

## Market Update

### Equity

Most local blue chips edged lower on Tuesday (Aug 13) in another typical summer session without a notably strong driver of overall sentiment; the main global indices saw some minor gains on low volume. The UX index slipped 0.4% to finish at 884 points. CentrErgo (CEEN) led the decline, dropping 0.9% to UAH 5.18, and Motor Sich (MSICH) fell 0.7% on turnover of UAH 5.2mn. Raiffeisen Aval (BAVL) and Azovstal (AZST) both inched down by 0.2% and Avdyivka Coke (AVDK) was unchanged at UAH 3.29. Alchevsk Steel (ALMK) was the exception to the day's trend, gaining 1.5% to get back above 4 kopecks after news that its parent company has joined debt restructuring talks with the SCM group. In London, Ferrexpo (FXPO) pressed closer to the 2-pound level with a 1.2% rise, and JKN Oil & Gas (JKX) was up 1.1% to GBP 68.25. In Warsaw, Agrotion (AGT) rose for the 4th consecutive session, picking up 3.5%.

### Fixed Income

Ukrainian sovereign Eurobonds were up on Tuesday. Ukraine-23s inched up by 0.1p.p. to 87.6/88.5 (9.5%/9.3%). Corporate papers were mostly down with Metinvest-15s declining by 0.4p.p. and finishing at 104.4/105.0 (7.6%/7.3%).

| Volume Leaders       | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------------|--------|-----------|-------|----------------|------------------|
| Motor Sich           | MSICH  | 1845.00   | -0.8% | 5.2            | 113              |
| Enakievo Steel       | ENMZ   | 34.44     | -0.2% | 1.5            | 44               |
| Raiffeisen Bank Aval | BAVL   | 0.102     | -0.2% | 1.5            | 172              |

### Growth Leaders

|                        |      |      |       |      |    |
|------------------------|------|------|-------|------|----|
| Alchevsk Coke          | ALKZ | 0.09 | 35.3% | 0.00 | 10 |
| Bank Forum             | FORM | 0.73 | 6.4%  | 0.10 | 35 |
| Mariupol Heavy Machine | MZVM | 0.14 | 5.4%  | 0.37 | 56 |

### Loss Leaders

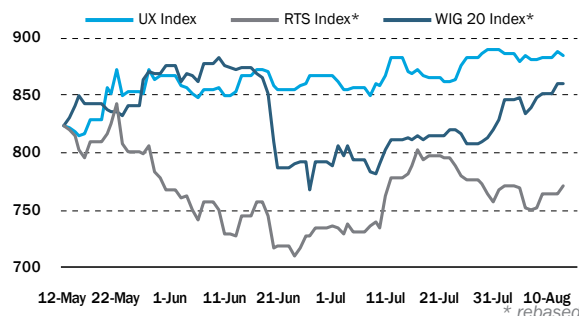
|                  |      |      |       |       |    |
|------------------|------|------|-------|-------|----|
| Mariupol Ilyicha | MMKI | 0.12 | -8.8% | 0.011 | 12 |
| KRAZ             | KRAZ | 0.03 | -3.7% | 0.010 | 9  |
| Stirol           | STIR | 9.40 | -2.4% | 0.107 | 13 |

## Highlights

### STOCKS IN THE NEWS

- > ISD Restructuring Minor Debt Owed to SCM-owned PUMB

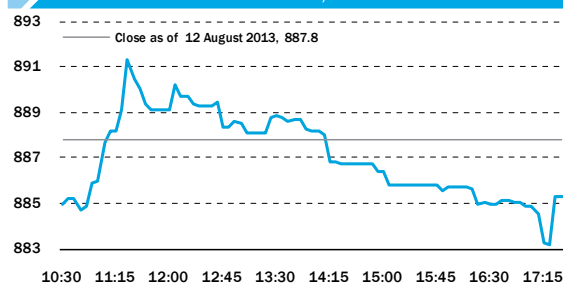
### STOCK MARKET PERFORMANCE



### MARKET INDEXES

|         | Last   | 1D ch | 1M ch | YTD    |
|---------|--------|-------|-------|--------|
| UX      | 884.4  | -0.4% | 0.3%  | -7.0%  |
| RTS     | 1338.9 | 0.9%  | -0.7% | -12.3% |
| WIG20   | 2442.3 | 0.1%  | 6.1%  | -5.4%  |
| MSCI EM | 965.9  | 0.8%  | 2.2%  | -8.5%  |
| S&P 500 | 1694.2 | 0.3%  | 0.8%  | 20.8%  |

### UX INTRADAY AUGUST 13, 2013



### FIXED INCOME

|                 | Last  | 1D ch    | 1M ch     | YTD       |
|-----------------|-------|----------|-----------|-----------|
| EMBI+Global     | 334.4 | -1.8%    | -4.4%     | 23.4%     |
| CDS 5Y UKR      | 816.7 | -0.6%    | -2.7%     | 30.7%     |
| Ukraine-17      | 9.1%  | 0.0 p.p. | -0.5 p.p. | 2.1 p.p.  |
| Naftogaz Ukr-14 | 9.5%  | 0.0 p.p. | -0.2 p.p. | 1.9 p.p.  |
| Ukraine-23      | 9.4%  | 0.0 p.p. | -0.6 p.p. | 1.9 p.p.  |
| Privatbank-16   | 13.4% | 0.1 p.p. | -1.4 p.p. | -1.9 p.p. |

### CURRENCY

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 8.12      | 0.0%  | -0.5% | 0.8%  |
| EUR | 10.76     | -0.4% | 1.0%  | 0.7%  |
| RUB | 0.25      | -0.1% | -1.9% | -7.4% |

### COMMODITIES

|               | Last   | 1D ch | 1M ch | YTD    |
|---------------|--------|-------|-------|--------|
| Wheat, USD/t* | 247.1  | 0.0%  | -6.0% | -29.1% |
| Steel, USD/t  | 562.5  | 0.0%  | 10.8% | 5.6%   |
| Oil, USD/bbl  | 109.8  | 0.8%  | 1.8%  | 2.5%   |
| Gold, USD/oz  | 1321.7 | -1.2% | 2.8%  | -20.2% |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## ISD Restructuring Minor Debt Owed to SCM-owned PUMB

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### ▶ ALCHEVSK STEEL (ALMK UK)

Price: UAH 0.040 Market Cap: USD 128mn

|       | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|-----|-----------|------------|
| 2012  | 1.04 | neg | neg       | 0%         |
| 2013E | 1.12 | neg | neg       | 0%         |

### NEWS

The Donbass Industrial Union (ISD), Ukraine's second largest steel manufacturing group, has entered debt restructuring talks with SCM-owned First Ukrainian International Bank (PUMB), Interfax reported on Tuesday (Aug 13). As a result, movement of some of the group's assets, which had been frozen in early July by a court ruling, have been freed up. The court had ruled in PUMB's favor against ISD on a case involving the latter's debt arrears. PUMB had moved to force ISD-owned Alchevsk Steel and Derzhynskiy Steel to pay back sums of UAH 162mn (USD 20mn) and EUR 4.7mn, respectively, borrowed in 2007-08.

### COMMENTARY

This is neither the first, nor likely the last litigation initiated by SCM's companies against ISD. SCM-controlled metallurgical group Metinvest litigated against ISD in 2010-11 when the latter failed to pay for deliveries of iron ore which it had received from Metinvest. Since the groups previously were able to find common ground at times when the amount in question was in the hundreds of millions of dollars, we see no significant reasons which would prevent them from solving the current dispute. The news is marginally positive for Alchevsk Steel, which reacted by adding 1.5% yesterday in an otherwise flat market.

## 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                        | -12%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.  |
| <b>Iron Ore</b>              |         |                      |                             |           |        |   |
| Ferrexpo                     | FXPO LN | 3.04                 | 3.33                        | 9%        | 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    | 1.02                 | 1.77                        | 73%       | 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    | 0.81                 | 1.30                        | 61%       | 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    | 0.41                 | 0.76                        | 88%       | 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                        | 504%      | 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   | 0.05                 | 0.36                        | 561%      | 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    | 2.90                 | 6.18                        | 113%      | 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                        | 225%      | 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   | 227                  | 644                         | 183%      | 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                       | 62%       | BUY    | Galnaftogaz is pursuing a plan to aggressively expand its filling station network.  |
| Regal Petroleum              | RPT     | 0.27                 | 1.52                        | 463%      | BUY    | We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.  |
| JKX Oil & Gas                | JKX     | 1.1                  | 6.0                         | 469%      | 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    | 3.10                 | 8.90                        | 187%      | 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                        | 188%      | 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    | 17.5                 | 24.0                        | 37%       | 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     | 24.19                | 30.0                        | 24%       | 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    | 9.98                 | 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,<br>UAH* | 52 high,<br>UAH* | 52 low,<br>UAH* | Absolute performance |        |        |        | Performance relative to the UX index |        |        |        |
|------------------------------|--------|----------------|------------------|-----------------|----------------------|--------|--------|--------|--------------------------------------|--------|--------|--------|
|                              |        |                |                  |                 | 1d                   | 1w     | 1m     | ytd    | 1d                                   | 1w     | 1m     | ytd    |
| UX Index                     | UX     | 884.38         | 1106.67          | 758.71          | -0.4%                | 0.0%   | 0.3%   | -7.0%  | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.040          | 0.06             | 0.03            | 1.8%                 | 0.8%   | -5.9%  | -24.9% | 2.2%                                 | 0.7%   | -6.1%  | -17.9% |
| Azovstal                     | AZST   | 0.63           | 0.97             | 0.31            | -0.2%                | -0.5%  | -0.8%  | -15.3% | 0.2%                                 | -0.5%  | -1.1%  | -8.3%  |
| 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   | 34.4           | 49.9             | 20.0            | -0.2%                | -1.4%  | -4.6%  | -9.4%  | 0.2%                                 | -1.4%  | -4.9%  | -2.4%  |
| 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   | 0.12           | 0.26             | 0.10            | -7.7%                | -7.7%  | -14.3% | -45.5% | -7.3%                                | -7.7%  | -14.5% | -38.5% |
| <b>Coke</b>                  |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Avdyivka Coke                | AVDK   | 3.30           | 4.07             | 1.61            | 0.0%                 | 0.8%   | 1.4%   | 0.7%   | 0.4%                                 | 0.8%   | 1.2%   | 7.6%   |
| Yasnyivsky Coking            | YASK   | 0.56           | 0.99             | 0.52            | 0.0%                 | 0.0%   | -5.1%  | -16.4% | 0.4%                                 | 0.0%   | -5.3%  | -9.5%  |
| <b>Iron Ore Mining</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 6.55           | 7.74             | 4.00            | 0.0%                 | 2.3%   | 2.3%   | -5.1%  | 0.4%                                 | 2.3%   | 2.1%   | 1.9%   |
| Ferrexpo                     | FXPO   | 3.05           | 4.58             | 2.02            | 1.1%                 | 21.3%  | 31.8%  | -24.3% | 1.5%                                 | 21.3%  | 31.5%  | -17.3% |
| Pivnichny GOK                | SGOK   | 8.30           | 10.00            | 5.77            | -0.6%                | -1.2%  | 2.5%   | 11.6%  | -0.2%                                | -1.2%  | 2.2%   | 18.5%  |
| <b>Coal Mining</b>           |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.44           | 1.15             | 0.40            | 0.0%                 | -4.3%  | -13.7% | -30.2% | 0.4%                                 | -4.4%  | -14.0% | -23.2% |
| Komsomolets Donbasa          | SHKD   | 0.82           | 1.46             | 0.41            | 5.1%                 | 2.5%   | 13.9%  | -30.5% | 5.5%                                 | 2.5%   | 13.6%  | -23.5% |
| Energy Coal                  | CLE    | 0.73           | 5.77             | 0.59            | -8.4%                | -8.8%  | 10.0%  | -76.5% | -8.1%                                | -8.9%  | 9.7%   | -69.5% |
| <b>Mining Machinery</b>      |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Svitlo Shakhtara             | HMBZ   | 0.40           | 0.58             | 0.270           | 0.0%                 | -11.1% | 0.0%   | -31.0% | 0.4%                                 | -11.1% | -0.3%  | -24.1% |
| <b>Pipe Manufacturing</b>    |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.58           | 0.86             | 0.45            | 0.0%                 | -3.3%  | -14.7% | -17.1% | 0.4%                                 | -3.3%  | -15.0% | -10.2% |
| Interpipe NMPP               | NVTR   | 0.22           | 0.60             | 0.10            | 0.0%                 | 15.8%  | 22.2%  | 0.0%   | 0.4%                                 | 15.8%  | 22.0%  | 7.0%   |
| <b>Railcar Manufacturing</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 23.6           | 29.0             | 12.0            | -0.2%                | 0.2%   | -9.4%  | 21.4%  | 0.2%                                 | 0.2%   | -9.6%  | 28.4%  |
| Luhanskeplovoz               | LTPL   | 1.60           | 2.04             | 1.28            | 0.0%                 | 0.6%   | 4.6%   | -14.4% | 0.4%                                 | 0.6%   | 4.3%   | -7.5%  |
| Stakhanov Wagon              | SVGZ   | 1.32           | 2.70             | 1.10            | 0.0%                 | 1.5%   | 0.0%   | -23.7% | 0.4%                                 | 1.5%   | -0.3%  | -16.7% |
| <b>Specialized Machinery</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Bogdan Motors                | LUAZ   | 0.04           | 0.13             | 0.03            | -2.1%                | 3.8%   | -18.1% | -15.2% | -1.7%                                | 3.8%   | -18.4% | -8.2%  |
| Motor Sich                   | MSICH  | 1,845          | 2,640            | 1,753           | -0.8%                | 0.7%   | -2.1%  | -16.5% | -0.4%                                | 0.7%   | -2.3%  | -9.6%  |
| Sumy Frunze Engineering      | SMASH  | 2.65           | 4.00             | 0.76            | 0.0%                 | 0.0%   | 12.8%  | 76.7%  | 0.4%                                 | 0.0%   | 12.5%  | 83.6%  |
| 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    | 0.20           | 0.45             | 0.13            | -2.1%                | 1.5%   | 3.8%   | -18.5% | -1.7%                                | 1.5%   | 3.5%   | -11.5% |
| <b>Telecom</b>               |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.14           | 0.31             | 0.09            | 3.8%                 | -9.4%  | -8.2%  | -13.1% | 4.2%                                 | -9.4%  | -8.4%  | -6.1%  |
| <b>Oil &amp; Gas</b>         |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 0.27           | 0.59             | 0.22            | -0.1%                | 11.8%  | 0.8%   | -50.0% | 0.3%                                 | 11.8%  | 0.6%   | -43.1% |
| JKX Oil                      | JKX    | 1.06           | 1.49             | 0.75            | 1.0%                 | 5.7%   | 32.9%  | -11.7% | 1.4%                                 | 5.6%   | 32.7%  | -4.8%  |
| Ukrnafta                     | UNAF   | 116            | 280              | 80              | 0.4%                 | 0.4%   | 1.0%   | -2.2%  | 0.8%                                 | 0.4%   | 0.8%   | 4.8%   |
| <b>Power Utilities</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centrenerg                   | CEEN   | 5.18           | 7.33             | 3.49            | -0.9%                | -0.5%  | 5.5%   | -18.4% | -0.5%                                | -0.5%  | 5.2%   | -11.5% |
| Donbasenergo                 | DOEN   | 25.2           | 26.8             | 15.1            | -0.6%                | 0.2%   | -1.4%  | 18.7%  | -0.2%                                | 0.2%   | -1.6%  | 25.7%  |
| Zakhidenergo                 | ZAEN   | 83.4           | 116.9            | 70.0            | 0.0%                 | 1.3%   | 3.0%   | -14.0% | 0.4%                                 | 1.3%   | 2.7%   | -7.1%  |
| <b>Consumer</b>              |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 0.85           | 4.2              | 0.36            | -3.4%                | 15.2%  | 14.4%  | -73.7% | -3.0%                                | 15.2%  | 14.1%  | -66.8% |
| Astarta                      | AST    | 24.2           | 24.2             | 14.5            | 1.0%                 | 4.7%   | 25.5%  | 35.4%  | 1.3%                                 | 4.7%   | 25.3%  | 42.3%  |
| Avangardo                    | AVGR   | 10.0           | 12.0             | 7.61            | -0.2%                | 4.4%   | 16.0%  | -11.9% | 0.2%                                 | 4.4%   | 15.8%  | -5.0%  |
| Industrial Milk Company      | IMC    | 4.96           | 5.48             | 3.63            | -1.4%                | -3.5%  | 6.1%   | -6.5%  | -1.0%                                | -3.5%  | 5.8%   | 0.4%   |
| Kernel                       | KER    | 16.0           | 23.0             | 14.0            | -0.4%                | -3.3%  | -3.1%  | -26.0% | 0.0%                                 | -3.3%  | -3.4%  | -19.0% |
| Mriya Agro Holding           | MAYA   | 5.96           | 6.7              | 5.36            | -0.4%                | -0.5%  | -1.3%  | -8.1%  | 0.0%                                 | -0.5%  | -1.5%  | -1.1%  |
| MHPC                         | MHPC   | 17.5           | 19.9             | 12.80           | 0.0%                 | -3.0%  | 1.7%   | 14.8%  | 0.4%                                 | -3.1%  | 1.5%   | 21.7%  |
| Milkiland                    | MLK    | 3.79           | 5.8              | 3.11            | 0.3%                 | -3.7%  | 20.9%  | -19.4% | 0.7%                                 | -3.7%  | 20.7%  | -12.5% |
| Ovostar Union                | OVO    | 25.3           | 33.8             | 21.3            | 2.1%                 | 2.0%   | 13.7%  | -12.5% | 2.4%                                 | 2.0%   | 13.5%  | -5.5%  |
| Sintal                       | SNPS   | n/a            | 0.84             | 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   | 9.4            | 18.5             | 9.4             | -1.2%                | -6.6%  | -16.8% | -29.9% | -0.8%                                | -6.6%  | -17.1% | -22.9% |
| <b>Banks</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.102          | 0.128            | 0.061           | -0.3%                | 0.9%   | 2.9%   | 18.9%  | 0.1%                                 | 0.9%   | 2.7%   | 25.9%  |
| UkrSotsbank                  | USCB   | 0.130          | 0.200            | 0.107           | -0.8%                | -2.6%  | -5.7%  | 0.4%   | -0.5%                                | -2.6%  | -5.9%  | 7.3%   |

Source: Bloomberg

\* companies listed abroad are in USD

**MAIN FINANCIAL FORECASTS, USD mn**

| Name                         | Ticker | Net Sales    |       |       | EBITDA       |       |       | EBITDA margin |       |       | Net Profit |      |       | Net Profit margin |       |       |
|------------------------------|--------|--------------|-------|-------|--------------|-------|-------|---------------|-------|-------|------------|------|-------|-------------------|-------|-------|
|                              |        | 2011         | 2012E | 2013E | 2011         | 2012E | 2013E | 2011          | 2012E | 2013E | 2011       | 2012 | 2013E | 2011              | 2012E | 2013E |
| <b>Steel</b>                 |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Alchevsk Steel               | ALMK   | 2,339        | 1,695 | 1,667 | 145          | -21   | -2    | 6.2%          | neg   | neg   | 36         | -127 | -52   | 1.6%              | neg   | neg   |
| Enakievo Steel               | ENMZ   | 1,716        | 1,578 | 1,577 | -108         | -84   | -69   | neg           | neg   | neg   | 31         | 9    | -125  | 1.8%              | 0.5%  | neg   |
| Azovstal                     | AZST   | 3,867        | 2,794 | 2,788 | -102         | -173  | -64   | neg           | neg   | neg   | -64        | -333 | -170  | neg               | neg   | neg   |
| <b>Coke</b>                  |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Avdyivka Coke                | AVDK   | 1,457        | 1,072 | 1,054 | 6            | -128  | -74   | 0.4%          | neg   | neg   | -32        | -137 | -97   | neg               | neg   | neg   |
| Yasynivsky Coking            | YASK   | 566          | 444   | 448   | 29           | 29    | 28    | 5.1%          | 6.5%  | 6.2%  | 15         | 11   | 11    | 2.7%              | 2.4%  | 2.4%  |
| <b>Iron Ore Mining</b>       |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Centralny GOK                | CGOK   | 805          | 566   | 508   | 497          | 238   | 202   | 61.8%         | 42.0% | 39.8% | 325        | 95   | 104   | 40.4%             | 16.8% | 20.5% |
| Pivnichny GOK                | SGOK   | 1,834        | 1,515 | 1,301 | 1,174        | 813   | 640   | 64.0%         | 53.6% | 49.2% | 783        | 436  | 359   | 42.7%             | 28.8% | 27.6% |
| Ferrexpo                     | FXPO   | 1,788        | 1,424 | 1,566 | 801          | 402   | 445   | 44.8%         | 28.2% | 28.4% | 575        | 215  | 263   | 32.2%             | 15.1% | 16.8% |
| <b>Coal Mining</b>           |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Komsomolets Donbasa          | SHKD   | 192          | 256   | 255   | 67           | 99    | 90    | 35.1%         | 38.8% | 35.3% | 15         | 39   | 35    | 8.0%              | 15.1% | 13.7% |
| Coal Energy                  | CLE    | 151          | 165   | 199   | 51           | 62    | 64    | 33.7%         | 37.5% | 32.1% | 37         | 38   | 43    | 24.4%             | 23.2% | 21.7% |
| <b>Pipe Manufacturing</b>    |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Khartsyzk Pipe               | HRTR   | 775          | 659   | 699   | 145          | 74    | 77    | 18.7%         | 11.3% | 11.1% | 98         | 34   | 34    | 12.7%             | 5.1%  | 4.9%  |
| <b>Railcar Manufacturing</b> |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Luhanskteplovoz              | LTPL   | 199          | 167   | 213   | 14           | 12    | 15    | 7.0%          | 7.4%  | 7.2%  | 9          | 7    | 8     | 4.5%              | 4.1%  | 3.8%  |
| Kryukiv Wagon                | KVBZ   | 770          | 887   | 643   | 118          | 134   | 93    | 15.3%         | 15.1% | 14.4% | 85         | 95   | 50    | 11.0%             | 10.7% | 7.9%  |
| Stakhanov Wagon              | SVGZ   | 437          | 311   | 318   | 33           | 7     | 11    | 7.6%          | 2.3%  | 3.4%  | 20         | 1    | 3     | 4.6%              | 0.2%  | 0.9%  |
| <b>Specialized Machinery</b> |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Turboatom                    | TATM   | 169          | 173   | 193   | 63           | 47    | 52    | 37.0%         | 27.3% | 26.8% | 53         | 38   | 42    | 31.5%             | 22.1% | 21.7% |
| Motor Sich                   | MSICH  | 722          | 828   | 933   | 285          | 309   | 330   | 39.4%         | 37.4% | 35.3% | 168        | 247  | 270   | 23.2%             | 29.8% | 28.9% |
| <b>Telecom</b>               |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Ukrtelecom                   | UTLM   | 843          | 858   | 744   | 206          | 205   | 208   | 24.5%         | 23.8% | 28.0% | -17        | 45   | 48    | neg               | 5.3%  | 6.5%  |
| <b>Oil &amp; Gas</b>         |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Ukrnafta                     | UNAF   | 3,051        | 2,816 | 2,444 | 439          | 507   | 429   | 14.4%         | 18.0% | 17.6% | 272        | 312  | 226   | 8.9%              | 11.1% | 9.2%  |
| Regal Petroleum              | RPT    | 19           | 50    | 80    | -4           | 23    | 36    | neg           | 45.9% | 44.7% | 6          | 12   | 24    | 33.7%             | 24.0% | 30.0% |
| JKX Oil                      | JKX    | 237          | 225   | 250   | 114          | 145   | 150   | 48.3%         | 64.4% | 60.2% | 59         | 40   | 50    | 24.9%             | 17.8% | 20.0% |
| <b>Electric Utilities</b>    |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Centrenergo                  | CEEN   | 894          | 1,071 | 1,136 | 49           | 61    | 68    | 5.4%          | 5.7%  | 6.0%  | 4          | 29   | 33    | 0.5%              | 2.7%  | 2.9%  |
| Donbasenergo                 | DOEN   | 495          | 600   | 665   | 21           | 17    | 24    | 4.2%          | 2.9%  | 3.6%  | -3         | 4    | 10    | neg               | 0.6%  | 1.5%  |
| <b>Consumer</b>              |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| MHP                          | MHPC   | 1,229        | 1,408 | 1,532 | 401          | 468   | 523   | 32.6%         | 33.2% | 34.1% | 259        | 311  | 271   | 21.1%             | 22.1% | 17.7% |
| Kernel                       | KER    | 1,899        | 2,157 | 2,800 | 310          | 322   | 339   | 16.3%         | 14.9% | 12.1% | 226        | 211  | 195   | 11.9%             | 9.8%  | 7.0%  |
| Astarta                      | AST    | 402          | 458   | 549   | 144          | 98    | 121   | 29.9%         | 17.8% | 18.3% | 114        | 50   | 59    | 23.6%             | 9.1%  | 9.0%  |
| Avangardco                   | AVGR   | 553          | 629   | 701   | 251          | 280   | 293   | 45.3%         | 44.5% | 41.8% | 196        | 228  | 232   | 35.5%             | 36.3% | 33.1% |
| Agroton                      | AGT    | 122          | 93    | 107   | 19           | 31    | 33    | 15.3%         | 33.5% | 31.0% | -2         | 19   | 21    | neg               | 20.0% | 19.5% |
| <b>Banks</b>                 |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
|                              |        | Total Assets |       |       | Total Equity |       |       | Total Income  |       |       | Net Profit |      |       | Return on Equity  |       |       |
| Raiffeisen Bank Aval         | BAVL   | 6,948        | 7,020 | 7,476 | 812          | 861   | 924   | 750           | 707   | 646   | 0          | 4    | 29    | 0.0%              | 0.5%  | 3.1%  |
| Ukrspasbank                  | USCB   | 5,032        | 5,151 | 5,064 | 827          | 814   | 788   | 449           | 451   | 469   | 2          | 2    | 13    | 0.2%              | 0.3%  | 1.7%  |

Source: Eavex Research

**MAIN TRADING MULTIPLES**

| Ticker                       | MCap<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           | 127                    | 3.9%         | 5    | 1,543 | 3.5   | neg       | neg  | 10.6  | neg      | neg  | 0.7   | 0.9       | 0.9  | 532   | 459   | 413  | \$/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           | 324                    | 4.1%         | 13   | 303   | neg   | neg       | neg  | neg   | neg      | neg  | 0.1   | 0.1       | 0.1  | 54    | 51    | 49   | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Avdyivka Coke                | AVDK           | 79                     | 7.5%         | 6    | 77    | neg   | neg       | neg  | 12.6  | 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           | 946                    | 0.5%         | 5    | 945   | 2.9   | 9.9       | 9.1  | 1.9   | 4.0      | 4.7  | 1.2   | 1.7       | 1.9  |       |       |      |           |
| Pivnichny GOK                | SGOK           | 2,357                  | 0.5%         | 13   | 2,481 | 3.0   | 5.4       | 6.6  | 2.1   | 3.1      | 3.9  | 1.4   | 1.6       | 1.9  |       |       |      |           |
| Ferrexpo                     | FXPO           | 1,793                  | 24.0%        | 431  | 2,044 | 3.1   | 8.3       | 6.8  | 2.6   | 5.1      | 4.6  | 1.1   | 1.4       | 1.3  |       |       |      |           |
| <b>Coal Mining</b>           |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Komsomolets Donbasa          | SHKD           | 34                     | 5.4%         | 2    | 136   | 2.2   | 0.9       | 1.0  | 2.0   | 1.4      | 1.5  | 0.7   | 0.5       | 0.5  | 33    | 32    | 30   | \$/tonne  |
| Coal Energy                  | CLE            | 33                     | 11.9%        | 4    | 58    | 0.9   | 0.9       | 0.8  | 1.1   | 0.9      | 0.9  | 0.4   | 0.4       | 0.3  | 1.1   | 0.9   | 0.9  | \$/tonne  |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Khartsyzk Pipe               | HRTR           | 186                    | 2.0%         | 4    | 228   | 1.9   | 5.5       | 5.4  | 1.6   | 3.1      | 3.0  | 0.3   | 0.3       | 0.3  | 362   | 601   | 571  | \$/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           | 333                    | 5.0%         | 17   | 335   | 3.9   | 3.5       | 6.6  | 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     | 7.0  | 0.2   | 0.2       | 0.2  |       |       |      |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Turboatom                    | TATM           | 182                    | 5.8%         | 11   | 130   | 3.4   | 4.8       | 4.4  | 2.1   | 2.8      | 2.5  | 0.8   | 0.8       | 0.7  |       |       |      |           |
| Motor Sich                   | MSICH          | 472                    | 24.0%        | 113  | 483   | 2.8   | 1.9       | 1.7  | 1.7   | 1.6      | 1.5  | 0.7   | 0.6       | 0.5  |       |       |      |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrtelecom                   | UTLM           | 321                    | 7.2%         | 23   | 657   | neg   | 7.1       | 6.7  | 3.2   | 3.2      | 3.2  | 0.8   | 0.8       | 0.9  |       |       |      |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrnafta                     | UNAF           | 775                    | 3.0%         | 23   | 765   | 2.9   | 2.5       | 3.4  | 1.7   | 1.5      | 1.8  | 0.3   | 0.3       | 0.3  | n/a   | n/a   | n/a  | \$/boe    |
| Regal Petroleum              | RPT            | 87                     | 49.0%        | 43   | 69    | 13.6  | 7.2       | 3.6  | neg   | 3.0      | 1.9  | 3.6   | 1.4       | 0.9  | n/a   | n/a   | n/a  | \$/boe    |
| JKX Oil & Gas                | JKX            | 181                    | 50.4%        | 91   | 290   | 3.1   | 4.5       | 3.6  | 2.5   | 2.0      | 1.9  | 1.2   | 1.3       | 1.2  | 76    | 53    | 40   | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| CentrEnergO                  | CEEN           | 236                    | 21.7%        | 51   | 319   | >30   | 8.2       | 7.1  | 6.5   | 5.2      | 4.7  | 0.4   | 0.3       | 0.3  | 22    | 22    | 18   | \$/MWh    |
| DonbasEnergO                 | DOEN           | 73                     | 14.2%        | 10   | 130   | neg   | 19.2      | 7.2  | 6.3   | 7.5      | 5.5  | 0.3   | 0.2       | 0.2  | 16    | 15    | 15   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| MHP                          | MHPC           | 1,849                  | 34.1%        | 631  | 2,894 | 7.1   | 5.9       | 6.8  | 7.2   | 6.2      | 5.5  | 2.4   | 2.1       | 1.9  | 9042  | 9042  | 9042 | \$/tonne  |
| Kernel                       | KER            | 1,181                  | 61.8%        | 729  | 1,791 | 5.2   | 5.6       | 6.1  | 5.8   | 5.6      | 5.3  | 0.9   | 0.8       | 0.6  |       |       |      |           |
| Astarta                      | AST            | 604                    | 31.0%        | 187  | 751   | 5.3   | 12.1      | 10.2 | 5.2   | 7.7      | 6.2  | 1.9   | 1.6       | 1.4  | 3807  | 2318  | 1925 | \$/tonne  |
| Avangardco                   | AVGR           | 637                    | 22.5%        | 143  | 786   | 3.2   | 2.8       | 2.7  | 3.1   | 2.8      | 2.7  | 1.4   | 1.2       | 1.1  | 178   | 135   | 127  | \$/mneegs |
| Agroton                      | AGT            | 18                     | 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  |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Raiffeisen Bank Aval         | BAVL           | 377                    | 4.0%         | 15   |       | >30   | >30       | 13.2 | 0.5   | 0.4      | 0.4  | 0.05  | 0.05      | 0.05 |       |       |      |           |
| Ukrsotsbank                  | USCB           | 294                    | 1.6%         | 5    |       | >30   | >30       | 21.8 | 0.4   | 0.4      | 0.4  | 0.06  | 0.06      | 0.06 |       |       |      |           |

Source: Eavex Research

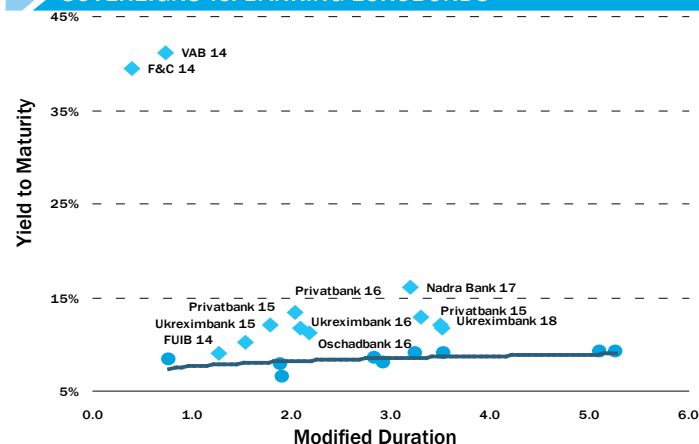
**UKRAINIAN EUROBONDS**

| 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                | 99.5        | 100.3       | 8.7%      | 7.6%      | -1.9%            | 0.8               | 7.95%  | S/A           | 6 Apr. 2014   | 1,000         | B3/B/B               |
| Naftogaz Ukraine, 2014       | 99.6        | 100.3       | 10.2%     | 9.5%      | -3.0%            | 1.0               | 9.50%  | S/A           | 30 Sept 2014  | 1,595         | //B                  |
| Ukraine, 2015 (EUR)          | 96.3        | 97.3        | 6.9%      | 6.4%      | -0.8%            | 1.9               | 4.95%  | A             | 13 Oct 2015   | 600*          | B3/B/B               |
| Ukraine, 2015                | 97.3        | 98.3        | 8.4%      | 7.9%      | -3.5%            | 1.9               | 6.875% | S/A           | 23 Sept 2015  | 500           | B3/B/B               |
| Ukraine, 2016                | 93.8        | 94.8        | 8.9%      | 8.5%      | -5.6%            | 2.8               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | B3/B/B               |
| Ukraine, 2016-2              | 93.8        | 94.8        | 8.5%      | 8.1%      | -5.4%            | 2.9               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | B3/B/B               |
| Ukraine, 2017                | 91.6        | 92.4        | 9.2%      | 9.0%      | -7.3%            | 3.5               | 6.75%  | S/A           | 14 Nov 2017   | 700           | B3/B/B               |
| Ukraine, 2017-2              | 100.0       | 100.5       | 9.3%      | 9.1%      | -6.5%            | 3.2               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | B3/B/B               |
| Ukraine, 2017 Infr. projects | 92.3        | 93.8        | 11.0%     | 10.5%     | -5.3%            | 3.3               | 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                | 91.1        | 92.1        | 9.5%      | 9.3%      | -11.0%           | 5.1               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | B3/B/B               |
| Ukraine, 2021                | 92.1        | 93.1        | 9.4%      | 9.2%      | -10.8%           | 5.2               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | B3/B/B               |
| Ukraine, 2022                | 89.3        | 90.3        | 9.6%      | 9.4%      | -11.0%           | 6.2               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | B3/B/B               |
| Ukraine, 2023                | 87.6        | 88.5        | 9.5%      | 9.3%      | -11.9%           | 6.4               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | B3/B/B               |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2014                | 64.1        | 69.3        | 75.4%     | 63.5%     | n/a              | 0.7               | 12.50% | S/A           | 14 Jul 2014   | 50            | /CCC/C               |
| MHP, 2015                    | 105.4       | 106.5       | 7.0%      | 6.6%      | 0.4%             | 1.6               | 10.25% | S/A           | 29 Apr 2015   | 585           | B3//B                |
| MHP, 2020                    | 91.5        | 92.8        | 10.0%     | 9.8%      | -7.8%            | 4.8               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /B/B                 |
| Avangardco, 2015             | 100.0       | 101.8       | 10.2%     | 9.2%      | 5.4%             | 1.9               | 10.00% | S/A           | 29 Oct 2015   | 200           | //B                  |
| UkrLandFarming, 2018         | 95.8        | 96.9        | 12.1%     | 11.8%     | -3.7%            | 3.4               | 10.88% | S/A           | 26 Mar 2018   | 275           | /B-/B-               |
| Mriya, 2016                  | 104.4       | 105.4       | 9.2%      | 8.8%      | 1.8%             | 2.2               | 10.95% | S/A           | 30 Mar 2016   | 250           | /B/B                 |
| DTEK, 2015                   | 102.7       | 103.7       | 7.9%      | 7.2%      | 2.1%             | 1.5               | 9.50%  | S/A           | 28 Apr 2015   | 500           | B3//B                |
| DTEK, 2018                   | 96.6        | 97.3        | 8.8%      | 8.6%      | -3.1%            | 3.7               | 7.88%  | S/A           | 4 Apr 2018    | 750           | B3//B                |
| Metinvest, 2015              | 104.4       | 105.0       | 7.6%      | 7.3%      | 0.9%             | 1.6               | 10.25% | S/A           | 20 May 2015   | 500           | B3//B                |
| Metinvest, 2018              | 96.4        | 98.0        | 9.8%      | 9.3%      | 0.3%             | 3.6               | 8.75%  | S/A           | 14 Feb 2018   | 750           | B3//B                |
| Ferrexpo, 2016               | 94.1        | 95.2        | 10.6%     | 10.0%     | -2.8%            | 2.2               | 7.875% | S/A           | 07 Apr 2016   | 500           | /B/B                 |
| UZ Rail, 2018                | 93.3        | 94.7        | 11.4%     | 10.9%     | -6.0%            | 3.6               | 9.50%  | S/A           | 21 May 2018   | 500           | /B/B-                |
| Interpipe, 2017              | 77.0        | 80.1        | 18.9%     | 17.2%     | -3.8%            | 2.9               | 10.25% | S/A           | 2 Aug 2017    | 200           | /NR/B-               |
| JKX Oil&Gas, 2018            | 107.4       | 108.4       | 8.9%      | 8.7%      | 7.9%             | 3.8               | 8.00%  | S/A           | 19 Feb 2018   | 40            | //                   |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2014        | 91.0        | 94.0        | 36.4%     | 27.2%     | 54.2%            | 0.4               | 10.50% | S/A           | 25 Jan 2014   | 100           | Caa1//               |
| PUMB, 2014                   | 102.0       | 103.5       | 9.9%      | 8.7%      | 1.8%             | 1.2               | 11.00% | Q             | 31 Dec 2014   | 275           | B//                  |
| Nadra Bank, 2017             | 84.0        | 90.0        | 18.2%     | 14.0%     | -3.8%            | 3.2               | 8.00%  | A             | 22 Jun 2017   | 175           | //                   |
| PrivatBank, 2015             | 94.9        | 96.2        | 12.5%     | 11.7%     | 0.8%             | 1.8               | 9.38%  | S/A           | 23 Sept 2015  | 200           | B3//                 |
| PrivatBank, 2016             | 84.0        | 84.9        | 13.7%     | 13.1%     | 9.4%             | 2.1               | 8.75%  | S/A           | 9 Feb 2016    | 150           | B3//                 |
| PrivatBank, 2018             | 92.6        | 95.2        | 13.1%     | 12.3%     | -6.1%            | 3.3               | 10.88% | S/A           | 28 Feb 2018   | 175           | B3//B                |
| UkrEximBank, 2015            | 97.1        | 98.4        | 10.5%     | 9.6%      | -2.1%            | 1.5               | 8.38%  | S/A           | 27 Apr 2015   | 750           | B3//B                |
| UkrEximBank, 2016            | 86.4        | 88.4        | 12.5%     | 11.4%     | 3.7%             | 2.2               | 8.40%  | S/A           | 2 Sept 2016   | 125           | B3//B                |
| UkrEximBank, 2018            | 89.2        | 90.5        | 12.0%     | 11.5%     | -10.1%           | 3.5               | 8.75%  | S/A           | 22 Jan 2018   | 500           | B3//B                |
| VAB Bank, 2014               | 82.5        | 84.5        | 39.5%     | 35.7%     | 54.6%            | 0.7               | 10.50% | Q             | 14 Jun 2014   | 125           | Caa1//WD             |
| Oschadbank, 2016             | 92.7        | 94.3        | 11.8%     | 11.0%     | -1.7%            | 2.1               | 8.25%  | S/A           | 10 Mar 2016   | 700           | B3//B                |
| Oschadbank, 2018             | 87.3        | 88.5        | 12.6%     | 12.2%     | -12.1%           | 3.5               | 8.88%  | S/A           | 20 Mar 2018   | 500           | B3//B                |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 94.8        | 96.5        | 10.8%     | 9.9%      | 2.3%             | 1.9               | 8.00%  | S/A           | 6 Nov 2015    | 250           | B3/B-/               |
| City of Kyiv, 2016           | 94.0        | 97.2        | 11.9%     | 10.5%     | 2.1%             | 2.4               | 9.375% | S/A           | 30 Jun 2016   | 300           | B3/B-/               |

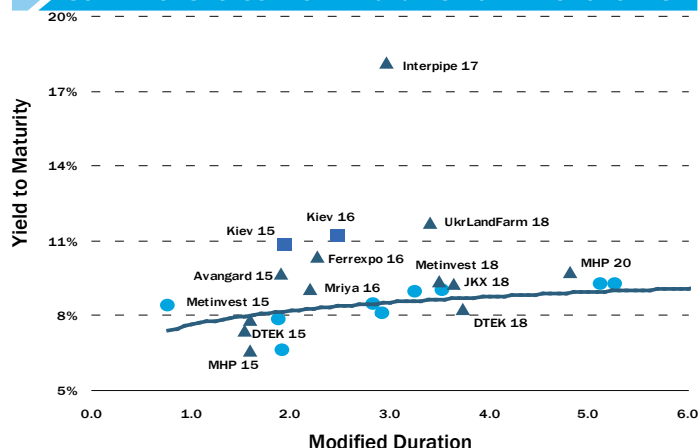
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

**SOVEREIGNS vs. BANKING EUROBONDS**



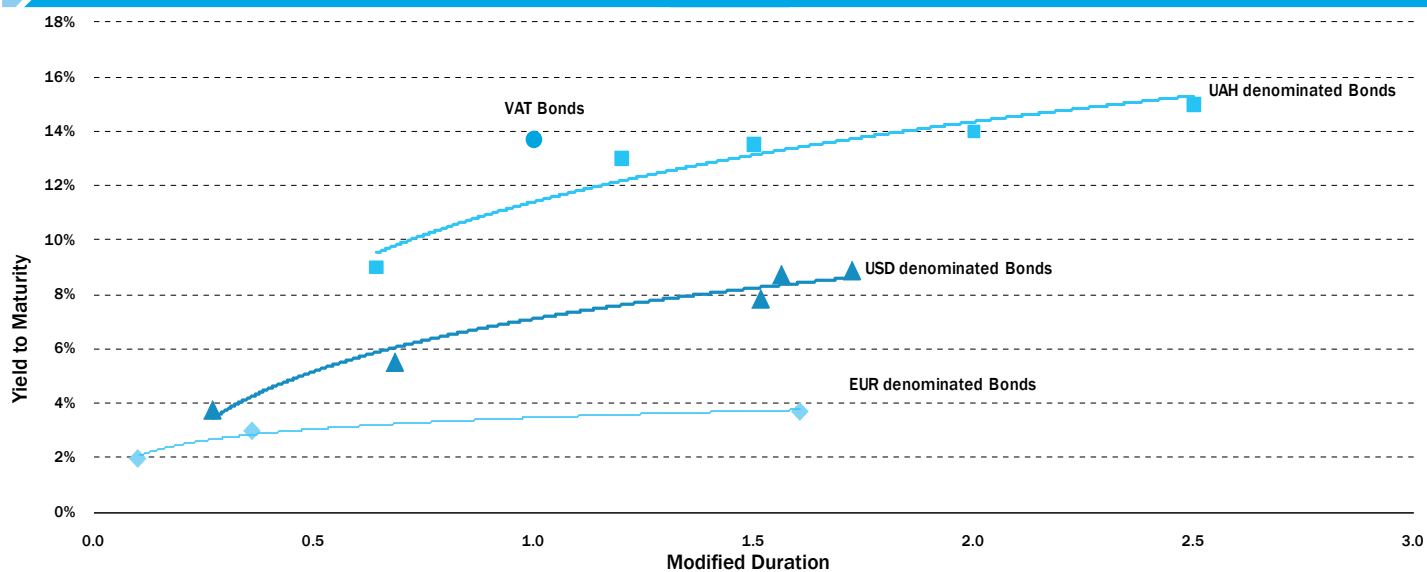
**SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS**



**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                 |             |             | 12.3%     | 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           |
| <b>USD denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000136832                 | 100.1       | 100.1       | 4.5%      | 3.0%      | 0.0               | 9.27%  | S/A           | 28 Aug 2013   | 254           |
| UA4000138002                 | 100.0       | 100.1       | 6.5%      | 4.5%      | 0.3               | 9.30%  | S/A           | 27 Nov 2013   | 86            |
| UA4000140362                 | 99.9        | 100.4       | 8.2%      | 7.5%      | 0.7               | 9.20%  | S/A           | 21 May 2014   | 171           |
| UA4000142699                 | 101.3       | 102.8       | 9.0%      | 8.5%      | 1.5               | 9.45%  | S/A           | 22 Apr 2015   | 312           |
| UA4000141071                 | 99.5        | 100.5       | 9.1%      | 8.7%      | 1.6               | 9.45%  | S/A           | 27 May 2015   | 152           |
| UA4000142673                 | 91.3        | 92.3        | 9.2%      | 8.8%      | 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                 | 101.9       | 102.0       | 5.4%      | 5.3%      | 1.6               | 4.80%  | S/A           | 6 May 2015    | 40            |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| UA4000082531                 |             |             | 13.7%     | 12.8%     | n/a               | 5.50%  | S/A           | 21 Aug 2015   | 141           |
| UA4000082622                 |             |             | 13.7%     | 12.8%     | n/a               | 5.50%  | S/A           | 24 Aug 2015   | 571           |
| UA4000083059                 |             |             | 13.7%     | 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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