

Market Update

Equity

Ukraine's equity market edged lower yesterday (May 15), serving up a repeat performance of the Tuesday session, although this time it was against a backdrop of considerably smaller gains in Europe. The UX again slipped by half a percent, closing at 814 points. Top liquid issues CentrEnerg (CEEN) and Raiffeisen Aval (BAVL) led the decline, shedding 1.2% and 1.7% respectively on combined volume of UAH 2.9mn, with the former ending a whisker above the UAH 4 level. Other leading blue chips, including Motor Sich (MSICH), Avdyivka Coke (AVDK), and DonbasEnerg (DOEN), were nearly unchanged. Outside the UX basket, substantially-traded second-tier names ZakhidEnerg (ZAEN) and LuganskTeplovoz (LTPL) added 4.8% and 2.8% respectively. In London, Ferrexpo (FXPO LN) continued to trend lower, moving down 2.4% to GBp 183.5.

Fixed Income

Ukrainian sovereign Eurobonds were mixed on Wednesday. Ukraine-23s improved by 0.3p.p. closing at 99.0/99.7 (7.6%/7.5%). Corporate names also finished in different directions.

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1983.00	0.1%	2.3	102
Azovstal	AZST	0.579	0.4%	1.6	91
Raiffeisen Bank Aval	BAVL	0.099	-1.7%	1.5	285

Growth Leaders

Mariupol Heavy Machine	MZVM	0.14	6.1%	0.02	7
Zakhidenergo	ZAEN	85.70	4.8%	0.45	7
KRAZ	KRAZ	0.02	4.6%	0.00	11

Loss Leaders

Sumy Frunze Engineering	SMASH	3.00	-14.3%	0.01	16
Pivnichny GOK	SGOK	6.89	-10.4%	0.03	15
Raiffeisen Bank Aval	BAVL	0.10	-1.7%	1.52	285

Highlights

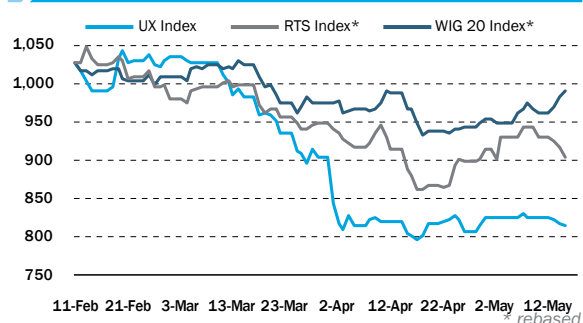
POLITICS AND ECONOMICS

- > EU Says November AA/DCFTA Signing Still In Play

STOCKS IN THE NEWS

- > Sadovaya Group Reports 1Q Top Line of Just USD 300,000
- > Ovostar's EBITDA Down by 31% YoY in 1Q13

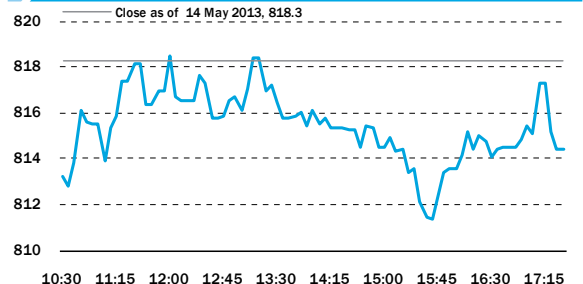
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	814.4	-0.5%	-0.8%	-14.3%
RTS	1391.0	-1.5%	-1.0%	-8.9%
WIG20	2408.9	0.9%	0.5%	-6.7%
MSCI EM	1046.1	0.0%	2.6%	-0.9%
S&P 500	1658.8	0.5%	4.4%	18.3%

UX INTRADAY MAY 15, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	280.4	1.6%	-1.7%	3.5%
CDS 5Y UKR	600.9	2.7%	8.8%	-3.9%
Ukraine-13	7.2%	-0.1%	0.5%	0.0%
Naftogaz Ukr-14	3.2%	0.5%	-1.4%	-2.0%
Ukraine-20	6.4%	0.3%	-0.1%	-1.2%
Privatbank-16	12.84%	0.0 p.p.	0.2 p.p.	-2.5 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.15	-0.1%	0.1%	1.2%
EUR	10.50	-0.3%	-1.6%	-1.7%
RUB	0.26	-0.2%	-1.1%	-2.3%

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	94.3	0.1%	2.9%	2.2%
Gold, USD/oz	1393.0	-2.3%	-6.1%	-15.9%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

EU Says November AA/DCFTA Signing Still In Play

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NEWS

The European Commission issued a press release in Brussels on Wednesday (May 15) stating that it will take the final technical measures needed to sign a free trade and association agreement (AA/DCFTA) with Ukraine in November of this year. The Commission underlined that the final decision on signing still depends on Ukraine's progress in a jointly-agreed 11-point reform agenda and in addressing selective use of the justice system against the government's political opponents.

COMMENTARY

This news is positive for EU-Ukraine ties, in that the Commission had previously set a mid-May deadline for Ukraine's progress in meeting the EU's conditions, and the alternative would have been a nixing of the AA/DCFTA for a number of years. The release of opposition politician Yuriy Lutsenko from jail last month has appeared to jump-start a more positive flow of dialogue between the Ukrainian and EU sides. However, the 50-billion-dollar question remains whether the EU will ultimately be willing to sign the deal with former PM Yulia Tymoshenko still in prison, an issue on which Europe has shown deep divisions. The chances of Tymoshenko being released before November, never high, became even more unlikely yesterday when a witness directly implicated her in the payment for a 1996 contract murder of a business rival. Proponents of the view that the AA/DCFTA signing should be decoupled from the Tymoshenko case seem to have found a stronger voice in recent months, but staunch Tymoshenko supporters in the European People's Party can be expected to ally with pro-Russian elements in the European establishment to try to block the treaty. A European Court of Human Rights ruling handed down on Apr 30 found that Tymoshenko's rights were violated by "arbitrary detention" during her 2011 abuse-of-power trial, but stopped short of labeling the trial and the resulting conviction as politically motivated.

Sadovaya Group Reports 1Q Top Line of Just USD 300,000

by Ivan Dzvinka
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SADOVAYA GROUP (SGR PW)

Price: PLN 1.05 Market Cap: USD 140mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	0.6	1.4	3.6	0%
2013E	1.4	neg	neg	0%

NEWS

Lugansk-based coal miner and trader Sadovaya Group ended 1Q13 with a net loss of USD 4.3mn on net revenue of only USD 300,000, according to financials released on Wednesday (May 15). The drop in revenue represented a 98% YoY freefall as well as a 92% QoQ plunge. The Warsaw-listed company's coal sales volume was just 4,900 tonnes in the period, a 97% YoY decline. Sadovaya did not provide an EBITDA result, while its operating profit was negative at USD -3.8mn (vs. USD +0.7mn in 1Q12).

Management stated that extraction at both of the company's mines remains suspended, with the facilities kept in sustaining mode to allow a resumption of operations. The time of the expected relaunch was not specified by the company.

Sadovaya's net debt as of end 1Q13 stood at USD 42mn, nearly unchanged from the end-2012 level of USD 43mn. This suggests a net debt to equity ratio of 1.0x, i.e. much higher compared to the 0.4x seen in 1Q12.

SADOVAYA GROUP: FINANCIAL RESULTS

USD mn	1Q13	1Q12	4Q12	YoY	QoQ
Coal sales volume, '000 t	4.9	193.4	48.8	-97%	-90%
Net Revenue, mn USD	0.3	14.6	3.6	-98%	-92%
EBIT	(3.8)	0.7	(16.2)	nm	nm
Net Profit	(4.3)	0.4	(17.9)	nm	nm

Source: Company data

COMMENTARY

Sadovaya's earnings for 1Q13 were better than those in 4Q12, as other operating expenses in the most recent quarter were much lower than in 4Q12 (USD -3mn vs. USD -15mn in 4Q). Still, 1Q13 was much worse in terms of the record-low revenue as well as the poor gross profit. The latter fell into negative territory (USD -50,000) for the first time since 4Q09. Along with the negligible sales volume due to meager Ukrainian coal demand, the company's average selling price was down by 22% YoY to USD 59/t amid a 15% YoY increase in average production cost in 1Q13. If Sadovaya manages to conduct the planned delivery of some 5,000 tonnes of coal on export contracts in May, the company has a good chance to improve its results in 2Q. That said, the most immediate concern on the table is the ability of Sadovaya to repay, service, and/or restructure its debt in the short run.

Ovostar's EBITDA Down by 31% YoY in 1Q13

by Ivan Dzvinka
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OVOSTAR UNION (OVO PW)

Price: PLN 86.0 Market Cap: USD 159mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	2.7	6.6	6.0	0.0%
2013E	1.9	5.1	4.6	0.0%

NEWS

Ovostar, Ukraine's second largest egg producer, increased its net revenue by 13% YoY to USD 17.7mn in 1Q13, according to the company's financial report. The group's EBITDA was down by 31% YoY to USD 6.5mn and net profit dropped by 42% YoY to USD 5.1mn. EBITDA and net margins amounted to 37% (-23p.p. YoY) and 29% (-28p.p. YoY) respectively in 1Q13.

In terms of operating divisions, egg segment generated USD 11.6mn of external revenue of the group and USD 4.0mn of profit before tax; egg products segment earned USD 5.1mn of revenue and USD 1.2mn of PBT. Sunflower division earned USD 1.0mn on the top line level and USD 13,000 on PBT level.

OVOSTAR UNION: FINANCIAL RESULTS

USD mn	1Q13	1Q12	YoY
Net revenue	17.7	15.7	13%
EBITDA	6.5	9.4	-31%
EBITDA margin	36.7%	59.9%	-23.2pp
Net profit	5.1	8.8	-42%
Net margin	28.8%	56.4%	-27.6pp

Source: Company data

COMMENTARY

Slightly weaker egg prices in 1Q13 on the back of high production costs led to the deterioration of the company's financials over the stated period. The growth in the top line was mainly a result of expansion in a 23% YoY egg production in 1Q13 which more than compensated a slight decrease in prices for eggs and liquid egg products. Meanwhile, a decline in earnings stemmed from a 30% YoY drop in gross profit on the back of a 57% surge in cost of sales. Higher production cost resulted from a robust prices for the fodder component which accounts for some 60% in the company's cost of sales.

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-4%	SELL	Non-transparent reporting practises detrimentally affect the company's reported earnings.
Khartsysk Pipe	HRTR	0.06	0.19	198%	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	19%	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	0.85	1.77	109%	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%.
Coke						
Avdyivka Coke	AVDK	0.37	0.76	104%	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	490%	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	415%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.95	6.18	110%	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	199%	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	0.35	1.52	335%	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	487%	BUY	The expected start of operations in JKX's Russian gas field should lift output.
Power Utilities						
DonbasEnergO	DOEN	2.46	8.90	262%	BUY	DonbasEnergO recently launched Ukraine's most efficient power generation unit.
CenterEnergO	CEEN	0.49	1.84	274%	BUY	CenterEnergO's privatization is on the horizon for 2013.
Consumer						
MHP	MHPC	18.0	24.0	33%	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	17.11	30.0	75%	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	8.80	28.3	222%	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	814.38	1203.21	747.84	-0.5%	-1.2%	-0.8%	-14.3%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.07	0.04	-1.1%	-0.9%	-5.7%	-19.3%	-0.7%	0.3%	-4.9%	-5.0%
Azovstal	AZST	0.58	1.19	0.54	0.3%	-0.2%	-4.0%	-21.7%	0.8%	1.0%	-3.2%	-7.3%
Dniprospezstal	DNSS	700	n/a	n/a	0.0%	0.0%	-28.6%	-29.9%	0.5%	1.2%	-27.8%	-15.6%
Enakievo Steel	ENMZ	32.3	48.9	27.7	0.1%	-2.0%	-4.3%	-14.9%	0.5%	-0.8%	-3.5%	-0.6%
Arcelor Mittal KR	KSTL	1.20	n/a	n/a	0.0%	n/a	0.0%	n/a	0.5%	n/a	0.8%	n/a
Mariupol Ilyicha	MMKI	0.18	0.32	0.13	0.0%	-5.3%	-5.3%	-18.2%	0.5%	-4.1%	-4.5%	-3.9%
Coke												
Avdivka Coke	AVDK	3.05	4.15	1.90	0.0%	1.3%	-0.2%	-6.8%	0.4%	2.5%	0.6%	7.5%
Yasnyivsky Coking	YASK	0.58	1.16	0.54	0.0%	1.8%	-1.7%	-13.4%	0.5%	2.9%	-0.9%	0.9%
Iron Ore Mining												
Centralny GOK	CGOK	6.39	7.74	4.00	0.0%	0.0%	1.4%	-7.4%	0.5%	1.2%	2.2%	6.9%
Ferrexpo	FXPO	2.79	4.58	2.35	-2.7%	-8.2%	-0.1%	-30.7%	-2.2%	-7.0%	0.7%	-16.3%
Pivnichny GOK	SGOK	6.89	12.47	5.77	-10.3%	-9.3%	-15.1%	-7.4%	-9.8%	-8.2%	-14.3%	6.9%
Coal Mining												
Pokrovske Mine	SHCHZ	0.57	1.30	0.40	0.0%	1.8%	-5.0%	-9.5%	0.5%	3.0%	-4.2%	4.8%
Komsomolets Donbasa	SHKD	1.00	2.00	0.76	0.0%	0.0%	-13.0%	-15.3%	0.5%	1.2%	-12.2%	-0.9%
Energy Coal	CLE	1.34	5.77	0.85	-2.6%	-17.8%	-21.1%	-56.6%	-2.1%	-16.6%	-20.3%	-42.3%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	n/a	n/a	0.0%	n/a	0.0%	-31.0%	0.5%	n/a	0.8%	-16.7%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.52	1.30	0.47	0.0%	0.0%	-1.9%	-25.7%	0.5%	1.2%	-1.1%	-11.4%
Interpipe NMPP	NVTR	0.17	0.60	0.10	0.0%	-10.5%	-15.0%	-22.7%	0.5%	-9.3%	-14.2%	-8.4%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	24.0	25.9	14.2	-0.8%	-3.6%	4.4%	23.7%	-0.3%	-2.4%	5.2%	38.0%
Luhanskteplovoz	LTPL	1.75	2.28	1.28	2.9%	3.6%	0.0%	-6.4%	3.4%	4.7%	0.8%	7.9%
Stakhanov Wagon	SVGZ	1.38	3.45	1.26	2.2%	-5.5%	-8.6%	-20.2%	2.7%	-4.3%	-7.8%	-5.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.04	0.22	0.03	0.0%	-17.8%	38.4%	-4.2%	0.5%	-16.6%	39.2%	10.1%
Motor Sich	MSICH	1,983	2,640	1,750	0.1%	-1.2%	-0.3%	-10.3%	0.5%	0.0%	0.6%	4.1%
Sumy Frunze Engineering	SMASH	3.00	4.00	0.76	-14.3%	13.2%	3.8%	100.0%	-13.8%	14.4%	4.6%	114.3%
Turboatom	TATM	3.20	n/a	n/a	0.0%	n/a	0.0%	n/a	0.5%	n/a	0.8%	n/a
WESTA ISIC	WES	0.17	0.64	0.13	-1.3%	-7.1%	-21.4%	-31.0%	-0.8%	-5.9%	-20.6%	-16.6%
Telecom												
Ukrtelecom	UTLM	0.13	0.37	0.12	0.0%	0.0%	-2.1%	-16.2%	0.5%	1.2%	-1.3%	-1.9%
Oil & Gas												
Regal Petroleum	RPT	0.35	0.59	0.21	-0.2%	-6.3%	2.4%	-35.4%	0.3%	-5.2%	3.2%	-21.1%
JKX Oil	JKX	1.02	1.91	0.87	0.2%	-4.7%	-6.2%	-14.5%	0.6%	-3.6%	-5.4%	-0.2%
Ukrnafta	UNAF	113	280	80	-0.3%	-1.4%	-0.5%	-4.9%	0.2%	-0.2%	0.3%	9.4%
Power Utilities												
Centrenerg	CEEN	4.01	7.33	3.76	-1.2%	-2.0%	-0.3%	-36.9%	-0.7%	-0.8%	0.5%	-22.6%
Donbasenergo	DOEN	20.0	28.1	15.0	0.0%	-1.1%	3.0%	-5.6%	0.4%	0.1%	3.8%	8.7%
Zakhidenergo	ZAEN	85.7	157.9	54.0	4.8%	5.2%	14.3%	-11.6%	5.2%	6.3%	15.1%	2.7%
Consumer												
Agroton	AGT	0.88	4.2	0.36	10.8%	-4.0%	-23.9%	-73.0%	11.3%	-2.8%	-23.1%	-58.7%
Astarta	AST	17.1	22.1	13.9	1.8%	3.7%	-15.4%	-4.2%	2.3%	4.9%	-14.6%	10.2%
Avangardo	AVGR	8.8	13.4	7.61	-0.8%	2.3%	4.5%	-22.3%	-0.4%	3.5%	5.3%	-8.0%
Industrial Milk Company	IMC	3.98	5.48	2.73	-2.0%	-4.1%	-15.6%	-25.1%	-1.6%	-2.9%	-14.8%	-10.7%
Kernel	KER	18.6	23.0	14.8	2.4%	3.1%	-2.2%	-14.0%	2.8%	4.3%	-1.4%	0.4%
Mriya Agro Holding	MAYA	5.57	7.1	5.04	-0.7%	-2.4%	-7.7%	-14.1%	-0.2%	-1.2%	-6.9%	0.2%
MHPC	MHPC	18.0	19.9	10.00	-0.1%	-4.5%	5.3%	18.0%	0.4%	-3.3%	6.1%	32.4%
Milkiland	MLK	3.48	5.8	3.29	-6.6%	-9.8%	-20.4%	-25.9%	-6.1%	-8.6%	-19.6%	-11.6%
Ovostar Union	OVO	26.7	33.8	23.2	0.0%	-8.8%	-11.9%	-7.4%	0.5%	-7.6%	-11.1%	6.9%
Sintal	SNPS	n/a	1.47	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.73	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.4	21.0	10.3	-1.3%	1.8%	6.5%	-14.9%	-0.8%	3.0%	7.3%	-0.6%
Banks												
Raiffeisen Bank Aval	BAVL	0.099	0.128	0.061	-1.7%	-3.0%	0.3%	15.3%	-1.2%	-1.9%	1.1%	29.6%
UkrSotsbank	USCB	0.121	0.207	0.107	0.0%	0.7%	2.2%	-6.3%	0.5%	1.9%	3.0%	8.0%

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

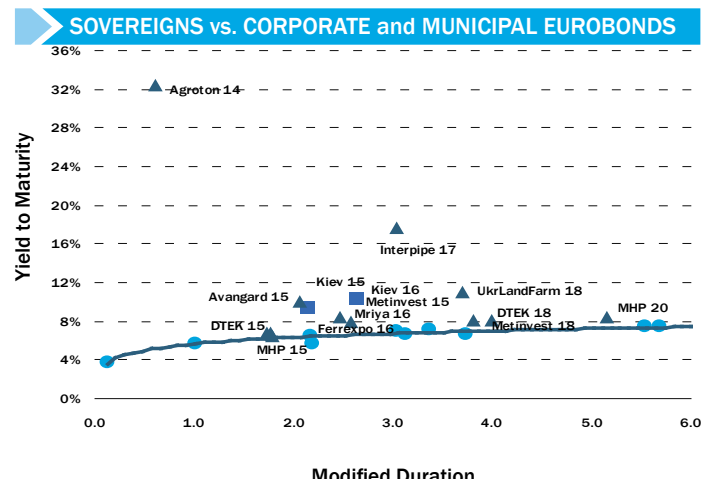
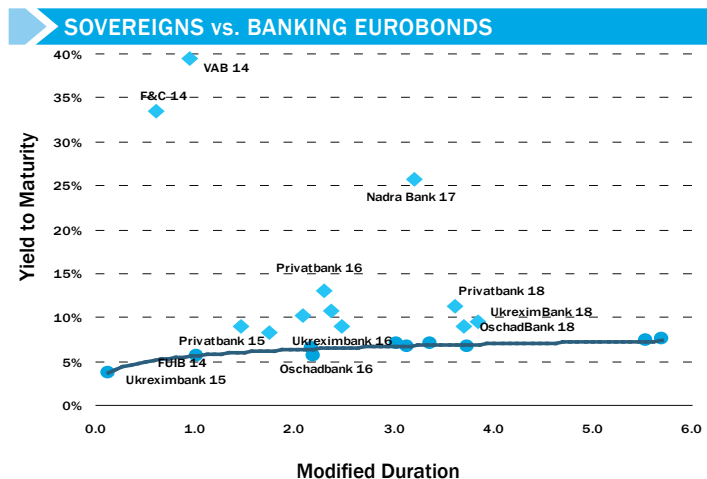
Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	136	3.9%	5	1,552	3.7	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	416	\$/tonne
Yenakievo Steel	ENMZ	42	8.8%	4	34	1.3	4.9	neg	neg	neg	neg	0.0	0.0	0.0	14	13	13	\$/tonne
Azovstal	AZST	299	4.1%	12	277	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	50	47	45	\$/tonne
Coke																		
Avdyivka Coke	AVDK	73	7.5%	6	70	neg	neg	neg	11.6	neg	neg	0.0	0.1	0.1	20	15	13	\$/tonne
Yasynivsky Coke	YASK	19	9.0%	2	48	1.3	1.8	1.8	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	919	0.5%	5	919	2.8	9.7	8.8	1.8	3.9	4.5	1.1	1.6	1.8				
Pivnichny GOK	SGOK	1,949	0.5%	11	2,074	2.5	4.5	5.4	1.8	2.6	3.2	1.1	1.4	1.6				
Ferrexpo	FXPO	1,643	24.0%	394	1,893	2.9	7.6	6.2	2.4	4.7	4.3	1.1	1.3	1.2				
Coal Mining																		
Komsomolets Donbasa	SHKD	41	5.4%	2	143	2.7	1.1	1.2	2.1	1.4	1.6	0.7	0.6	0.6	35	34	32	\$/tonne
Coal Energy	CLE	61	11.9%	7	86	1.7	1.6	1.4	1.7	1.4	1.4	0.6	0.5	0.4	1.7	1.4	1.4	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	166	2.0%	3	208	1.7	4.9	4.9	1.4	2.8	2.7	0.3	0.3	0.3	331	549	521	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	47	24.0%	11	47	5.2	6.8	5.8	3.4	3.8	3.1	0.2	0.3	0.2				
Krukiiv Wagon	KVBZ	338	5.0%	17	340	4.0	3.6	6.7	2.9	2.5	3.7	0.4	0.4	0.5				
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	506	24.0%	121	516	3.0	2.1	1.9	1.8	1.7	1.6	0.7	0.6	0.6				
Telecom																		
Ukrtelecom	UTLM	308	7.2%	22	644	neg	6.8	6.4	3.1	3.2	3.1	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	751	3.0%	23	741	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	112	49.0%	55	95	17.5	9.3	4.7	neg	4.1	2.6	5.0	1.9	1.2	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	176	50.4%	88	284	3.0	4.4	3.5	2.5	2.0	1.9	1.2	1.3	1.1	75	52	39	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	182	21.7%	39	265	>30	6.3	5.4	5.4	4.4	3.9	0.3	0.2	0.2	18	18	15	\$/MWh
DonbasEnergO	DOEN	58	14.2%	8	115	neg	15.2	5.7	5.6	6.7	4.8	0.2	0.2	0.2	14	13	13	\$/MWh
Consumer																		
MHP	MHPC	1,901	34.1%	649	2,946	7.3	6.1	7.0	7.3	6.3	5.6	2.4	2.1	1.9	9207	9207	9207	\$/tonne
Kernel	KER	1,373	61.8%	848	1,983	6.1	6.5	7.0	6.4	6.2	5.9	1.0	0.9	0.7				
Astarta	AST	428	31.0%	133	574	3.8	8.6	7.2	4.0	5.9	4.7	1.4	1.3	1.0	2912	1773	1472	\$/tonne
Avangardco	AVGR	562	22.5%	127	710	2.9	2.5	2.4	2.8	2.5	2.4	1.3	1.1	1.0	161	122	115	\$/mneggs
Agroton	AGT	19	44.6%	8	52	neg	1.0	0.9	2.8	1.7	1.6	0.4	0.6	0.5	0.4	n/a	n/a	\$/th/ha
Banks																		
							P/E			P/Book			P/Assets					
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	273	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	100.2	100.5	4.3%	-0.9%	-0.6%	0.1	7.65%	S/A	11 Jun. 2013	1,000	B3/B/B
Ukraine, 2014	102.1	102.7	5.8%	5.2%	0.6%	1.0	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	104.0	104.7	6.4%	5.9%	1.3%	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%	2.1	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	101.0	101.5	6.4%	6.2%	0.0%	2.1	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	99.7	100.4	6.7%	6.4%	0.2%	3.0	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	99.4	100.0	6.4%	6.2%	0.0%	3.1	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	99.8	100.6	6.8%	6.6%	1.0%	3.8	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	108.4	109.4	6.9%	6.6%	1.6%	3.3	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	99.5	101.0	8.6%	8.2%	2.0%	3.6	8.375%	S/A	3 Nov 2017	568	B3/-/
Ukraine, 2018 Infr. projects	95.7	97.4	8.6%	8.1%	4.0%	4.0	7.40%	S/A	20 Apr 2018	690	B3/-/
Ukraine, 2020	103.1	103.8	7.2%	7.1%	0.5%	5.5	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	104.3	105.1	7.2%	7.1%	0.8%	5.7	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	102.3	103.1	7.4%	7.3%	1.8%	6.4	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	99.5	100.3	7.6%	7.5%	-0.1%	6.9	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	75.0	80.0	41.6%	34.8%	n/a	0.9	12.50%	S/A	14 Jul 2014	50	-/-/B-
MHP, 2015	106.3	106.9	6.8%	6.6%	1.1%	1.8	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	99.5	100.3	8.3%	8.2%	-0.1%	5.1	8.25%	S/A	2 Apr 2020	750	B3//B
Avangardco, 2015	100.0	101.9	10.1%	9.1%	5.5%	2.1	10.00%	S/A	29 Oct 2015	200	-/-/B
UkrLandFarming, 2018	98.9	100.5	11.2%	10.7%	-0.3%	3.7	10.88%	S/A	26 Mar 2018	275	B-//B
Mriya, 2016	106.6	107.5	8.4%	8.0%	3.9%	2.4	10.95%	S/A	30 Mar 2016	250	-/B/B-
DTEK, 2015	105.0	105.7	6.7%	6.4%	4.2%	1.8	9.50%	S/A	28 Apr 2015	500	B2//B
DTEK, 2018	100.1	100.8	7.8%	7.7%	0.4%	4.0	7.88%	S/A	4 Apr 2018	750	B2//B
Metinvest, 2015	106.9	107.8	6.5%	6.1%	3.4%	1.7	10.25%	S/A	20 May 2015	500	B3//B-
Metinvest, 2018	102.6	103.5	8.1%	7.8%	6.3%	3.8	8.75%	S/A	14 Feb 2018	750	B2-/-B-
Ferrexpo, 2016	100.1	101.0	7.9%	7.4%	3.2%	2.5	7.875%	S/A	07 Apr 2016	500	B2/B+/B
Interpipe, 2017	77.0	80.1	18.4%	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	39.6%	31.4%	43.3%	0.6	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	102.5	104.5	9.6%	8.2%	2.5%	1.4	11.00%	Q	31 Dec 2014	275	B2//B-
Nadra Bank, 2017	77.2	82.2	26.2%	21.3%	-3.8%	3.2	8.00%	A	22 Jun 2017	175	WD//WD
PrivatBank, 2015	97.5	98.8	10.7%	10.0%	3.5%	2.0	9.38%	S/A	23 Sept 2015	200	B1//B
PrivatBank, 2016	83.0	85.2	13.4%	12.3%	9.0%	2.3	8.75%	S/A	9 Feb 2016	150	B1//B
PrivatBank, 2018	99.4	100.6	11.0%	10.7%	0.0%	3.6	10.88%	S/A	28 Feb 2018	175	//B
UkrEximBank, 2015	100.2	101.2	8.3%	7.7%	0.7%	1.8	8.38%	S/A	27 Apr 2015	750	B1//B
UkrEximBank, 2016	88.8	90.8	10.7%	9.8%	6.5%	2.3	8.40%	S/A	2 Sept 2016	125	B1//B
UkrEximBank, 2018	98.9	99.9	9.0%	8.8%	-0.6%	3.7	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	74.0	76.0	43.6%	40.5%	38.9%	0.9	10.50%	Q	14 Jun 2014	125	Caa1-/-WD
Oschadbank, 2016	99.0	100.0	8.7%	8.3%	4.6%	2.4	8.25%	S/A	10 Mar 2016	700	B2//B
Oschadbank, 2018	97.8	98.8	9.5%	9.3%	-1.7%	3.8	8.88%	S/A	20 Mar 2018	500	B1//B
Municipal Eurobonds											
City of Kyiv, 2015	96.6	98.7	9.6%	8.6%	4.4%	2.2	8.00%	S/A	6 Nov 2015	250	B1/CCC+/B
City of Kyiv, 2016	96.7	98.3	10.6%	10.0%	4.2%	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

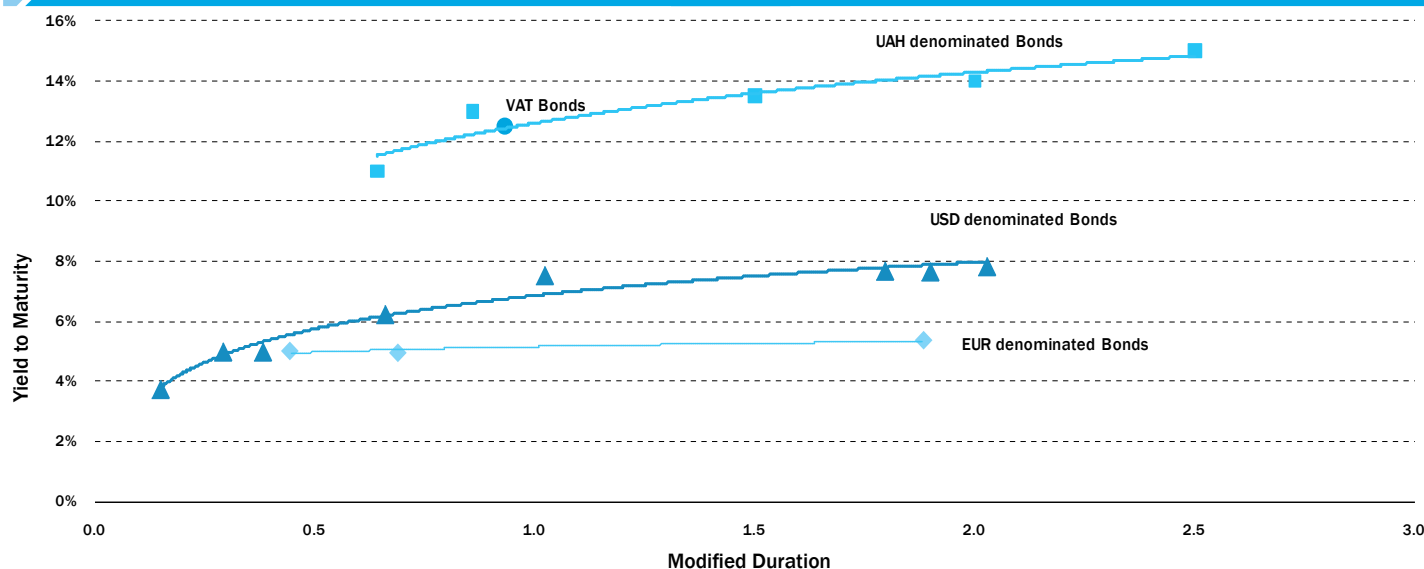


Source: Bloomberg, Cbonds, Eavex Research

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%	#N/A N/A	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	100.1	100.1	3.8%	3.0%	0.0	9.30%	S/A	29 May 2013	235
UA4000142384	100.4	100.6	5.5%	4.5%	0.2	9.30%	S/A	24 Jul 2013	413
UA4000136832	100.6	100.9	5.5%	4.5%	0.3	9.27%	S/A	28 Aug 2013	254
UA4000138002	101.3	101.8	5.5%	4.5%	0.5	9.30%	S/A	27 Nov 2013	86
UA4000140362	101.9	102.4	7.4%	6.8%	0.9	9.20%	S/A	21 May 2014	171
UA4000142699	101.0	102.7	7.8%	7.4%	1.7	9.45%	S/A	22 Apr 2015	312
UA4000141071	103.1	104.1	7.9%	7.3%	1.8	9.45%	S/A	27 May 2015	152
UA4000142673	93.8	94.8	8.1%	7.4%	1.9	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.3	100.4	3.9%	3.7%	0.3	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.5	100.6	4.1%	3.9%	0.6	4.80%	S/A	25 Dec 2013	70
UA4000142681	100.9	101.0	4.6%	4.5%	1.8	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			12.3%	11.5%	1.0	5.50%	S/A	21 Aug 2015	141
UA4000082622			12.3%	11.5%	1.0	5.50%	S/A	24 Aug 2015	571
UA4000083059			12.3%	11.5%	1.0	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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