6%	-10.2%	0.8%	1.3%	-4.3%	5.0%
Stakhanov Wagon	SVGZ	1.38	4.20	1.30	-11.0%	-6.1%	-14.8%	-20.2%	-9.0%	-4.9%	-3.6%	-5.1%
Specialized Machinery												
Bogdan Motors	LUAZ	0.05	0.22	0.03	22.0%	23.5%	27.9%	11.4%	24.0%	24.8%	39.2%	26.6%
Motor Sich	MSICH	1,971	2,849	1,750	-1.1%	-1.9%	-14.2%	-10.8%	0.9%	-0.7%	-3.0%	4.4%
Sumy Frunze Engineering	SMASH	2.50	4.00	0.76	-3.8%	0.8%	-28.4%	66.7%	-1.8%	2.1%	-17.1%	81.8%
Turboatom	TATM	3.20	n/a	n/a	0.0%	0.0%	n/a	n/a	2.0%	1.3%	n/a	n/a
WESTA ISIC	WES	0.22	0.95	0.13	2.7%	-5.6%	3.3%	-7.4%	4.7%	-4.3%	14.5%	7.7%
Telecom												
Ukrtelecom	UTLM	0.13	0.40	0.12	0.0%	-9.7%	-6.7%	-21.9%	2.0%	-8.5%	4.5%	-6.7%
Oil & Gas												
Regal Petroleum	RPT	0.41	0.59	0.21	0.3%	15.9%	4.2%	-25.0%	2.3%	17.2%	15.4%	-9.8%
JKX Oil	JKX	1.04	2.22	0.87	1.1%	1.2%	-10.4%	-12.6%	3.1%	2.5%	0.8%	2.5%
Ukrnafta	UNAF	114	284	80	-4.2%	-8.5%	-20.8%	-4.2%	-2.2%	-7.3%	-9.6%	11.0%
Power Utilities												
Centrenerg	CEEN	3.99	7.99	3.76	0.4%	2.1%	-26.2%	-37.2%	2.4%	3.3%	-15.0%	-22.0%
Donbasenergo	DOEN	19.5	28.1	15.0	-0.6%	-1.1%	-2.6%	-7.9%	1.4%	0.2%	8.6%	7.2%
Zakhidenergo	ZAEN	85.8	168.8	54.0	1.1%	2.3%	-3.7%	-11.5%	3.1%	3.5%	7.5%	3.6%
Consumer												
Agroton	AGT	0.75	6.0	0.36	0.6%	-13.3%	-71.9%	-77.0%	2.6%	-12.0%	-60.7%	-61.9%
Astarta	AST	15.7	22.1	13.9	7.7%	5.8%	-15.1%	-12.3%	9.7%	7.1%	-3.9%	2.9%
Avangardo	AVGR	8.5	14.3	7.61	0.0%	-0.9%	6.4%	-25.0%	2.0%	0.4%	17.6%	-9.8%
Industrial Milk Company	IMC	4.12	5.48	2.73	-0.2%	-4.1%	-8.9%	-22.4%	1.8%	-2.8%	2.3%	-7.2%
Kernel	KER	15.9	23.0	14.8	1.4%	1.2%	-8.4%	-26.6%	3.4%	2.5%	2.8%	-11.4%
Mriya Agro Holding	MAYA	5.73	7.4	5.04	1.5%	1.0%	-3.3%	-11.7%	3.4%	2.2%	7.9%	3.5%
MHPC	MHPC	18.6	19.9	10.00	-1.1%	6.0%	4.2%	21.6%	0.9%	7.3%	15.4%	36.8%
Milkiland	MLK	3.29	6.3	3.29	-4.8%	-17.3%	-23.6%	-30.1%	-2.8%	-16.1%	-12.4%	-15.0%
Ovostar Union	OVO	26.8	33.8	23.2	3.7%	5.2%	-10.2%	-7.3%	5.7%	6.4%	1.0%	7.8%
Sintal	SNPS	n/a	1.99	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.96	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	10.9	25.6	10.3	0.0%	-5.2%	-13.2%	-19.0%	2.0%	-3.9%	-2.0%	-3.9%
Banks												
Raiffeisen Bank Aval	BAVL	0.098	0.128	0.061	-3.0%	-1.3%	-2.5%	14.6%	-1.0%	-0.1%	8.8%	29.8%
UkrSotsbank	USCB	0.119	0.215	0.107	-2.5%	-1.4%	2.3%	-8.1%	-0.6%	-0.2%	13.6%	7.0%

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%
Ukrstsobank	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	135	3.9%	5	1,550	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	415	\$/tonne
Yenakievo Steel	ENMZ	42	8.8%	4	35	1.3	4.9	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	295	4.1%	12	273	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	49	46	44	\$/tonne
Coke																		
Avdyivka Coke	AVDK	71	7.5%	5	68	neg	neg	neg	11.2	neg	neg	0.0	0.1	0.1	19	15	12	\$/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
Iron Ore Mining																		
Centralny GOK	CGOK	878	0.5%	5	877	2.7	9.2	8.4	1.8	3.7	4.3	1.1	1.5	1.7				
Pivnichny GOK	SGOK	1,833	0.5%	10	1,958	2.3	4.2	5.1	1.7	2.4	3.1	1.1	1.3	1.5				
Ferrexpo	FXPO	1,635	24.0%	393	1,886	2.8	7.6	6.2	2.4	4.7	4.2	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	38	5.4%	2	140	2.5	1.0	1.1	2.1	1.4	1.6	0.7	0.5	0.5	34	33	31	\$/tonne
Coal Energy	CLE	55	11.9%	7	81	1.5	1.4	1.3	1.6	1.3	1.3	0.5	0.5	0.4	1.6	1.3	1.3	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	156	2.0%	3	199	1.6	4.6	4.6	1.4	2.7	2.6	0.3	0.3	0.3	316	523	497	\$/tonne
Railcar Manufacturing																		
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				
Kruiiv Wagon	KVBZ	352	5.0%	18	354	4.2	3.7	7.0	3.0	2.6	3.8	0.5	0.4	0.6				
Stakhanov Wagon	SVGZ	38	8.0%	3	77	1.9	>30	13.4	2.3	10.8	7.1	0.2	0.2	0.2				
Specialized Machinery																		
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	503	24.0%	121	513	3.0	2.0	1.9	1.8	1.7	1.6	0.7	0.6	0.5				
Telecom																		
Ukrtelecom	UTLM	287	7.2%	21	623	neg	6.3	6.0	3.0	3.0	3.0	0.7	0.7	0.8				
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	130	49.0%	64	113	20.4	10.9	5.4	neg	4.9	3.2	5.9	2.3	1.4	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	179	50.4%	90	288	3.0	4.5	3.6	2.5	2.0	1.9	1.2	1.3	1.2	76	53	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	181	21.7%	39	264	>30	6.3	5.4	5.4	4.3	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	57	14.2%	8	113	neg	14.8	5.6	5.5	6.6	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,959	34.1%	668	3,004	7.6	6.3	7.2	7.5	6.4	5.7	2.4	2.1	2.0	9389	9389	9389	\$/tonne
Kernel	KER	1,172	61.8%	724	1,782	5.2	5.6	6.0	5.8	5.5	5.3	0.9	0.8	0.6				
Astarta	AST	391	31.0%	121	538	3.4	7.8	6.6	3.7	5.5	4.4	1.3	1.2	1.0	2728	1661	1379	\$/tonne
Avangardco	AVGR	543	22.5%	122	691	2.8	2.4	2.3	2.8	2.5	2.4	1.2	1.1	1.0	156	119	112	\$/mneggs
Agroton	AGT	16	44.6%	7	49	neg	0.9	0.8	2.6	1.6	1.5	0.4	0.5	0.5	0.4	n/a	n/a	\$/ha
Banks																		
Raiffeisen Bank Aval	BAVL	362	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

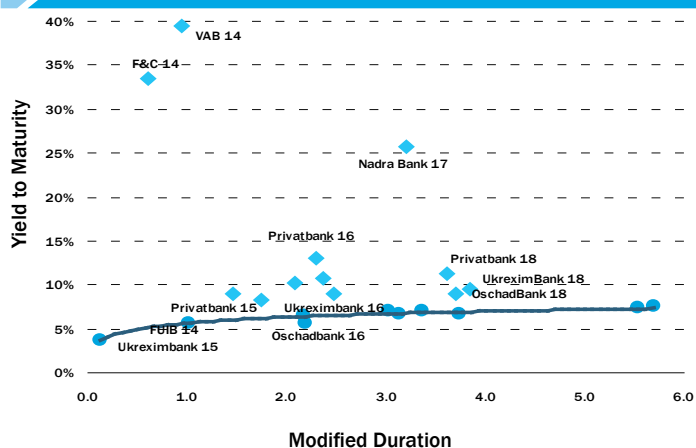
UKRAINIAN EUROBONDS

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	5.3%	0.5%	-0.5%	0.1	7.65%	S/A	11 Jun. 2013	1,000	/B+/B
Ukraine, 2014	101.9	102.5	6.1%	5.5%	0.4%	1.0	7.95%	S/A	6 Apr. 2014	1,000	/B+/B
Naftogaz Ukraine, 2014	103.3	104.1	7.0%	6.4%	0.7%	1.3	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	97.5	98.5	6.1%	5.6%	0.5%	2.2	4.95%	A	13 Oct 2015	600*	B2/B+/B
Ukraine, 2015	99.9	100.4	6.9%	6.7%	-1.0%	2.2	6.875%	S/A	23 Sept 2015	500	B2/B+/B
Ukraine, 2016	97.9	98.4	7.2%	7.1%	-1.7%	3.0	6.58%	S/A	21 Nov 2016	1,000	B//B
Ukraine, 2016-2	97.7	98.3	7.0%	6.8%	-1.6%	3.1	6.25%	S/A	17 Jun 2016	1,250	B2/B+/B
Ukraine, 2017	99.1	99.8	7.0%	6.8%	0.2%	3.7	6.75%	S/A	14 Nov 2017	700	B2/B+/B
Ukraine, 2017-2	106.9	107.9	7.3%	7.0%	0.2%	3.4	9.25%	S/A	24 Jul 2017	2,000	B2/B+/B
Ukraine, 2017 Infr. projects	98.5	100.0	8.9%	8.5%	1.0%	3.5	8.375%	S/A	3 Nov 2017	568	B2/-/-
Ukraine, 2018 Infr. projects	94.4	95.9	8.9%	8.5%	2.5%	4.0	7.40%	S/A	20 Apr 2018	690	B2/-/-
Ukraine, 2020	101.0	101.7	7.6%	7.4%	-1.6%	5.5	7.75%	S/A	23 Sept 2020	1,500	B2/B+/B
Ukraine, 2021	101.4	102.2	7.7%	7.6%	-2.0%	5.7	7.95%	S/A	23 Feb 2021	1,500	B2/B+/B
Ukraine, 2022	99.7	100.4	7.8%	7.7%	-0.9%	6.4	7.80%	S/A	28 Nov 2022	1,250	//B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	40.6%	34.0%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	105.7	106.9	7.2%	6.8%	0.8%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	98.7	99.8	8.5%	8.3%	-0.8%	5.2	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	99.0	100.9	10.5%	9.6%	4.4%	2.2	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	99.1	100.5	11.1%	10.7%	-0.2%	3.7	10.88%	S/A	26 Mar 2018	275	B-/B
Mriya, 2016	106.1	107.0	8.6%	8.2%	3.4%	2.5	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	104.8	105.3	6.9%	6.6%	3.9%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	98.5	99.2	8.2%	8.1%	-1.1%	4.0	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	106.9	107.6	6.6%	6.3%	3.3%	1.8	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.0	103.1	8.2%	7.9%	5.8%	3.8	8.75%	S/A	14 Feb 2018	750	B2/-/B-
Ferrexpo, 2016	99.3	100.6	8.2%	7.6%	2.6%	2.6	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interepipe, 2017	77.0	80.1	18.3%	16.7%	-3.8%	3.0	10.25%	S/A	2 Aug 2017	200	-/B+/B+
Bank Eurobonds											
Fin&Credit Bank, 2014	84.0	88.0	37.5%	29.9%	40.0%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.6	104.4	9.5%	8.3%	2.5%	1.4	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	75.0	79.5	27.9%	23.4%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.5	99.1	10.6%	9.9%	3.7%	2.1	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	82.2	85.4	13.7%	12.1%	8.6%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	98.9	100.4	11.2%	10.8%	-0.4%	3.6	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	99.8	100.7	8.5%	8.0%	0.3%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	87.0	89.8	11.5%	10.1%	4.9%	2.4	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.1	99.3	9.2%	8.9%	-1.3%	3.7	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	74.0	77.0	42.0%	37.6%	37.0%	0.9	10.50%	Q	14 Jun 2014	125	Caa1/-/WD
Oschadbank, 2016	98.0	98.8	9.1%	8.8%	3.5%	2.5	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	96.5	97.9	9.9%	9.6%	-2.8%	3.8	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	95.8	97.8	10.0%	9.0%	3.5%	2.1	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.3	98.5	10.8%	9.9%	4.1%	2.6	9.375%	S/A	30 Jun 2016	300	B1/CCC+/B

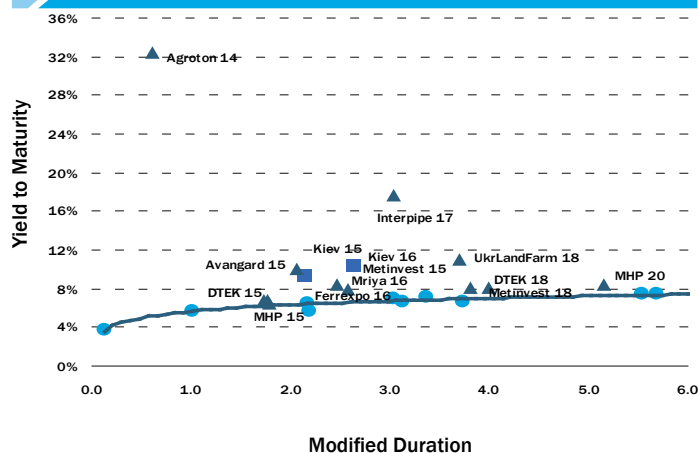
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

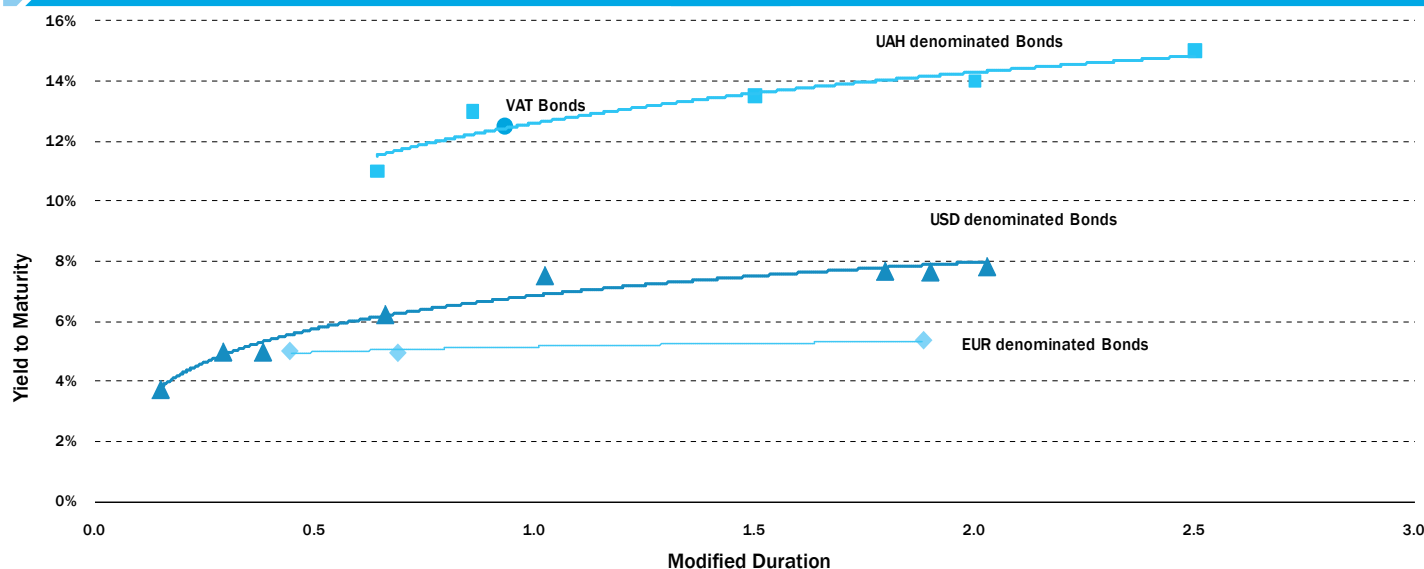


Source: Bloomberg, Cbonds, Eavex Research

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	100.2	100.3	4.5%	3.0%	0.1	9.30%	S/A	29 May 2013	235
UA4000142384	100.5	100.8	5.5%	4.5%	0.2	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.7	101.1	5.5%	4.5%	0.3	9.27%	S/A	28 Aug 2013	254
UA4000138002	101.1	101.6	6.5%	6.0%	0.6	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.8	102.3	7.9%	7.2%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.1	102.8	8.1%	7.3%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	102.6	103.6	8.1%	7.3%	1.8	9.45%	S/A	27 May 2015	152
UA4000142673	93.1	94.1	8.2%	7.5%	2.0	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.4	100.5	3.9%	3.7%	0.4	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.6	100.8	4.1%	3.9%	0.6	4.80%	S/A	25 Dec 2013	70
UA4000142681	100.5	100.6	4.6%	4.5%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.3%	11.8%	1.1	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.3%	11.8%	1.1	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.3%	11.8%	1.1	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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