

**Market Update**

**Equity**

Locally-listed Ukrainian stocks were left in the dust by a surge in global equity prices on Thursday (Aug 1), as investors apparently see a “best of both worlds” scenario developing in which large-scale monetary easing will continue simultaneously with an improving outlook for economic growth in the United States and Japan. The S&P 500 smashed through the 1700 point barrier and the DAX jumped by 1.6%, with both benchmarks reaching new all-time highs. The UX index, on the other hand, ended flat for a second straight day at 889 points, with few notable changes in the top local names. Raiffeisen Aval was the lone exception, adding 1.2% to 10.33 kopecks, while CentrEnergO edged down 0.7% on volume of UAH 4.2mn. In London, the global rally lifted Ferrexpo and Avangard, which rose by 2.8% and 5.5% respectively. In Warsaw, high-flying Astarta slipped back by 1.6% and KSG Agro dropped 2.6% to PLN 11.30.

**Fixed Income**

Ukrainian sovereign Eurobonds were sluggish on Thursday. Ukraine-23s inched down by 0.1p.p. closing at 88.2/88.9 (9.4%/9.3%). Corporate names showed different dynamics. Metinvest-15s improved by 1.0p.p. to 104.0/105.1 (7.9%/7.3%) while MHP-20s declined by 0.1p.p. finishing at 91.7/93.1 (10.0%/9.7%).

| Volume Leaders | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------|--------|-----------|-------|----------------|------------------|
| Motor Sich     | MSICH  | 1815.00   | -0.1% | 5.6            | 93               |
| CentrenergO    | CEEN   | 5.22      | -0.7% | 4.1            | 187              |
| DonbasenergO   | DOEN   | 25.370    | -0.5% | 1.4            | 188              |

**Growth Leaders**

|                      |      |       |      |      |     |
|----------------------|------|-------|------|------|-----|
| Kryukiv Wagon        | KVBZ | 23.55 | 1.7% | 0.09 | 8   |
| Pivnichny GOK        | SGOK | 8.50  | 1.2% | 0.04 | 12  |
| Raiffeisen Bank Aval | BAVL | 0.10  | 1.2% | 1.24 | 113 |

**Loss Leaders**

|                   |      |      |        |       |     |
|-------------------|------|------|--------|-------|-----|
| Alchevsk Coke     | ALKZ | 0.10 | -16.2% | 0.002 | 9   |
| Zhytomyroblenergo | ZHEN | 0.63 | -6.7%  | 0.048 | 15  |
| CentrenergO       | CEEN | 5.22 | -0.7%  | 4.064 | 187 |

**Highlights**

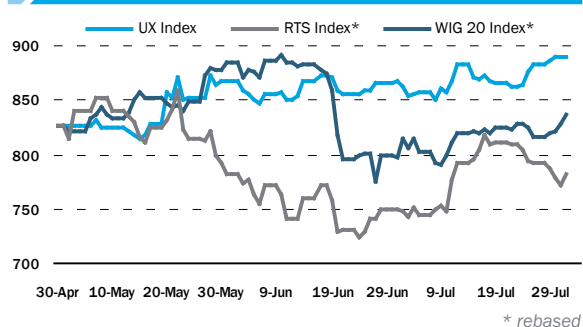
**POLITICS AND ECONOMICS**

- Gov't Raises 2013/14 Grain Export Estimate to 28mn Tonnes

**FIXED INCOME**

- Interpipe Reports FY12 Loss of USD 72mn; EBITDA Up 20% YoY

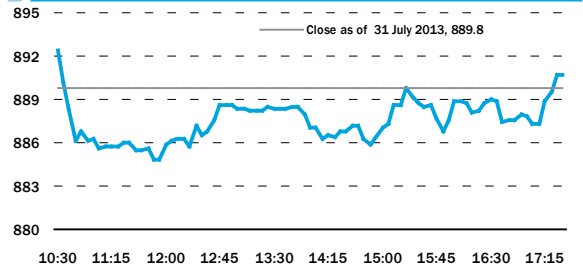
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

|         | Last   | 1D ch | 1M ch | YTD    |
|---------|--------|-------|-------|--------|
| UX      | 889.3  | -0.1% | 2.5%  | -6.4%  |
| RTS     | 1331.7 | 1.4%  | 4.3%  | -12.8% |
| WIG20   | 2351.1 | 1.1%  | 5.1%  | -9.0%  |
| MSCI EM | 954.2  | 0.7%  | 1.3%  | -9.6%  |
| S&P 500 | 1706.9 | 1.3%  | 5.7%  | 21.7%  |

**UX INTRADAY AUGUST 1, 2013**



**FIXED INCOME**

|                 | Last  | 1D ch    | 1M ch     | YTD       |
|-----------------|-------|----------|-----------|-----------|
| EMBI+Global     | 333.8 | -2.7%    | -4.0%     | 23.2%     |
| CDS 5Y UKR      | 790.9 | -0.7%    | -0.8%     | 26.5%     |
| Ukraine-17      | 9.0%  | 0.1 p.p. | 0.1 p.p.  | 2.1 p.p.  |
| Naftogaz Ukr-14 | 9.3%  | 0.0 p.p. | -0.3 p.p. | 1.7 p.p.  |
| Ukraine-23      | 9.3%  | 0.0 p.p. | 0.1 p.p.  | 1.8 p.p.  |
| Privatbank-16   | 13.4% | 0.0 p.p. | -0.9 p.p. | -1.9 p.p. |

**CURRENCY**

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 8.14      | 0.1%  | -0.2% | 1.1%  |
| EUR | 10.75     | -0.6% | 0.8%  | 0.6%  |
| RUB | 0.25      | -0.3% | -0.6% | -7.2% |

**COMMODITIES**

|               | Last   | 1D ch | 1M ch | YTD    |
|---------------|--------|-------|-------|--------|
| Wheat, USD/t* | 251.2  | 0.0%  | -4.6% | -27.9% |
| Steel, USD/t  | 517.5  | 0.0%  | -0.5% | -2.8%  |
| Oil, USD/bbl  | 109.5  | 1.7%  | 6.9%  | 2.2%   |
| Gold, USD/oz  | 1310.1 | -1.1% | 4.6%  | -20.9% |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

**Gov't Raises 2013/14 Grain Export Estimate to 28mn Tonnes**

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**NEWS**

Ukraine's Agriculture Ministry raised its estimate of the country's grain exports in the 2013/14 marketing year to 28.0mn tonnes, up by 8% from the previous forecast of 26mn tonnes, Interfax reported on Thursday (Aug 1). The expected grain export structure includes 8.9mn tonnes of wheat, 16mn tonnes of corn and 2.5mn tonnes of barley.

**COMMENTARY**

Low grain stocks in Egypt, one of Ukraine's largest customers, as well as recent multibillion-dollar loans to that country from Saudi Arabia and Qatar, bode well for the fortunes of Ukrainian grain exporters in 2013/14. With the Agriculture Ministry now predicting a record high harvest of around 57mn tonnes of grains, and given domestic needs of some 28mn tonnes, the revised figure looks feasible. The revision would imply 22% growth compared to 2012/13 exports of 23.0mn tonnes.

**Interpipe Reports FY12 Loss of USD 72mn; EBITDA Up 20% YoY**

by Ivan Dzvinka  
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**NEWS**

Interpipe, Ukraine's largest pipe producer, unveiled mixed financial results for full-year 2012 yesterday (Aug 1). The company's top line grew by 6.0% YoY to USD 1.77bn on the back of a 12% YoY increase in pipe sales to 1.02mn tonnes. EBITDA improved by 20.2% YoY to USD 305mn, largely reflecting the net cash flow from operations before changes in working capital of USD 303mn. EBITDA margin was up by 2.0p.p. YoY to 17.2%. Meanwhile, operating profit declined by 54.1% YoY to USD 73mn, due to a downward revaluation of USD 127mn of the group's assets. The company's bottom line moved back into the red at USD -72mn, in contrast to USD +41mn in FY11.

The breakdown of the company's net revenue in 2012 was as follows: Ukraine – 30% (36% in 2011), Russia – 28% (25% in 2011), other CIS – 16% (14%), NAFTA – 10% (9%), Europe – 8% (11%), MENA – 6% (4%) and others – 2% (0.2%).

The main generator of EBITDA was the seamless pipe segment, which earned USD 196mn (64% in the total group figure). Railway wheels and welded pipes posted EBITDA of USD 85mn and USD 20mn, respectively.

**COMMENTARY**

The news is overall positive for the company's bonds. The improvement in Interpipe's EBITDA margin was mainly due to an 18% YoY increase in sales of highly profitable railway wheels (the segment had an FY12 EBITDA margin of 23%) as well as a 12% YoY rise in revenue from seamless pipes (with EBITDA margin of 17%). Meanwhile, apart from the revaluation losses, the company's bottom line was also negatively affected by a 36% YoY increase in interest expenses.

The financial results in 2013 will depend on the ability of the group to negotiate a quota for deliveries of pipes to Russia for 2H13. The quota has not yet been agreed; without it, an import duty of some 20% should be imposed on sales of the company's pipes to Russia. In 1H13, Interpipe had a Russian duty-free quota on delivery of 120,000 tonnes. We see a high probability of the group's success in agreeing the quota for 2H13, but with the amount likely to be reduced to around 100,000 tonnes. On the positive side, Interpipe's expansion in other export markets (especially the Middle East) and higher capacity utilization at the new Interpipe Steel should to large extent offset the reduction in its Russian sales. According to management, the new steel plant saves Interpipe some USD 100 per tonne of produced steel compared to the group's previous facility.

## EAVEX RECOMMENDATIONS

| Name                         | Ticker  | Price, USD per share | Target price, USD per share | Upside, % | Rating | Commentary  |
|------------------------------|---------|----------------------|-----------------------------|-----------|--------|---|
| <b>Steel&amp;Pipes</b>       |         |                      |                             |           |        |   |
| Azovstal                     | AZST    | 0.08                 | 0.07                        | -13%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.  |
| <b>Iron Ore</b>              |         |                      |                             |           |        |   |
| Ferrexpo                     | FXPO LN | 2.63                 | 3.33                        | 27%       | 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    | 1.04                 | 1.77                        | 69%       | 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    | 0.80                 | 1.30                        | 63%       | 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.   |
| <b>Coke</b>                  |         |                      |                             |           |        |   |
| Avdyivka Coke                | AVDK    | 0.40                 | 0.76                        | 89%       | 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                        | 510%      | 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   | 0.06                 | 0.36                        | 540%      | 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    | 2.89                 | 6.18                        | 114%      | 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    | 0.20                 | 0.64                        | 226%      | 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   | 223                  | 644                         | 189%      | 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.  |
| <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     | 0.24                 | 1.52                        | 538%      | 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                         | 532%      | 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.  |
| <b>Power Utilities</b>       |         |                      |                             |           |        |   |
| DonbasEnergO                 | DOEN    | 3.12                 | 8.90                        | 185%      | BUY    | DonbasEnergO is Ukraine's next big-ticket privatization object, with an auction expected to be announced in summer 2013.  |
| CenterEnergO                 | CEEN    | 0.64                 | 1.84                        | 187%      | BUY    | CentrEnergO's privatization has been postponed, but the company retains a strong fundamental value due to its large installed electricity generation capacity.  |
| <b>Consumer</b>              |         |                      |                             |           |        |   |
| MHP                          | MHPC    | 17.9                 | 24.0                        | 34%       | 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     | 22.66                | 30.0                        | 32%       | 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    | 9.50                 | 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     | 889.31      | 1113.51       | 758.71       | -0.1%                | 1.6%   | 2.5%   | -6.4%  | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.040       | 0.06          | 0.03         | 0.0%                 | -0.5%  | -8.5%  | -25.5% | 0.1%                                 | -2.1%  | -11.0% | -19.0% |
| Azovstal                     | AZST   | 0.63        | 0.97          | 0.31         | 0.2%                 | 1.0%   | 4.4%   | -14.2% | 0.2%                                 | -0.6%  | 2.0%   | -7.8%  |
| Dniprospezstal               | DNSS   | n/a         | 1,300         | 700          | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| Enakievo Steel               | ENMZ   | 35.0        | 49.9          | 20.0         | 0.3%                 | 1.2%   | -1.3%  | -7.9%  | 0.3%                                 | -0.4%  | -3.8%  | -1.5%  |
| 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   | 0.14        | 0.32          | 0.10         | 0.0%                 | 0.0%   | -6.7%  | -36.4% | 0.1%                                 | -1.6%  | -9.1%  | -29.9% |
| <b>Coke</b>                  |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Avdivka Coke                 | AVDK   | 3.28        | 4.07          | 1.61         | -0.5%                | 1.3%   | 1.1%   | 0.3%   | -0.5%                                | -0.3%  | -1.3%  | 6.7%   |
| Yasnyivsky Coking            | YASK   | 0.56        | 1.00          | 0.52         | 0.0%                 | -1.8%  | -8.2%  | -16.4% | 0.1%                                 | -3.3%  | -10.7% | -10.0% |
| <b>Iron Ore Mining</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 6.50        | 7.74          | 4.00         | -0.5%                | -0.9%  | -2.8%  | -5.8%  | -0.4%                                | -2.5%  | -5.3%  | 0.6%   |
| Ferrexpo                     | FXPO   | 2.63        | 4.58          | 2.02         | 2.4%                 | 3.9%   | 22.9%  | -34.7% | 2.5%                                 | 2.3%   | 20.4%  | -28.2% |
| Pivnichny GOK                | SGOK   | 8.50        | 10.00         | 5.77         | 1.2%                 | 0.0%   | 11.1%  | 14.2%  | 1.2%                                 | -1.6%  | 8.6%   | 20.7%  |
| <b>Coal Mining</b>           |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.46        | 1.15          | 0.40         | -8.0%                | -8.0%  | -2.1%  | -27.0% | -7.9%                                | -9.6%  | -4.6%  | -20.5% |
| Komsomolets Donbasa          | SHKD   | 0.88        | 1.50          | 0.56         | 1.1%                 | -10.2% | -7.4%  | -25.4% | 1.2%                                 | -11.8% | -9.8%  | -19.0% |
| Energy Coal                  | CLE    | 0.90        | 5.77          | 0.59         | 23.0%                | 34.6%  | 8.5%   | -70.8% | 23.1%                                | 33.1%  | 6.0%   | -64.4% |
| <b>Mining Machinery</b>      |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Svitlo Shakhtara             | HMBZ   | 0.45        | 0.58          | 0.270        | 0.0%                 | 12.5%  | 12.5%  | -22.4% | 0.1%                                 | 10.9%  | 10.0%  | -16.0% |
| <b>Pipe Manufacturing</b>    |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.67        | 0.88          | 0.45         | -5.6%                | -5.6%  | -4.3%  | -4.3%  | -5.6%                                | -7.2%  | -6.8%  | 2.2%   |
| Interpipe NMPP               | NVTR   | 0.18        | 0.60          | 0.10         | -5.3%                | 0.0%   | -18.2% | -18.2% | -5.2%                                | -1.6%  | -20.6% | -11.7% |
| <b>Railcar Manufacturing</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 23.6        | 29.0          | 12.0         | 1.7%                 | 0.9%   | 2.4%   | 21.4%  | 1.8%                                 | -0.7%  | -0.1%  | 27.8%  |
| Luhanskeplovoz               | LTPL   | 1.60        | 2.04          | 1.28         | 0.0%                 | 0.6%   | 0.0%   | -14.4% | 0.1%                                 | -1.0%  | -2.5%  | -8.0%  |
| Stakhanov Wagon              | SVGZ   | 1.30        | 2.76          | 1.10         | 0.0%                 | 4.0%   | -1.5%  | -24.9% | 0.1%                                 | 2.4%   | -4.0%  | -18.4% |
| <b>Specialized Machinery</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Bogdan Motors                | LUAZ   | 0.04        | 0.15          | 0.03         | 0.0%                 | -7.1%  | -36.0% | -21.4% | 0.1%                                 | -8.7%  | -38.5% | -15.0% |
| Motor Sich                   | MSICH  | 1,815       | 2,640         | 1,753        | 0.0%                 | 0.1%   | -7.8%  | -17.9% | 0.1%                                 | -1.5%  | -10.2% | -11.4% |
| Sumy Frunze Engineering      | SMASH  | 2.50        | 4.00          | 0.76         | 0.0%                 | 0.0%   | -10.1% | -16.7% | 66.7%                                | 0.1%   | -11.7% | -19.1% |
| Turboatom                    | TATM   | n/a         | 5.00          | 1.88         | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| WESTA ISIC                   | WES    | 0.19        | 0.45          | 0.13         | 1.0%                 | -0.5%  | 4.7%   | -22.5% | 1.1%                                 | -2.1%  | 2.2%   | -16.1% |
| <b>Telecom</b>               |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.15        | 0.31          | 0.12         | 0.0%                 | 4.8%   | -4.0%  | -3.8%  | 0.1%                                 | 3.2%   | -6.5%  | 2.7%   |
| <b>Oil &amp; Gas</b>         |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 0.24        | 0.59          | 0.21         | -0.3%                | -1.4%  | 8.0%   | -56.0% | -0.3%                                | -2.9%  | 5.5%   | -49.6% |
| JKX Oil                      | JKX    | 0.95        | 1.50          | 0.75         | -1.5%                | 5.8%   | 11.4%  | -20.6% | -1.5%                                | 4.2%   | 8.9%   | -14.2% |
| Ukrnafta                     | UNAF   | 117         | 280           | 80           | -0.3%                | 1.9%   | -0.5%  | -1.0%  | -0.3%                                | 0.3%   | -3.0%  | 5.4%   |
| <b>Power Utilities</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centrenerg                   | CEEN   | 5.22        | 7.33          | 3.76         | -0.6%                | 2.9%   | 9.8%   | -17.8% | -0.6%                                | 1.3%   | 7.3%   | -11.4% |
| Donbasenergo                 | DOEN   | 25.4        | 26.8          | 15.1         | -0.5%                | 5.0%   | 15.0%  | 19.7%  | -0.5%                                | 3.4%   | 12.5%  | 26.2%  |
| Zakhidenergo                 | ZAEN   | 90.0        | 116.9         | 70.0         | 0.0%                 | 20.0%  | 11.1%  | -7.2%  | 0.1%                                 | 18.4%  | 8.6%   | -0.8%  |
| <b>Consumer</b>              |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 0.62        | 4.2           | 0.36         | -7.1%                | 5.8%   | -15.6% | -80.9% | -7.1%                                | 4.2%   | -18.1% | -74.5% |
| Astarta                      | AST    | 22.6        | 23.3          | 14.5         | -2.0%                | -1.2%  | 21.2%  | 26.8%  | -1.9%                                | -2.8%  | 18.7%  | 33.2%  |
| Avangardo                    | AVGR   | 9.5         | 12.0          | 7.61         | 5.6%                 | 8.6%   | 9.2%   | -16.2% | 5.6%                                 | 7.0%   | 6.7%   | -9.7%  |
| Industrial Milk Company      | IMC    | 4.87        | 5.48          | 3.63         | 0.0%                 | 0.1%   | 24.3%  | -8.3%  | 0.1%                                 | -1.5%  | 21.8%  | -1.8%  |
| Kernel                       | KER    | 15.2        | 23.0          | 14.0         | -2.8%                | -7.1%  | 5.4%   | -29.8% | -2.7%                                | -8.6%  | 3.0%   | -23.4% |
| Mriya Agro Holding           | MAYA   | 5.95        | 6.7           | 5.36         | -0.5%                | -0.1%  | 6.2%   | -8.2%  | -0.4%                                | -1.7%  | 3.8%   | -1.8%  |
| MHPC                         | MHPC   | 17.9        | 19.9          | 12.80        | 0.6%                 | 3.8%   | 2.3%   | 17.4%  | 0.7%                                 | 2.2%   | -0.2%  | 23.8%  |
| Milkiland                    | MLK    | 3.86        | 5.8           | 3.11         | -0.2%                | 5.0%   | 9.1%   | -18.0% | -0.2%                                | 3.4%   | 6.7%   | -11.5% |
| Ovostar Union                | OVO    | 23.7        | 33.8          | 21.3         | -0.5%                | 1.6%   | 3.7%   | -17.8% | -0.4%                                | 0.0%   | 1.3%   | -11.3% |
| Sintal                       | SNPS   | n/a         | 0.85          | 0.19         | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| MCB Agricole                 | 4GW1   | n/a         | 0.66          | 0.22         | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| <b>Chemicals</b>             |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Stirol                       | STIR   | 10.4        | 19.0          | 9.5          | 2.0%                 | 4.0%   | -12.6% | -22.4% | 2.0%                                 | 2.4%   | -15.1% | -15.9% |
| <b>Banks</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.103       | 0.128         | 0.061        | 1.2%                 | 3.3%   | 1.8%   | 20.5%  | 1.2%                                 | 1.7%   | -0.7%  | 27.0%  |
| UkrSotsbank                  | USCB   | 0.136       | 0.200         | 0.107        | -0.4%                | -6.2%  | 5.7%   | 5.3%   | -0.3%                                | -7.8%  | 3.2%   | 11.7%  |

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%  |
| 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<br>USD mn | Free Float<br>% USD mn | EV<br>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           | 126                    | 3.9%         | 5    | 1,541 | 3.5   | neg       | neg  | 10.6  | neg      | neg  | 0.7   | 0.9       | 0.9  | 531   | 458   | 413  | \$/tonne  |
| Yenakievo Steel              | ENMZ           | 45                     | 8.8%         | 4    | 38    | 1.5   | 5.3       | neg  | neg   | neg      | neg  | 0.0   | 0.0       | 0.0  | 15    | 14    | 14   | \$/tonne  |
| Azovstal                     | AZST           | 327                    | 4.1%         | 13   | 306   | neg   | neg       | neg  | neg   | neg      | neg  | 0.1   | 0.1       | 0.1  | 55    | 52    | 49   | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Avdyivka Coke                | AVDK           | 79                     | 7.5%         | 6    | 76    | neg   | neg       | neg  | 12.5  | neg      | neg  | 0.1   | 0.1       | 0.1  | 22    | 17    | 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  |
| <b>Iron Ore Mining</b>       |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Centralny GOK                | CGOK           | 936                    | 0.5%         | 5    | 935   | 2.9   | 9.8       | 9.0  | 1.9   | 3.9      | 4.6  | 1.2   | 1.7       | 1.8  |       |       |      |           |
| Pivnichny GOK                | SGOK           | 2,406                  | 0.5%         | 13   | 2,531 | 3.1   | 5.5       | 6.7  | 2.2   | 3.1      | 4.0  | 1.4   | 1.7       | 1.9  |       |       |      |           |
| Ferrexpo                     | FXPO           | 1,547                  | 24.0%        | 372  | 1,798 | 2.7   | 7.2       | 5.9  | 2.2   | 4.5      | 4.0  | 1.0   | 1.3       | 1.1  |       |       |      |           |
| <b>Coal Mining</b>           |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Komsomolets Donbasa          | SHKD           | 36                     | 5.4%         | 2    | 138   | 2.4   | 0.9       | 1.0  | 2.0   | 1.4      | 1.5  | 0.7   | 0.5       | 0.5  | 34    | 32    | 31   | \$/tonne  |
| Coal Energy                  | CLE            | 41                     | 11.9%        | 5    | 66    | 1.1   | 1.1       | 1.0  | 1.3   | 1.1      | 1.0  | 0.4   | 0.4       | 0.3  | 1.3   | 1.1   | 1.0  | \$/tonne  |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Khartsyzk Pipe               | HRTR           | 214                    | 2.0%         | 4    | 256   | 2.2   | 6.3       | 6.3  | 1.8   | 3.5      | 3.3  | 0.3   | 0.4       | 0.4  | 407   | 675   | 641  | \$/tonne  |
| <b>Railcar Manufacturing</b> |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| LuganskTeplovoz              | LTPL           | 43                     | 24.0%        | 10   | 43    | 4.8   | 6.3       | 5.3  | 3.1   | 3.5      | 2.8  | 0.2   | 0.3       | 0.2  |       |       |      |           |
| Kruiiv Wagon                 | KVBZ           | 332                    | 5.0%         | 17   | 334   | 3.9   | 3.5       | 6.6  | 2.8   | 2.5      | 3.6  | 0.4   | 0.4       | 0.5  |       |       |      |           |
| Stakhanov Wagon              | SVGZ           | 36                     | 8.0%         | 3    | 75    | 1.8   | >30       | 12.6 | 2.3   | 10.5     | 6.9  | 0.2   | 0.2       | 0.2  |       |       |      |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Turboatom                    | TATM           | 182                    | 5.8%         | 10   | 130   | 3.4   | 4.8       | 4.3  | 2.1   | 2.8      | 2.5  | 0.8   | 0.7       | 0.7  |       |       |      |           |
| Motor Sich                   | MSICH          | 463                    | 24.0%        | 111  | 473   | 2.8   | 1.9       | 1.7  | 1.7   | 1.5      | 1.4  | 0.7   | 0.6       | 0.5  |       |       |      |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrtelecom                   | UTLM           | 354                    | 7.2%         | 26   | 690   | neg   | 7.8       | 7.4  | 3.3   | 3.4      | 3.3  | 0.8   | 0.8       | 0.9  |       |       |      |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrnafta                     | UNAF           | 782                    | 3.0%         | 23   | 772   | 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            | 76                     | 49.0%        | 37   | 59    | 11.9  | 6.4       | 3.2  | neg   | 2.6      | 1.6  | 3.1   | 1.2       | 0.7  | n/a   | n/a   | n/a  | \$/boe    |
| JKX Oil & Gas                | JKX            | 163                    | 50.4%        | 82   | 271   | 2.8   | 4.1       | 3.3  | 2.4   | 1.9      | 1.8  | 1.1   | 1.2       | 1.1  | 71    | 50    | 37   | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| CentrEnergO                  | CEEN           | 237                    | 21.7%        | 51   | 320   | >30   | 8.2       | 7.1  | 6.6   | 5.3      | 4.7  | 0.4   | 0.3       | 0.3  | 22    | 22    | 18   | \$/MWh    |
| DonbasEnergO                 | DOEN           | 74                     | 14.2%        | 10   | 130   | neg   | 19.3      | 7.3  | 6.3   | 7.6      | 5.5  | 0.3   | 0.2       | 0.2  | 16    | 15    | 15   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| MHP                          | MHPC           | 1,891                  | 34.1%        | 645  | 2,936 | 7.3   | 6.1       | 7.0  | 7.3   | 6.3      | 5.6  | 2.4   | 2.1       | 1.9  | 9174  | 9174  | 9174 | \$/tonne  |
| Kernel                       | KER            | 1,120                  | 61.8%        | 692  | 1,730 | 5.0   | 5.3       | 5.7  | 5.6   | 5.4      | 5.1  | 0.9   | 0.8       | 0.6  |       |       |      |           |
| Astarta                      | AST            | 566                    | 31.0%        | 175  | 712   | 5.0   | 11.3      | 9.6  | 4.9   | 7.3      | 5.9  | 1.8   | 1.6       | 1.3  | 3613  | 2199  | 1827 | \$/tonne  |
| Avangardco                   | AVGR           | 607                    | 22.5%        | 137  | 755   | 3.1   | 2.7       | 2.6  | 3.0   | 2.7      | 2.6  | 1.4   | 1.2       | 1.1  | 171   | 130   | 122  | \$/mneegs |
| Agroton                      | AGT            | 13                     | 44.6%        | 6    | 47    | neg   | 0.7       | 0.6  | 2.5   | 1.5      | 1.4  | 0.4   | 0.5       | 0.4  | 0.3   | n/a   | n/a  | \$/th/ha  |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Raiffeisen Bank Aval         | BAVL           | 381                    | 4.0%         | 15   |       | >30   | >30       | 13.3 | 0.5   | 0.4      | 0.4  | 0.05  | 0.05      | 0.05 |       |       |      |           |
| Ukrsotsbank                  | USCB           | 307                    | 1.6%         | 5    |       | >30   | >30       | 21.8 | 0.4   | 0.4      | 0.4  | 0.06  | 0.06      | 0.06 |       |       |      |           |

Source: Eavex Research

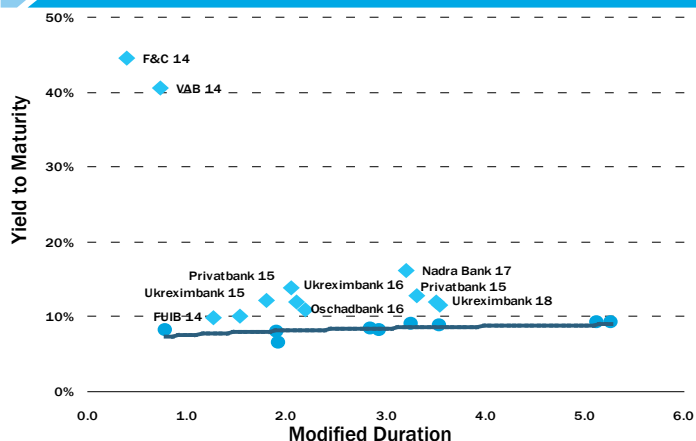
## UKRAINIAN EUROBONDS

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Price chg. (YTD) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume mn USD | Ratings <sup>1</sup> |
|------------------------------|-------------|-------------|-----------|-----------|------------------|-------------------|--------|---------------|---------------|---------------|----------------------|
| <b>Sovereign Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Ukraine, 2014                | 99.3        | 100.1       | 8.9%      | 7.8%      | -2.0%            | 0.8               | 7.95%  | S/A           | 6 Apr. 2014   | 1,000         | B3/B/B               |
| Naftogaz Ukraine, 2014       | 99.8        | 100.6       | 10.0%     | 9.3%      | -2.7%            | 1.0               | 9.50%  | S/A           | 30 Sept 2014  | 1,595         | //B                  |
| Ukraine, 2015 (EUR)          | 96.4        | 97.4        | 6.8%      | 6.3%      | -0.6%            | 1.9               | 4.95%  | A             | 13 Oct 2015   | 600*          | B3/B/B               |
| Ukraine, 2015                | 97.2        | 98.2        | 8.4%      | 7.9%      | -3.5%            | 1.9               | 6.875% | S/A           | 23 Sept 2015  | 500           | B3/B/B               |
| Ukraine, 2016                | 94.1        | 95.1        | 8.7%      | 8.3%      | -5.3%            | 2.8               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | B3/B/B               |
| Ukraine, 2016-2              | 94.1        | 95.1        | 8.3%      | 8.0%      | -5.1%            | 2.9               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | B3/B/B               |
| Ukraine, 2017                | 91.7        | 92.4        | 9.2%      | 9.0%      | -7.3%            | 3.5               | 6.75%  | S/A           | 14 Nov 2017   | 700           | B3/B/B               |
| Ukraine, 2017-2              | 100.3       | 100.9       | 9.2%      | 9.0%      | -6.1%            | 3.3               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | B3/B/B               |
| Ukraine, 2017 Infr. projects | 92.3        | 93.8        | 10.9%     | 10.5%     | -5.3%            | 3.4               | 8.375% | S/A           | 3 Nov 2017    | 568           | B3//                 |
| Ukraine, 2018 Infr. projects | 87.5        | 89.5        | 11.1%     | 10.5%     | -4.6%            | 3.7               | 7.40%  | S/A           | 20 Apr 2018   | 690           | B3//                 |
| Ukraine, 2020                | 91.4        | 92.3        | 9.5%      | 9.3%      | -10.8%           | 5.1               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | B3/B/B               |
| Ukraine, 2021                | 92.4        | 93.4        | 9.4%      | 9.2%      | -10.5%           | 5.3               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | B3/B/B               |
| Ukraine, 2022                | 90.1        | 91.3        | 9.4%      | 9.2%      | -10.1%           | 6.2               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | B3/B/B               |
| Ukraine, 2023                | 88.2        | 88.9        | 9.4%      | 9.3%      | -11.5%           | 6.4               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | B3/B/B               |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2014                | 63.6        | 71.5        | 73.9%     | 56.7%     | n/a              | 0.7               | 12.50% | S/A           | 14 Jul 2014   | 50            | /CCC/C               |
| MHP, 2015                    | 105.4       | 106.7       | 7.0%      | 6.6%      | 0.5%             | 1.6               | 10.25% | S/A           | 29 Apr 2015   | 585           | B3//B                |
| MHP, 2020                    | 91.7        | 93.1        | 10.0%     | 9.7%      | -7.6%            | 4.8               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /B/B                 |
| Avangardco, 2015             | 99.8        | 101.7       | 10.2%     | 9.3%      | 5.3%             | 1.9               | 10.00% | S/A           | 29 Oct 2015   | 200           | //B                  |
| UkrLandFarming, 2018         | 96.2        | 97.4        | 12.0%     | 11.6%     | -3.2%            | 3.4               | 10.88% | S/A           | 26 Mar 2018   | 275           | /B-/B-               |
| Mriya, 2016                  | 104.2       | 105.5       | 9.3%      | 8.7%      | 1.8%             | 2.2               | 10.95% | S/A           | 30 Mar 2016   | 250           | /B/B                 |
| DTEK, 2015                   | 102.9       | 103.6       | 7.8%      | 7.4%      | 2.1%             | 1.5               | 9.50%  | S/A           | 28 Apr 2015   | 500           | B3//B                |
| DTEK, 2018                   | 96.6        | 98.0        | 8.8%      | 8.4%      | -2.7%            | 3.7               | 7.88%  | S/A           | 4 Apr 2018    | 750           | B3//B                |
| Metinvest, 2015              | 104.0       | 105.1       | 7.9%      | 7.3%      | 0.7%             | 1.6               | 10.25% | S/A           | 20 May 2015   | 500           | B3//B                |
| Metinvest, 2018              | 96.6        | 98.1        | 9.7%      | 9.3%      | 0.4%             | 3.5               | 8.75%  | S/A           | 14 Feb 2018   | 750           | B3//B                |
| Ferrexpo, 2016               | 93.8        | 95.0        | 10.7%     | 10.1%     | -3.1%            | 2.3               | 7.875% | S/A           | 07 Apr 2016   | 500           | /B/B                 |
| UZ Rail, 2018                | 93.6        | 95.2        | 11.2%     | 10.8%     | -5.6%            | 3.7               | 9.50%  | S/A           | 21 May 2018   | 500           | /B/B-                |
| Interpipe, 2017              | 77.0        | 80.1        | 18.8%     | 17.1%     | -3.8%            | 3.0               | 10.25% | S/A           | 2 Aug 2017    | 200           | /NR/B-               |
| JKX Oil&Gas, 2018            | 104.8       | 106.1       | 9.6%      | 9.2%      | 5.4%             | 3.6               | 8.00%  | S/A           | 19 Feb 2018   | 40            | //                   |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2014        | 87.0        | 92.0        | 46.4%     | 31.3%     | 49.2%            | 0.4               | 10.50% | S/A           | 25 Jan 2014   | 100           | Caa1//               |
| PUMB, 2014                   | 100.0       | 104.1       | 11.6%     | 8.3%      | 1.1%             | 1.3               | 11.00% | Q             | 31 Dec 2014   | 275           | B//                  |
| Nadra Bank, 2017             | 84.0        | 89.5        | 18.1%     | 14.2%     | -3.8%            | 3.2               | 8.00%  | A             | 22 Jun 2017   | 175           | //                   |
| PrivatBank, 2015             | 94.7        | 95.8        | 12.5%     | 11.9%     | 0.5%             | 1.8               | 9.38%  | S/A           | 23 Sept 2015  | 200           | B3//                 |
| PrivatBank, 2016             | 82.9        | 85.5        | 14.1%     | 12.7%     | 9.1%             | 2.0               | 8.75%  | S/A           | 9 Feb 2016    | 150           | B3//                 |
| PrivatBank, 2018             | 92.9        | 95.6        | 13.0%     | 12.1%     | -5.7%            | 3.3               | 10.88% | S/A           | 28 Feb 2018   | 175           | B3//B                |
| UkrEximBank, 2015            | 96.9        | 97.9        | 10.5%     | 9.9%      | -2.5%            | 1.5               | 8.38%  | S/A           | 27 Apr 2015   | 750           | B3//B                |
| UkrEximBank, 2016            | 86.4        | 88.5        | 12.4%     | 11.3%     | 3.8%             | 2.1               | 8.40%  | S/A           | 2 Sept 2016   | 125           | B3//B                |
| UkrEximBank, 2018            | 89.0        | 90.5        | 12.0%     | 11.5%     | -10.2%           | 3.5               | 8.75%  | S/A           | 22 Jan 2018   | 500           | B3//B                |
| VAB Bank, 2014               | 79.0        | 83.0        | 44.5%     | 37.1%     | 50.0%            | 0.7               | 10.50% | Q             | 14 Jun 2014   | 125           | Caa1//WD             |
| Oschadbank, 2016             | 93.8        | 95.0        | 11.3%     | 10.7%     | -0.8%            | 2.2               | 8.25%  | S/A           | 10 Mar 2016   | 700           | B3//B                |
| Oschadbank, 2018             | 88.6        | 90.6        | 12.2%     | 11.7%     | -10.4%           | 3.5               | 8.88%  | S/A           | 20 Mar 2018   | 500           | B3//B                |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 93.5        | 95.6        | 11.5%     | 10.3%     | 1.1%             | 2.0               | 8.00%  | S/A           | 6 Nov 2015    | 250           | B3/B-/               |
| City of Kyiv, 2016           | 94.2        | 96.4        | 11.8%     | 10.8%     | 1.9%             | 2.5               | 9.375% | S/A           | 30 Jun 2016   | 300           | B3/B-/               |

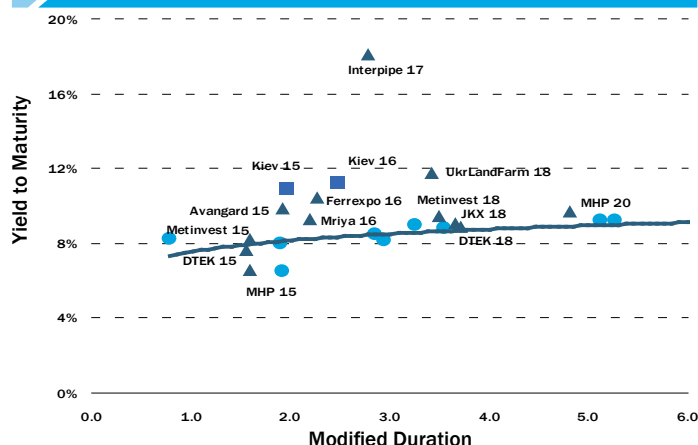
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

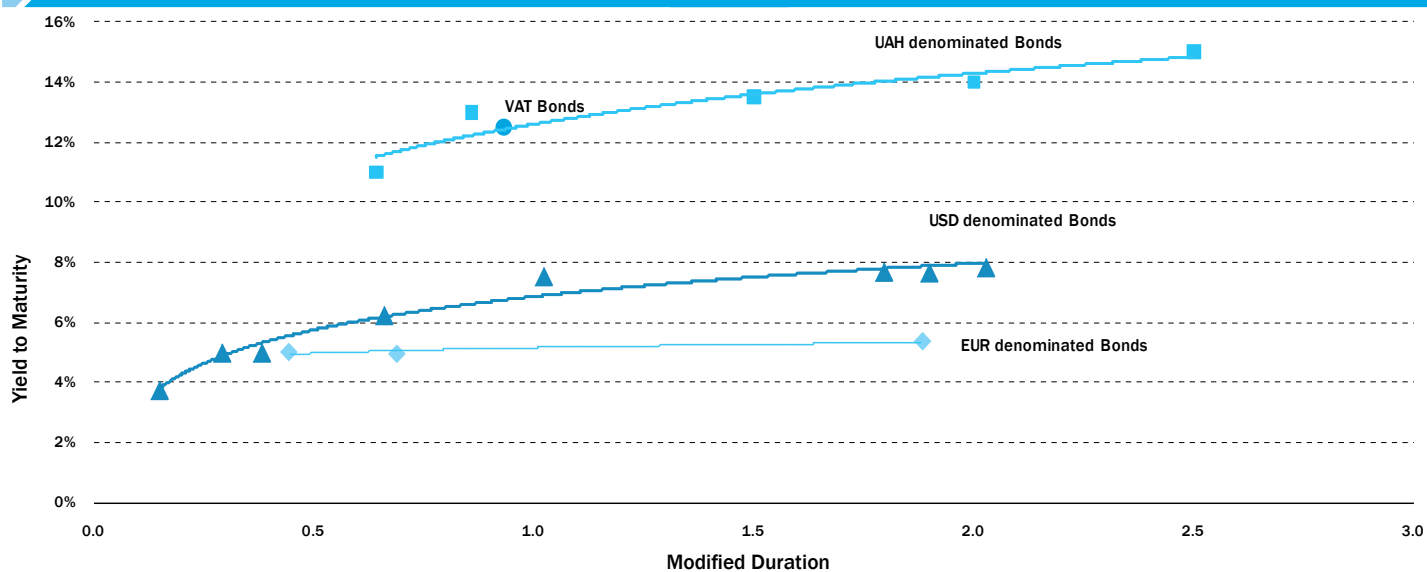




**UKRAINIAN DOMESTIC BONDS**

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume mn USD |
|------------------------------|-------------|-------------|-----------|-----------|-------------------|--------|---------------|---------------|---------------|
| <b>UAH denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000115117                 |             |             | 12.0%     | 10.5%     | 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           |
| <b>USD denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000136832                 | 100.2       | 100.3       | 5.0%      | 2.0%      | 0.1               | 9.27%  | S/A           | 28 Aug 2013   | 254           |
| UA4000138002                 | 100.0       | 100.1       | 6.0%      | 4.5%      | 0.3               | 9.30%  | S/A           | 27 Nov 2013   | 86            |
| UA4000140362                 | 99.9        | 100.4       | 8.2%      | 6.5%      | 0.8               | 9.20%  | S/A           | 21 May 2014   | 171           |
| UA4000142699                 | 101.3       | 102.8       | 8.8%      | 7.9%      | 1.5               | 9.45%  | S/A           | 22 Apr 2015   | 312           |
| UA4000141071                 | 99.4        | 100.4       | 8.8%      | 7.9%      | 1.6               | 9.45%  | S/A           | 27 May 2015   | 152           |
| UA4000142673                 | 91.0        | 92.0        | 8.8%      | 7.9%      | 1.7               | 4.50%  | S/A           | 17 Jun 2015   | 175           |
| <b>EUR denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000137731                 | 100.3       | 100.4       | 5.1%      | 4.9%      | 0.1               | 4.80%  | S/A           | 18 Sept 2013  | 205           |
| UA4000138846                 | 100.6       | 100.8       | 5.0%      | 4.9%      | 0.4               | 4.80%  | S/A           | 25 Dec 2013   | 70            |
| UA4000142681                 | 102.0       | 102.1       | 5.4%      | 5.3%      | 1.6               | 4.80%  | S/A           | 6 May 2015    | 40            |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| UA4000082531                 |             |             | 13.5%     | 12.8%     | n/a               | 5.50%  | S/A           | 21 Aug 2015   | 141           |
| UA4000082622                 |             |             | 13.5%     | 12.8%     | n/a               | 5.50%  | S/A           | 24 Aug 2015   | 571           |
| UA4000083059                 |             |             | 13.5%     | 12.8%     | 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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