

Market Update

Equity

Ukraine's financial markets shut down early for the week on Thursday (Jun 27) ahead of the Constitution Day long weekend, with local equities benefiting from expectations of further quantitative easing in Europe and the US. The UX index added 0.9% to close at 866 points. CentrEnergO (CEEN) was the top gainer with a 3.2% rise to UAH 4.77, its highest level since a fire damaged one of its power plants at the end of March. Raiffeisen Aval (BAVL) picked up 1.2% to 10.10 kopecks, while Azovstal (AZST) ended the day in the loss column with a 1.0% drop and Motor Sich (MSICH) was essentially unchanged on turnover of UAH 6.1mn. Outside the UX basket, ZakhidEnergO (ZAEN) jumped 7.8% to UAH 80 on the nose. In London on Friday (Jun 28), it was a down day for both Ferrexpo (FXPO LN) and Avangard (AVGR LI), which slipped by 2.2% and 2.6% respectively, with the former finishing at GBp 133.

Fixed Income

Ukrainian sovereign Eurobonds were up across the board on Thursday. Ukraine-23s improved by 1.7p.p. closing at 88.4/89.7 (9.3%/9.1%) and Ukraine-17s added 0.7p.p. to 91.7/92.5 (9.1%/8.9%). Corporate names were mostly up. MHP-15s advanced by 1.9p.p. to 103.4/105.1 (8.3%/7.3%) with DTEK-15s moving up by 0.7p.p. to 92.7/94.2 (9.8%/9.4%).

Volume Leaders	Ticker	Last, UAH	1D ch	Volume, UAH mn	Number of Trades
Motor Sich	MSICH	1954.00	-0.2%	6.1	211
CentrenergO	CEEN	4.77	3.2%	1.8	122
Avdyivka Coke	AVDK	3.239	0.7%	1.7	116

Growth Leaders

Khartsyzk Pipe	HRTR	0.70	20.7%	0.06	21
ZakhidenergO	ZAEN	80.00	7.8%	0.45	9
Pivnichny GOK	SGOK	8.20	6.5%	0.04	7

Loss Leaders

Yasynivsky Coke	YASK	0.56	-3.6%	0.076	12
DniproenergO	DNEN	180.00	-2.5%	0.005	10
Azovstal	AZST	0.61	-1.0%	1.054	121

Highlights

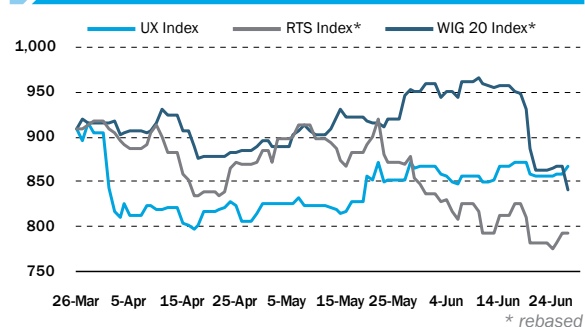
STOCKS IN THE NEWS

- > Avangard May Announce Dividend in Late 2013

FIXED INCOME

- > VAB Increases Charter Capital by 30% Via New Share Issue

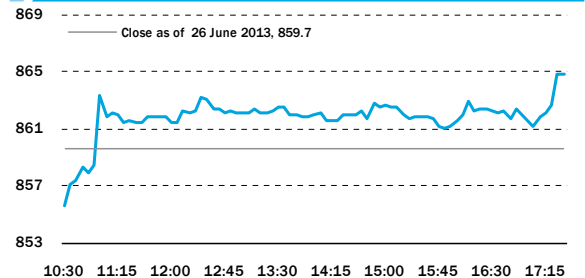
STOCK MARKET PERFORMANCE



MARKET INDEXES

	Last	1D ch	1M ch	YTD
UX	866.5	0.8%	1.7%	-8.8%
RTS	1262.8	0.1%	-8.8%	-17.3%
WIG20	2177.0	-3.1%	-11.2%	-15.7%
MSCI EM	919.5	1.9%	-10.6%	-12.9%
S&P 500	1613.2	0.6%	-2.2%	15.0%

UX INTRADAY JUNE 27, 2013



FIXED INCOME

	Last	1D ch	1M ch	YTD
EMBI+Global	360.3	-2.6%	23.3%	33.0%
CDS 5Y UKR	807.9	-3.8%	39.6%	29.2%
Ukraine-17	9.0%	-0.2 p.p.	2.4 p.p.	2.0 p.p.
Naftogaz Ukr-14	9.7%	-0.2 p.p.	3.2 p.p.	2.1 p.p.
Ukraine-23	9.2%	-0.3 p.p.	1.7 p.p.	1.7 p.p.
Privatbank-16	14.1%	-0.2 p.p.	1.4 p.p.	-1.2 p.p.

CURRENCY

	Last, UAH	1D ch	1M ch	YTD
USD	8.16	0.1%	0.0%	1.3%
EUR	10.63	0.3%	0.8%	-0.5%
RUB	0.25	0.7%	-4.4%	-6.2%

COMMODITIES

	Last	1D ch	1M ch	YTD
Wheat, USD/t*	262.0	0.0%	-14.2%	-24.8%
Steel, USD/t	510.0	0.0%	-1.4%	-4.2%
Oil, USD/bbl	102.8	1.1%	0.4%	-4.0%
Gold, USD/oz	1200.7	-2.1%	-13.9%	-27.5%

*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

Avangard May Announce Dividend in Late 2013

by Ivan Dzvinka
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AVANGARDCO (AVGR LI)

Price: USD 8.77 Market Cap: USD 560mn

	EV/S	P/E	EV/EBITDA	Div. Yield
2012	1.2	2.5	2.7	0%
2013E	1.1	2.9	3.1	0%

NEWS

UkrLandFarming (ULF), the parent group of egg producer Avangard, conducted a June 27-28 presentation for investment community, the major takeaways from which are as follows:

- The shareholders of Avangard will consider the question of a dividend payout in late 2013. No details on the timing or amount of the payout were disclosed;
- The group's management is planning an IPO for ULF for 2014, and the company does not rule out the option of a buyback of Avangard shares as an alternative to a swap offering of AVGR shares for those in ULF;
- Instead of the repayment of Avangard's outstanding 2015 bonds at maturity, the company may: a) exchange them for the additionally issued bonds of UkrLandFarming, or b) restructure the 2015 bonds according to the pattern of MHP/Mriya, i.e. repaying part of the outstanding bonds with funds raised via a new longer-duration issue;
- Avangard's management expects egg production at 6.8-7.0bn pieces in 2013 (6.2bn in 2012) and "more than 7.0bn" in 2014;
- Avangard expects sales in 1H13 at about USD 300mn (+6% YoY), with the EBITDA margin slightly higher than in 1H12 due to higher export sales of shell eggs (240mn pcs in 1H13 vs. 154mn in 1H12);
- ULF targets the expansion of its land bank to 750,000-800,000 hectares in the long term, up from 532,000 ha as of end-2012.

COMMENTARY

A decision on a dividend payout, if approved, should improve the investment attractiveness of Avangard's stock, although the impact will be rather moderate, in our view. The probable dividend will likely raise a limited interest among short-term investors, given the rather low turnover of the AVGR issue in London. We doubt that Avangard will be viewed by the market as a long-term dividend play in light of the planned IPO of UkrLandFarming, which strongly implies that the AVGR stock will cease to exist. Thus, the primary interest in the stock, in case of the approval of a dividend, will stem from those investors who see a high probability of an eventual stock buyback engineered by ULF.

VAB Increases Charter Capital by 30% Via New Share Issue

by Dmitry Churin
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NEWS

VAB Bank, which is affiliated with the business group of UkrLandFarming beneficiary Oleg Bakhmatiuk, on Thursday (Jun 27) announced an increase in its charter capital by 30% (UAH 700mn) to UAH 3.05bn by an additional issue of shares. As of 1 April 2013, VAB Bank was the 18th largest Ukrainian bank by assets and had a capital adequacy ratio of 16.7%, well above the National Bank's minimum requirement of 10%.

COMMENTARY

Given VAB's already-sufficient capital adequacy, we think that the increase is aimed at injecting liquidity and not a results of regulatory requirements. Another possibly reason for the additional share issue may have been an effort to dilute the holding in VAB of Bakhmatiuk's rival Sergey Maximov, who owns a 10.4% stake. In any case, we see the capital strengthening as positive for VAB's outstanding bonds, which now look like a better bet than other high-risk issues such as Finance&Credit-14s and Agroton-14s. VAB-14s are currently quoted at 79.0/82.0 (40.0%/35.1%).

EAVEX RECOMMENDATIONS

Name	Ticker	Price, USD per share	Target price, USD per share	Upside, %	Rating	Commentary
Steel&Pipes						
Azovstal	AZST	0.07	0.07	-9%	SELL	Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.
Iron Ore						
Ferrexpo	FXPO LN	2.03	3.33	64%	BUY	Operations at Ferrexpo's new Yeristovo Mine should allow the company to increase its iron ore pellet output by 10% YoY to 10.6mn tonnes in 2013, with further growth to 12.0mn tonnes in 2015.
Pivnichny GOK	SGOK	1.01	1.77	76%	BUY	Secure demand for Pivnichny GOK's iron ore products and lucrative pricing allow the company to operate with high profitability (EBITDA margin of not lower than 45% since 2009). Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
Centralny GOK	CGOK	0.82	1.30	58%	BUY	Centralny GOK operates in the highly profitable iron ore industry; its EBITDA margin has remained above 35% since 2009. Disadvantages of the stock are its low liquidity and no dividend in 2013 for the first time since 2005.
Coke						
Avdyivka Coke	AVDK	0.40	0.76	92%	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	508%	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	0.05	0.36	583%	BUY	We expect Pokrovske Mine to double its coking coal extraction to 9.5mn tonnes over 2010-15.
Railcar Manufacturing						
Krukiv Wagon	KVBZ	2.87	6.18	115%	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	0.19	0.64	228%	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	240	644	169%	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	0.61	1.09	79%	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	0.27	1.52	455%	BUY	We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.
JKX Oil & Gas	JKX	0.9	6.0	595%	BUY	The launch of extraction at JKX's Russian gas field has lifted output, but the company's higher-margin Ukrainian operations continue to lag behind expectations.
Power Utilities						
DonbasEnergo	DOEN	2.70	8.90	229%	BUY	DonbasEnergo is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.
CenterEnergo	CEEN	0.58	1.84	215%	BUY	CentrEnergo's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.
Consumer						
MHP	MHPC	17.0	24.0	41%	BUY	MHP launched production at Phase 1 of its new Vinnytsya poultry complex in late 2012. This will allow the company to expand its poultry production by some 60,000 tonnes in 2013, up from the current 384,000 tonnes.
Astarta	AST	18.30	30.0	64%	BUY	Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.
Avangardco	AVGR	8.77	U/R	n/a	U/R	The company ended 1Q13 with a 6% YoY increase in sales thanks to an expansion of the production. Higher operational results failed to compensate for a 8% YoY drop on selling price for eggs further exacerbated by inflated production costs. This led to decline in both EBITDA and net margins by 10p.p. YoY to 45% and 39%, respectively in 1Q13.

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	866.47	1203.21	758.71	0.8%	0.9%	1.7%	-8.8%	0.0%	0.0%	0.0%	0.0%
Steel												
Alchevsk Steel	ALMK	0.043	0.07	0.04	0.2%	0.2%	-1.1%	-18.7%	-0.6%	-0.7%	-2.9%	-9.9%
Azovstal	AZST	0.61	1.19	0.31	-1.0%	-0.8%	3.2%	-17.3%	-1.8%	-1.7%	1.5%	-8.5%
Dniprospeztstal	DNSS	925	1,300	700	0.0%	0.0%	32.1%	-7.4%	-0.8%	-0.9%	30.4%	1.4%
Enakievo Steel	ENMZ	34.6	48.9	30.6	0.0%	-1.1%	2.9%	-8.9%	-0.8%	-2.0%	1.2%	0.0%
Arcelor Mittal KR	KSTL	n/a	6.00	1.20	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mariupol Ilyicha	MMKI	0.15	0.32	0.13	0.0%	-6.3%	-21.1%	-31.8%	-0.8%	-7.2%	-22.8%	-23.0%
Coke												
Avdivka Coke	AVDK	3.24	4.15	1.61	0.7%	0.2%	3.2%	-1.0%	-0.1%	-0.7%	1.5%	7.8%
Yasnyivsky Coking	YASK	0.56	1.16	0.52	-3.4%	-3.4%	0.0%	-16.4%	-4.2%	-4.4%	-1.7%	-7.6%
Iron Ore Mining												
Centralny GOK	CGOK	6.69	7.74	4.00	0.0%	-0.1%	-0.1%	-3.0%	-0.8%	-1.1%	-1.9%	5.8%
Ferrexpo	FXPO	2.08	4.58	2.06	0.5%	-7.9%	-19.4%	-48.4%	-0.3%	-8.8%	-21.1%	-39.6%
Pivnichny GOK	SGOK	8.20	10.00	5.77	-5.2%	4.5%	7.8%	10.2%	-6.0%	3.6%	6.0%	19.1%
Coal Mining												
Pokrovske Mine	SHCHZ	0.43	1.30	0.40	-4.4%	-10.4%	-14.0%	-31.7%	-5.2%	-11.3%	-15.7%	-22.9%
Komsomolets Donbasa	SHKD	0.93	2.00	0.65	0.0%	8.1%	-7.0%	-21.2%	-0.8%	7.2%	-8.7%	-12.3%
Energy Coal	CLE	0.96	5.77	0.85	-1.2%	-9.9%	-25.3%	-68.8%	-2.0%	-10.9%	-27.0%	-60.0%
Mining Machinery												
Svitlo Shakhtara	HMBZ	0.40	0.58	0.270	0.0%	-20.0%	48.1%	-31.0%	-0.8%	-20.9%	46.4%	-22.2%
Pipe Manufacturing												
Khartsyzk Pipe	HRTR	0.70	0.92	0.45	20.7%	12.9%	29.6%	0.0%	19.9%	12.0%	27.9%	8.8%
Interpipe NMPP	NVTR	0.22	0.60	0.10	0.0%	10.0%	10.0%	0.0%	-0.8%	9.1%	8.3%	8.8%
Railcar Manufacturing												
Kryukiv Wagon	KVBZ	23.4	25.9	16.7	-0.4%	5.8%	-2.3%	20.6%	-1.2%	4.9%	-4.0%	29.5%
Luhanskeplovoz	LTPL	1.59	2.20	1.28	4.6%	0.0%	-6.5%	-15.0%	3.8%	-0.9%	-8.2%	-6.1%
Stakhanov Wagon	SVGZ	1.32	3.15	1.26	0.0%	-0.8%	-3.6%	-23.7%	-0.8%	-1.7%	-5.4%	-14.9%
Specialized Machinery												
Bogdan Motors	LUAZ	0.06	0.19	0.03	-0.4%	27.9%	10.0%	22.8%	-1.2%	27.0%	8.3%	31.6%
Motor Sich	MSICH	1,954	2,640	1,753	-0.2%	-0.7%	-6.9%	-11.6%	-0.9%	-1.6%	-8.6%	-2.7%
Sumy Frunze Engineering	SMASH	3.00	4.00	0.76	0.0%	9.1%	0.0%	100.0%	-0.8%	8.2%	-1.7%	108.8%
Turboatom	TATM	5.00	5.00	1.88	0.0%	0.0%	56.3%	n/a	-0.8%	-0.9%	54.5%	n/a
WESTA ISIC	WES	0.17	0.45	0.13	-1.2%	-4.6%	-17.0%	-29.8%	-1.9%	-5.5%	-18.8%	-20.9%
Telecom												
Ukrtelecom	UTLM	0.16	0.31	0.12	0.3%	4.8%	18.8%	0.2%	-0.5%	3.9%	17.1%	9.1%
Oil & Gas												
Regal Petroleum	RPT	0.27	0.59	0.21	-0.5%	-7.9%	-18.4%	-49.3%	-1.3%	-8.8%	-20.1%	-40.5%
JXX Oil	JKX	0.86	1.79	0.75	-3.5%	14.2%	0.9%	-28.3%	-4.3%	13.3%	-0.8%	-19.4%
Ukrnafta	UNAF	118	280	80	0.3%	0.4%	1.8%	-0.5%	-0.5%	-0.5%	0.1%	8.3%
Power Utilities												
Centrenerg	CEEN	4.77	7.33	3.76	3.2%	3.8%	10.5%	-24.9%	2.4%	2.9%	8.8%	-16.0%
Donbasenergo	DOEN	22.0	24.8	15.1	0.6%	1.3%	5.0%	4.0%	-0.2%	0.4%	3.3%	12.8%
Zakhidenergo	ZAEN	80.0	127.9	70.0	7.8%	3.9%	0.4%	-17.5%	7.0%	3.0%	-1.3%	-8.7%
Consumer												
Agroton	AGT	0.74	4.2	0.36	-1.4%	-8.0%	-21.2%	-77.3%	-2.2%	-8.9%	-22.9%	-68.4%
Astarta	AST	18.4	22.1	14.5	-1.0%	-7.3%	5.5%	2.9%	-1.8%	-8.2%	3.8%	11.8%
Avangardo	AVGR	9.0	12.0	7.61	0.0%	7.1%	-5.3%	-20.6%	-0.8%	6.2%	-7.0%	-11.7%
Industrial Milk Company	IMC	4.05	5.48	2.94	1.6%	-1.7%	11.1%	-23.7%	0.8%	-2.6%	9.4%	-14.9%
Kernel	KER	14.0	23.0	14.0	-2.3%	-6.7%	-20.7%	-35.2%	-3.1%	-7.6%	-22.4%	-26.3%
Mriya Agro Holding	MAYA	5.53	6.7	5.04	0.2%	-1.5%	3.2%	-14.7%	-0.6%	-2.5%	1.5%	-5.9%
MHPC	MHPC	17.0	19.9	10.75	-0.4%	-3.5%	-5.7%	11.5%	-1.2%	-4.4%	-7.4%	20.3%
Milkiland	MLK	3.40	5.8	3.11	1.1%	-3.4%	7.3%	-27.7%	0.3%	-4.3%	5.6%	-18.8%
Ovostar Union	OVO	23.0	33.8	22.8	0.6%	-6.0%	-12.2%	-20.5%	-0.2%	-6.9%	-13.9%	-11.6%
Sintal	SNPS	n/a	1.14	0.00	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
MCB Agricole	4GW1	n/a	0.69	0.22	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Chemicals												
Stirol	STIR	11.8	20.9	10.3	3.4%	0.9%	3.1%	-11.9%	2.6%	-0.1%	1.3%	-3.1%
Banks												
Raiffeisen Bank Aval	BAVL	0.101	0.128	0.061	1.2%	0.4%	-3.3%	17.9%	0.4%	-0.5%	-5.0%	26.7%
UkrSotsbank	USCB	0.131	0.200	0.107	0.5%	4.6%	7.9%	1.6%	-0.3%	3.7%	6.2%	10.4%

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%
Ukrspotsbank	USCB	5,032	5,151	5,064	827	814	788	449	451	469	2	2	13	0.2%	0.3%	1.7%

Source: Eavex Research

MAIN TRADING MULTIPLES

Ticker	MCap USD mn	Free Float % USD mn	EV USD mn	P/E			EV/EBITDA			EV/Sales			EV/Output			Units		
				2011	2012	2013E	2011	2012	2013E	2011	2012	2013E	2011	2012	2013E			
Steel																		
Alchevsk Steel	ALMK	137	3.9%	5	1,552	3.8	neg	neg	10.7	neg	neg	0.7	0.9	0.9	535	461	416	\$/tonne
Yenakievo Steel	ENMZ	45	8.8%	4	37	1.4	5.2	neg	neg	neg	neg	0.0	0.0	0.0	15	14	14	\$/tonne
Azovstal	AZST	315	4.1%	13	293	neg	neg	neg	neg	neg	neg	0.1	0.1	0.1	52	49	47	\$/tonne
Coke																		
Avdyivka Coke	AVDK	77	7.5%	6	75	neg	neg	neg	12.3	neg	neg	0.1	0.1	0.1	21	16	14	\$/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	961	0.5%	5	961	3.0	10.1	9.2	1.9	4.0	4.8	1.2	1.7	1.9				
Pivnichny GOK	SGOK	2,317	0.5%	13	2,441	3.0	5.3	6.5	2.1	3.0	3.8	1.3	1.6	1.9				
Ferrexpo	FXPO	1,222	24.0%	293	1,472	2.1	5.7	4.6	1.8	3.7	3.3	0.8	1.0	0.9				
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	0.6	34	33	31	\$/tonne
Coal Energy	CLE	44	11.9%	5	69	1.2	1.1	1.0	1.4	1.1	1.1	0.5	0.4	0.3	1.4	1.1	1.1	\$/tonne
Pipe Manufacturing																		
Khartsyzk Pipe	HRTR	223	2.0%	4	266	2.3	6.6	6.5	1.8	3.6	3.4	0.3	0.4	0.4	422	699	664	\$/tonne
Railcar Manufacturing																		
LuganskTeplovoz	LTPL	43	24.0%	10	43	4.8	6.2	5.3	3.0	3.4	2.8	0.2	0.3	0.2				
Kruiiv Wagon	KVBZ	329	5.0%	16	331	3.9	3.5	6.5	2.8	2.5	3.6	0.4	0.4	0.5				
Stakhanov Wagon	SVGZ	37	8.0%	3	76	1.8	>30	12.8	2.3	10.6	6.9	0.2	0.2	0.2				
Specialized Machinery																		
Turboatom	TATM	181	5.8%	10	129	3.4	4.8	4.3	2.1	2.7	2.5	0.8	0.7	0.7				
Motor Sich	MSICH	498	24.0%	119	508	3.0	2.0	1.8	1.8	1.6	1.5	0.7	0.6	0.5				
Telecom																		
Ukrtelecom	UTLM	368	7.2%	27	704	neg	8.1	7.7	3.4	3.4	3.4	0.8	0.8	0.9				
Oil & Gas																		
Ukrnafta	UNAF	785	3.0%	24	775	2.9	2.5	3.5	1.8	1.5	1.8	0.3	0.3	0.3	n/a	n/a	n/a	\$/boe
Regal Petroleum	RPT	88	49.0%	43	70	13.8	7.3	3.7	neg	3.1	2.0	3.7	1.4	0.9	n/a	n/a	n/a	\$/boe
JKX Oil & Gas	JKX	147	50.4%	74	256	2.5	3.7	2.9	2.2	1.8	1.7	1.1	1.1	1.0	67	47	35	\$/boe
Electric Utilities																		
CentrEnergO	CEEN	216	21.7%	47	299	>30	7.5	6.5	6.1	4.9	4.4	0.3	0.3	0.3	20	21	17	\$/MWh
DonbasEnergO	DOEN	64	14.2%	9	121	neg	16.7	6.3	5.8	7.0	5.1	0.2	0.2	0.2	15	14	14	\$/MWh
Consumer																		
MHP	MHPC	1,796	34.1%	613	2,841	6.9	5.8	6.6	7.1	6.1	5.4	2.3	2.0	1.9	8877	8877	8877	\$/tonne
Kernel	KER	1,034	61.8%	639	1,645	4.6	4.9	5.3	5.3	5.1	4.9	0.9	0.8	0.6				
Astarta	AST	459	31.0%	142	606	4.0	9.2	7.8	4.2	6.2	5.0	1.5	1.3	1.1	3073	1871	1554	\$/tonne
Avangardco	AVGR	575	22.5%	129	723	2.9	2.5	2.5	2.9	2.6	2.5	1.3	1.1	1.0	164	124	117	\$/mneegs
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	\$/th/ha
Banks																		
Raiffeisen Bank Aval	BAVL	372	4.0%	15		>30	>30	13.0	0.5	0.4	0.4	0.05	0.05	0.05				
Ukrsotsbank	USCB	296	1.6%	5		>30	>30	21.8	0.4	0.4	0.4	0.06	0.06	0.06				

Source: Eavex Research

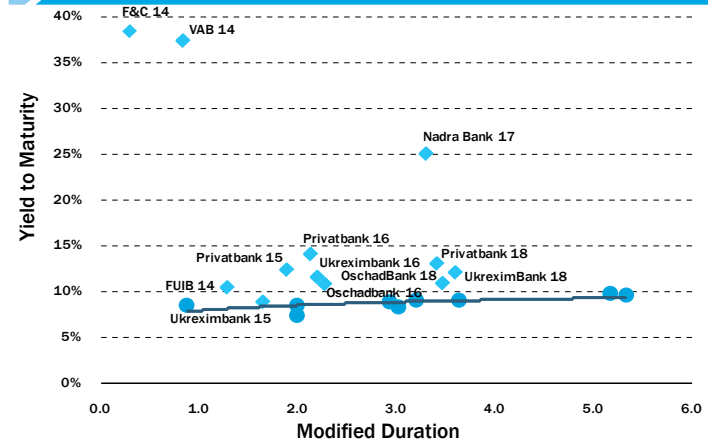
UKRAINIAN EUROBONDS

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, 2014	99.1	99.9	9.0%	8.1%	-2.3%	0.9	7.95%	S/A	6 Apr. 2014	1,000	B3/B/B
Naftogaz Ukraine, 2014	99.2	100.2	10.4%	9.5%	-3.2%	1.1	9.50%	S/A	30 Sept 2014	1,595	//B
Ukraine, 2015 (EUR)	94.5	95.5	7.7%	7.2%	-2.6%	2.0	4.95%	A	13 Oct 2015	600*	B3/B/B
Ukraine, 2015	96.8	97.8	8.5%	8.0%	-3.9%	2.0	6.875%	S/A	23 Sept 2015	500	B3/B/B
Ukraine, 2016	93.5	94.1	8.9%	8.6%	-6.1%	2.9	6.58%	S/A	21 Nov 2016	1,000	B3/B/B
Ukraine, 2016-2	93.8	94.8	8.4%	8.0%	-5.4%	3.0	6.25%	S/A	17 Jun 2016	1,250	B3/B/B
Ukraine, 2017	91.7	92.5	9.1%	8.9%	-7.2%	3.6	6.75%	S/A	14 Nov 2017	700	B3/B/B
Ukraine, 2017-2	100.7	101.6	9.1%	8.8%	-5.6%	3.2	9.25%	S/A	24 Jul 2017	2,000	B3/B/B
Ukraine, 2017 Infr. projects	95.0	97.0	10.0%	9.4%	-2.3%	3.5	8.375%	S/A	3 Nov 2017	568	B3//
Ukraine, 2018 Infr. projects	95.8	97.5	8.6%	8.1%	4.1%	3.9	7.40%	S/A	20 Apr 2018	690	B3//
Ukraine, 2020	91.2	92.2	9.5%	9.3%	-11.0%	5.2	7.75%	S/A	23 Sept 2020	1,500	B3/B/B
Ukraine, 2021	91.7	92.7	9.5%	9.3%	-11.2%	5.3	7.95%	S/A	23 Feb 2021	1,500	B3/B/B
Ukraine, 2022	89.2	90.2	9.6%	9.4%	-11.1%	6.3	7.80%	S/A	28 Nov 2022	1,250	B3/B/B
Ukraine, 2023	88.4	89.7	9.3%	9.1%	-11.0%	6.5	7.50%	S/A	17 Apr 2023	1,250	B3/B/B
Corporate Eurobonds											
Agroton, 2014	65.0	69.3	63.6%	55.4%	n/a	0.7	12.50%	S/A	14 Jul 2014	50	/CCC/CCC
MHP, 2015	103.4	105.1	8.3%	7.8%	-1.2%	1.6	10.25%	S/A	29 Apr 2015	585	B3//B
MHP, 2020	88.3	90.4	10.7%	10.3%	-10.7%	4.9	8.25%	S/A	2 Apr 2020	750	/B/B
Avangardco, 2015	99.1	101.1	10.6%	9.6%	4.6%	2.0	10.00%	S/A	29 Oct 2015	200	//B
UkrLandFarming, 2018	95.4	97.4	12.2%	11.6%	-3.6%	3.5	10.88%	S/A	26 Mar 2018	275	/B-/B-
Mriya, 2016	102.0	104.8	10.2%	9.0%	0.4%	2.3	10.95%	S/A	30 Mar 2016	250	/B/B
DTEK, 2015	100.9	102.0	9.1%	8.4%	0.3%	1.6	9.50%	S/A	28 Apr 2015	500	B3//B
DTEK, 2018	92.7	94.2	9.8%	9.4%	-6.6%	3.8	7.88%	S/A	4 Apr 2018	750	B3//B
Metinvest, 2015	101.3	103.1	9.6%	8.5%	-1.5%	1.7	10.25%	S/A	20 May 2015	500	B3//B
Metinvest, 2018	91.5	93.2	11.1%	10.6%	-4.7%	3.5	8.75%	S/A	14 Feb 2018	750	B3//B
Ferrexpo, 2016	92.3	93.8	11.3%	10.5%	-4.5%	2.3	7.875%	S/A	07 Apr 2016	500	/B/B
UZ Rail, 2018	91.0	93.4	12.0%	11.3%	-7.8%	3.7	9.50%	S/A	21 May 2018	500	/B-/B-
Interepipe, 2017	86.0	90.1	15.0%	13.3%	7.4%	3.0	10.25%	S/A	2 Aug 2017	200	/NR/B-
Bank Eurobonds											
Fin&Credit Bank, 2014	85.0	90.0	44.8%	32.1%	45.8%	0.4	10.50%	S/A	25 Jan 2014	100	Caa1//
PUMB, 2014	99.8	102.9	11.6%	9.2%	0.4%	1.3	11.00%	Q	31 Dec 2014	275	B//
Nadra Bank, 2017					7.4%	3.3	8.00%	A	22 Jun 2017	175	//
PrivatBank, 2015	92.7	94.6	13.5%	12.4%	-1.2%	1.9	9.38%	S/A	23 Sept 2015	200	B3//
PrivatBank, 2016	81.1	83.8	14.8%	13.4%	6.8%	2.1	8.75%	S/A	9 Feb 2016	150	B3//
PrivatBank, 2018	93.0	94.9	12.9%	12.3%	-6.0%	3.4	10.88%	S/A	28 Feb 2018	175	B3//B
UkrEximBank, 2015	97.4	98.2	10.1%	9.6%	-2.1%	1.6	8.38%	S/A	27 Apr 2015	750	B3//B
UkrEximBank, 2016	84.8	87.4	13.0%	11.7%	2.7%	2.2	8.40%	S/A	2 Sept 2016	125	B3//B
UkrEximBank, 2018	89.2	92.0	11.9%	11.0%	-9.4%	3.5	8.75%	S/A	22 Jan 2018	500	B3//B
VAB Bank, 2014	79.0	82.0	40.4%	35.5%	49.1%	0.8	10.50%	Q	14 Jun 2014	125	Caa1//WD
Oschadbank, 2016	92.2	94.0	11.9%	11.0%	-2.1%	2.3	8.25%	S/A	10 Mar 2016	700	B3//B
Oschadbank, 2018	89.1	90.9	11.6%	11.1%	-10.0%	3.6	8.88%	S/A	20 Mar 2018	500	B3//B
Municipal Eurobonds											
City of Kyiv, 2015	91.9	94.5	12.2%	10.8%	-0.4%	2.0	8.00%	S/A	6 Nov 2015	250	B3/B-/
City of Kyiv, 2016	92.5	95.6	12.4%	11.1%	0.5%	2.4	9.375%	S/A	30 Jun 2016	300	B3/B-/

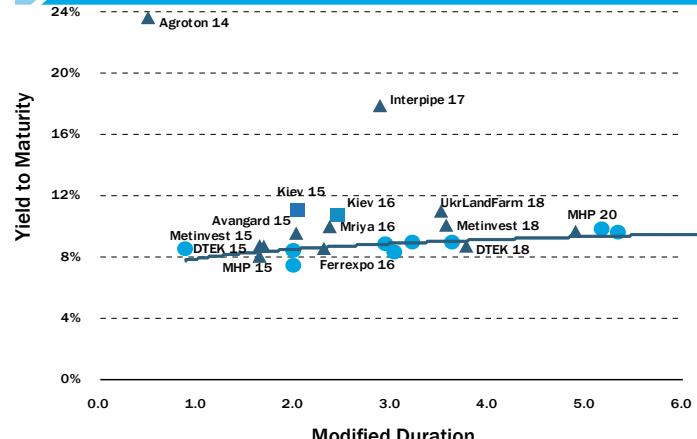
¹ Moody's/S&P/Fitch; * EUR

Source: Bloomberg, Cbonds, Eavex Research

SOVEREIGNS vs. BANKING EUROBONDS



SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

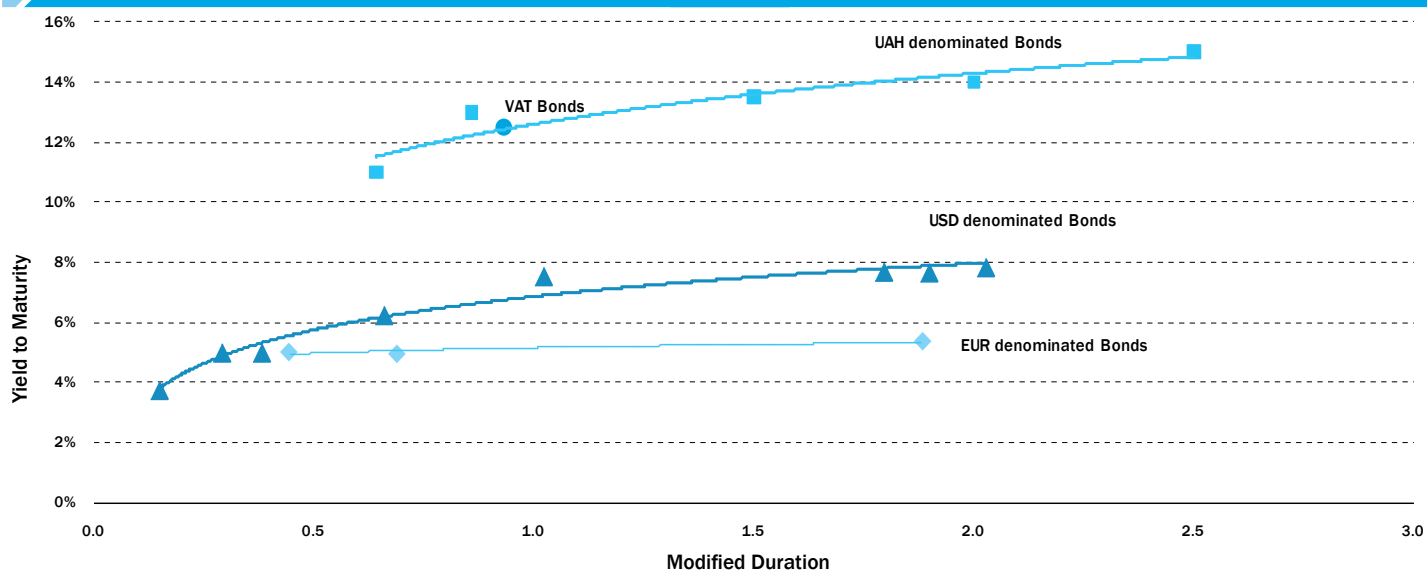


Source: Bloomberg, Cbonds, Eavex Research

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									
UA4000115117			13.5%	10.8%	n/a	10.75%	S/A	26 Mar 2014	187
UA4000141592			13.5%	12.0%	1.5	14.30%	S/A	20 May 2015	31
UA4000142665			19.0%	17.0%	2.0	14.30%	S/A	24 May 2017	184
USD denominated Bonds									
UA4000136832	100.4	100.6	7.5%	6.0%	0.1	9.27%	S/A	28 Aug 2013	254
UA4000138002	100.0	100.1	7.5%	6.0%	0.4	9.30%	S/A	27 Nov 2013	86
UA4000140362	99.9	100.4	7.9%	7.2%	0.8	9.20%	S/A	21 May 2014	171
UA4000142699	101.5	103.1	8.3%	7.5%	1.6	9.45%	S/A	22 Apr 2015	312
UA4000141071	99.3	100.3	8.8%	7.9%	1.7	9.45%	S/A	27 May 2015	152
UA4000142673	90.6	91.6	9.0%	8.2%	1.8	4.50%	S/A	17 Jun 2015	175
EUR denominated Bonds									
UA4000137731	100.3	100.4	6.0%	5.3%	0.2	4.80%	S/A	18 Sept 2013	205
UA4000138846	100.5	100.8	6.0%	5.3%	0.5	4.80%	S/A	25 Dec 2013	70
UA4000142681	101.0	101.1	7.0%	6.0%	1.7	4.80%	S/A	6 May 2015	40
VAT Bonds									
UA4000082531			14.0%	12.0%	n/a	5.50%	S/A	21 Aug 2015	141
UA4000082622			14.0%	12.0%	n/a	5.50%	S/A	24 Aug 2015	571
UA4000083059			14.0%	12.0%	n/a	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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