

**Market Update**

**Equity**

Ukraine's equity market reacted positively on Wednesday (Dec 18) to a deal with Moscow that should shore up the country's sovereign finances in the short term, with all 10 local blue chips gaining at least 1%. After the local close, Wall Street saw a sharp rise after the Federal Reserve announced that it will reduce its monthly monetary stimulus by only USD 10bn starting in January, leaving USD 75bn still pouring into the US economy. The UX index picked up 2.6% to close at 916 points. Russian-oriented Motor Sich jumped 5.8% to UAH 1667, its best level in nearly 3 months, and Azovstal and Raiffeisen Aval picked up 2.6% and 2.1% respectively. In London, JKX Oil&Gas jumped 3.9% to GBP 72.50, while in Warsaw, Kernel had no positive reaction to the Russian deal, slipping 1.1% to another fresh 4-year low at PLN 36.80.

**Fixed Income**

Ukrainian sovereigns were mixed on Wednesday after Tuesday's huge gains, which brought yields down by well over 1%. Ukraine-23s declined by 0.6p.p. to 90.8/92.5 (9.0%/8.7%) while Ukraine-17s added a further 1.5p.p. to 93.0/94.5 (9.0%/8.5%). Meanwhile, corporate names, which often lag the sovereigns by a day or two, rebounded across the board, with DTEK-18s moving up by 4.1p.p. to 92.2/93.5 (10.2%/9.8%).

| Volume Leaders       | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------------|--------|-----------|-------|----------------|------------------|
| Motor Sich           | MSICH  | 1667.00   | 5.8%  | 3.5            | 327              |
| Raiffeisen Bank Aval | BAVL   | 0.12      | 2.1%  | 1.4            | 58               |
| Centrenergy          | CEEN   | 4.857     | 1.5%  | 0.8            | 168              |

**Growth Leaders**

|                 |       |         |      |      |     |
|-----------------|-------|---------|------|------|-----|
| Motor Sich      | MSICH | 1667.00 | 5.8% | 3.45 | 327 |
| Yasynivsky Coke | YASK  | 0.53    | 4.2% | 0.16 | 27  |
| Azovstal        | AZST  | 0.71    | 2.6% | 0.78 | 24  |

**Loss Leaders**

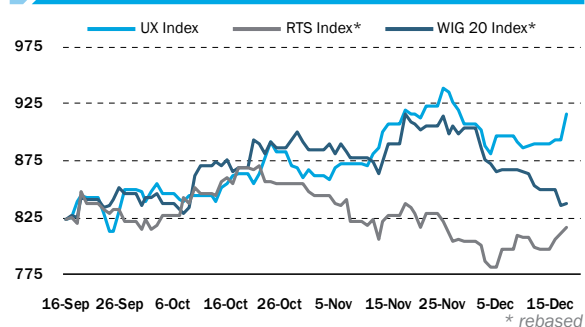
|                |      |       |        |       |    |
|----------------|------|-------|--------|-------|----|
| Pivnichny GOK  | SGOK | 6.20  | -24.9% | 0.658 | 22 |
| Donbasenergo   | DOEN | 28.06 | 0.6%   | 0.596 | 75 |
| Alchevsk Steel | ALMK | 0.04  | 1.0%   | 0.550 | 95 |

**Highlights**

**STOCKS IN THE NEWS**

- > Ferrexpo's Free Float to Increase from 23.3% to 25.0%
- > Milkiland Expects Sales of USD 2mn in Turkmenistan in 2014
- > Russia to Liberalize Regime for Ukrainian Pipe, Stop Anti-Dumping Probe Against Steelmakers

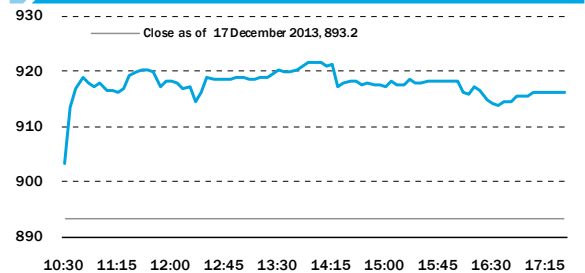
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

|         | Last   | 1D ch | 1M ch | YTD   |
|---------|--------|-------|-------|-------|
| UX      | 916.4  | 2.6%  | 1.0%  | -3.6% |
| RTS     | 1423.9 | 0.6%  | -1.4% | -6.8% |
| WIG20   | 2398.5 | 0.3%  | -5.8% | -7.1% |
| MSCI EM | 992.7  | 0.2%  | -1.2% | -5.9% |
| S&P 500 | 1810.7 | 1.7%  | 0.7%  | 29.1% |

**UX INTRADAY DECEMBER 18, 2013**



**FIXED INCOME**

|                 | Last  | 1D ch     | 1M ch     | YTD      |
|-----------------|-------|-----------|-----------|----------|
| EMBI+Global     | 336.3 | -0.6%     | -4.3%     | 24.1%    |
| CDS 5Y UKR      | 897.3 | -7.6%     | -12.1%    | 43.6%    |
| Ukraine-17      | 8.7%  | -0.5 p.p. | -1.7 p.p. | 1.7 p.p. |
| Naftogaz Ukr-14 | 10.4% | -1.5 p.p. | -8.7 p.p. | 2.8 p.p. |
| Ukraine-23      | 8.8%  | 0.1 p.p.  | -1.0 p.p. | 1.3 p.p. |
| Privatbank-16   | 22.8% | -1.8 p.p. | -0.5 p.p. | 7.5 p.p. |

**CURRENCY**

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 8.29      | -0.1% | 1.0%  | 2.9%  |
| EUR | 11.34     | -0.7% | 2.3%  | 6.1%  |
| RUB | 0.25      | 0.2%  | 0.0%  | -4.9% |

**COMMODITIES**

|               | Last   | 1D ch | 1M ch | YTD    |
|---------------|--------|-------|-------|--------|
| Wheat, USD/t* | 287.5  | 0.0%  | 6.5%  | -17.5% |
| Steel, USD/t  | 532.5  | 0.0%  | 1.4%  | 0.0%   |
| Oil, USD/bbl  | 109.6  | 1.1%  | 1.5%  | 4.5%   |
| Gold, USD/oz  | 1218.5 | -1.0% | -5.6% | -26.4% |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Ferrexpo's Free Float to Increase from 23.3% to 25.0%

by Ivan Dzvinka  
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### FERREXPO (FXPO LN)

Price: GBP 1.828 Market Cap: USD 1,757mn

|       | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|-----|-----------|------------|
| 2012  | 1.63 | 8.1 | 5.8       | 4.4%       |
| 2013E | 1.50 | 7.3 | 5.4       | 2.2%       |

### NEWS

The two largest shareholders in Ferrexpo, Ukraine's largest iron ore pellets exporter, are set to decrease their combined stake from 76.0% currently to some 74.3% via selling shares on the open market through 4 March 2014, the company's announced this morning (Dec 18). As a result, the free float of the FXPO stock in London will increase from the current 23.3% to 25.0%. The stated purpose of this move is for the stock to remain a component of the FTSE UK 250 Index.

The number of shares of the Constantine Zhevago-owned Fevamotinico S.a r.l. is set to decrease from the current 51.0% to 50.3%, while holdings of BXR Group (a shareholder friendly to Zhevago which now owns 24.99% shares in FXPO) will reduce its ownership sufficiently to bring the free float of the stock to the required 25% level.

### COMMENTARY

If BXR sells off precisely 1.0% of the outstanding shares in order to bring the free float to the 25.0% level, this would represent an increase in the current overall free float liquidity by 7.3% (25.0%/23.3%); this will probably result in some pressure on the FXPO share price because of the accompanying rise in offers. That said, we think this sentiment will be rather limited in the coming days, as the timeframe for the selling is set to run for almost 3 months.

## Milkiland Expects Sales of USD 2mn in Turkmenistan in 2014

by Dmitry Churin  
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### MILKILAND (MLK PW)

Price: PLN 12.3 Market Cap: USD 126mn

|       | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|-----|-----------|------------|
| 2011  | 0.6  | 6.8 | 4.9       | 2.7%       |
| 2012E | 0.6  | 6.6 | 5.5       | 3.1%       |

### NEWS

Milkiland, a cheese producer operating in Russia, Ukraine and Poland, started cheese exports to Turkmenistan, according to a statement the company made on its website on Monday (Dec 16). The contract with Turkmenistan was signed in November and foresees total supplies in the amount of USD 2.0mn through December 2014. Management said that the new market was promising as per capita cheese consumption in Turkmenistan is much lower than in Ukraine or Russia. Milkiland aims to capture about 10% in the Turkmen cheese market in the medium term.

### COMMENTARY

We see the news as neutral for the MLK stock as the announced exports will account for less than 1% of the company's forecasted revenues in 2014. Nevertheless we appreciate Milkiland's intention to expand the market for its key products. As we reported earlier, the company boosted sales by 18.7% YoY to EUR 245mn in 9M13 while decreasing its net profit by 8.6% YoY to EUR 11.0mn in the period.

## Russia to Liberalize Regime for Ukrainian Pipe, Stop Anti-Dumping Probe Against Steelmakers

by Ivan Dzvinka  
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### NEWS

Russia intends to lift trading limits placed on imports of Ukrainian steel pipes as well as to suspend its anti-dumping investigation against Ukrainian bar steel products. This was reported by Industry Minister Mykhail Korolenko at a press conference on Wednesday (Dec 18).

Currently, imports of Ukrainian pipes into Russia are imposed with anti-dumping duties of between 19% and 38%. The main exporter of Ukrainian pipes to Russia is Interpipe. Russia decided not to prolong the (duty-free) quota for Interpipe's pipes for 2H13 making the pipes barely profitable on the Russian market.

In 11M13, Ukrainian exports of bar steel products into Russia amounted to 1.03mn tonnes, constituting 1/3 of Ukrainian steel deliveries to Russia and some 5% of Ukrainian steel exports.

### COMMENTARY

The liberalization/easing of trade restrictions for Ukrainian companies by Russia was an obvious move after the generous promises given by the Russian government to Ukraine earlier this week (see our news from yesterday). Clearly, the "black box" parameter in these agreements remains the cost which Ukraine will eventually have to pay for such preferences.

Still, the aforementioned elimination of current as well as potential trade restrictions is positive news for Ukrainian long steel makers (especially Metinvest and Arcelor Mittal Kryviy Rih) and pipe producers, especially Interpipe. This will allow Ukrainian producers, at least in the near term, to avoid losing up to 5% of the market for their steel products (or, more precisely, up to 6% as investigation was initiated by the Custom Union and not Russia alone) as well as to improve the difficult situation of Interpipe, which earned 28% of its revenue in 2012 on the Russian market.

## EAVEX RECOMMENDATIONS

| Name                         | Ticker  | Price, per share | Target price, per share | Upside, % | Rating | Commentary  |
|------------------------------|---------|------------------|-------------------------|-----------|--------|---|
| <b>Steel&amp;Pipes</b>       |         |                  |                         |           |        |   |
| Azovstal                     | AZST    | 0.71             | 0.56                    | -22%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.  |
| <b>Iron Ore</b>              |         |                  |                         |           |        |   |
| Ferrexpo                     | FXPO LN | 182.6            | 218.0                   | 19%       | 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    | 6.20             | 14.5                    | 133%      | 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    | 6.49             | 10.6                    | 64%       | 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    | 3.10             | 6.2                     | 101%      | BUY    | AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.  |
| Yasynivsky Coke              | YASK    | 0.53             | 3.4                     | 554%      | 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   | 0.40             | 2.9                     | 634%      | 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    | 16.7             | U/R                     | --        | U/R    |   |
| LuganskTeplovoz              | LTPL    | 1.47             | 5.2                     | 256%      | 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   | 1667             | 5250                    | 215%      | 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    | 5.00             | 8.9                     | 78%       | 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    | 0.15             | 0.24                    | 60%       | BUY    | Galnaftogaz is pursuing a plan to aggressively expand its filling station network.  |
| Regal Petroleum              | RPT     | 13.8             | 42.0                    | 205%      | BUY    | We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.  |
| JKX Oil & Gas                | JKX     | 72.8             | 370                     | 409%      | 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    | 28.1             | 72.0                    | 157%      | BUY    | DonbasEnergO is expected to pay a significant dividend from its FY13 profit that could amount to as much as UAH 5.0 per share, implying a dividend yield of 20%.  |
| CenterEnergO                 | CEEN    | 4.86             | 15.00                   | 209%      | BUY    | CenterEnergO'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    | 16.5             | 22.10                   | 34%       | BUY    | MHP is ramping up poultry production at its greenfield Vinnytsia complex, which has annual capacity of 220,000 tonnes. We think MHP will be able to expand its output by 50% over 2012-15 to 600,000 tonnes of poultry, with the lion's share of incremental volume to be exported.   |
| Astarta                      | AST     | 62.0             | 90.0                    | 45%       | 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    | 11.5             | 19.35                   | 68%       | BUY    | A doubling of egg processing capacity to 6mn eggs/day in 1H13 with further expansion to 10mn in early 2014 bode well for the group's earnings due to 1) the higher profitability of the egg products (EP) segment vs. shell eggs and 2) the longer storage life of EP, which enables the company to retain its output for sale in periods of more favorable pricing. Still, the reported selling price for the company's shell eggs appears to be unjustifiably high. Even with financial quality concerns priced in, the stock looks cheap vs. its global peers. |
| Ovostar Union                | OVO     | 85.0             | 109.50                  | 29%       | BUY    | The company is on its way to implementing a two-stage investment program aimed at expanding egg production capacity to 2.1bn pieces by 2017, or 3x more compared to FY12 production of 719mn eggs. Very low liquidity in the OVO stock is a major concern.  |

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     | 916.37         | 1061.97          | 781.22          | 2.6%                 | 3.2%   | 1.0%   | -3.6%  | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.040          | 0.06             | 0.02            | 1.0%                 | 1.0%   | -2.7%  | -24.7% | -1.6%                                | -2.1%  | -3.7%  | -21.1% |
| Azovstal                     | AZST   | 0.71           | 0.90             | 0.31            | 2.6%                 | 2.1%   | 2.4%   | -3.5%  | 0.0%                                 | -1.0%  | 1.4%   | 0.1%   |
| Dniprospezstal               | DNSS   | 1,300          | 1,300            | 700             | 0.0%                 | 0.0%   | 0.0%   | 30.1%  | -2.6%                                | -3.2%  | -1.0%  | 33.7%  |
| Enakievo Steel               | ENMZ   | 33.5           | 49.9             | 20.0            | 1.1%                 | 3.7%   | -2.4%  | -11.8% | -1.4%                                | 0.5%   | -3.4%  | -8.2%  |
| Arcelor Mittal KR            | KSTL   | n/a            | n/a              | n/a             | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| Mariupol Ilyicha             | MMKI   | 0.11           | 0.26             | 0.05            | -8.3%                | -35.3% | -8.3%  | -50.0% | -10.9%                               | -38.4% | -9.3%  | -46.4% |
| <b>Coke</b>                  |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Avdyivka Coke                | AVDK   | 3.10           | 4.80             | 1.60            | 1.9%                 | 1.5%   | -4.3%  | -5.3%  | -0.7%                                | -1.6%  | -5.3%  | -1.7%  |
| Yasynivsky Coking            | YASK   | 0.53           | 0.85             | 0.49            | 6.0%                 | -3.6%  | -5.4%  | -20.9% | 3.4%                                 | -6.8%  | -6.4%  | -17.3% |
| <b>Iron Ore Mining</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 6.49           | 7.74             | 5.00            | 8.0%                 | 8.0%   | 1.4%   | -5.9%  | 5.4%                                 | 4.8%   | 0.4%   | -2.3%  |
| Ferrexpo                     | FXPO   | 2.99           | 4.58             | 2.02            | 0.0%                 | 4.4%   | 1.7%   | -25.7% | -2.6%                                | 1.3%   | 0.7%   | -22.1% |
| Pivnichny GOK                | SGOK   | 6.20           | 10.00            | 5.77            | -24.5%               | -23.5% | -24.4% | -16.7% | -27.1%                               | -26.6% | -25.4% | -13.1% |
| <b>Coal Mining</b>           |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.40           | 0.71             | 0.39            | 2.6%                 | -11.1% | -11.1% | -36.5% | 0.0%                                 | -14.3% | -12.1% | -32.9% |
| Komsomolets Donbasa          | SHKD   | 0.67           | 1.25             | 0.27            | 0.0%                 | 6.3%   | 11.7%  | -43.2% | -2.6%                                | 3.2%   | 10.7%  | -39.6% |
| Energy Coal                  | CLE    | 0.34           | 4.57             | 0.34            | -16.8%               | -34.0% | -51.7% | -88.9% | -19.4%                               | -37.1% | -52.7% | -85.3% |
| <b>Mining Machinery</b>      |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Svitlo Shakhtara             | HMBZ   | 0.46           | 0.51             | 0.270           | 0.0%                 | n/a    | 0.0%   | -20.7% | -2.6%                                | n/a    | -1.0%  | -17.1% |
| <b>Pipe Manufacturing</b>    |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.49           | 0.86             | 0.30            | 0.0%                 | 0.0%   | -10.9% | -30.0% | -2.6%                                | -3.2%  | -11.9% | -26.4% |
| Interpipe NMPP               | NVTR   | 0.20           | 0.29             | 0.10            | 0.0%                 | -13.0% | -20.0% | -9.1%  | -2.6%                                | -16.2% | -21.0% | -5.5%  |
| <b>Railcar Manufacturing</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 16.7           | 29.0             | 12.0            | -0.2%                | 1.9%   | 1.0%   | -14.1% | -2.8%                                | -1.3%  | 0.0%   | -10.5% |
| Luhanskeplovoz               | LTPL   | 1.47           | 2.20             | 1.26            | 0.0%                 | -5.2%  | -8.1%  | -21.4% | -2.6%                                | -8.3%  | -9.1%  | -17.8% |
| Stakhanov Wagon              | SVGZ   | 1.31           | 1.95             | 1.00            | 0.8%                 | 1.6%   | 0.0%   | -24.3% | -1.8%                                | -1.6%  | -1.0%  | -20.7% |
| <b>Specialized Machinery</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Bogdan Motors                | LUAZ   | 0.03           | 0.08             | 0.02            | 0.0%                 | -4.7%  | -9.9%  | -40.8% | -2.6%                                | -7.8%  | -10.9% | -37.3% |
| Motor Sich                   | MSICH  | 1,667          | 2,640            | 1,303           | 6.1%                 | 5.6%   | 3.3%   | -24.6% | 3.5%                                 | 2.5%   | 2.3%   | -21.0% |
| Summy Frunze Engineering     | SMASH  | 2.42           | 4.00             | 1.00            | 0.0%                 | 4.8%   | -5.1%  | 61.3%  | -2.6%                                | 1.6%   | -6.1%  | 64.9%  |
| Turboatom                    | TATM   | 3.50           | n/a              | n/a             | 0.0%                 | n/a    | 0.0%   | n/a    | -2.6%                                | n/a    | -1.0%  | n/a    |
| WESTA ISIC                   | WES    | 0.17           | 0.26             | 0.17            | 0.0%                 | -7.3%  | -16.7% | -27.4% | -2.6%                                | -10.5% | -17.7% | -23.8% |
| <b>Telecom</b>               |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.12           | 0.18             | 0.09            | -3.9%                | -11.0% | -14.1% | -24.9% | -6.5%                                | -14.1% | -15.1% | -21.3% |
| <b>Oil &amp; Gas</b>         |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 0.23           | 0.59             | 0.20            | -2.8%                | -3.6%  | -9.7%  | -58.4% | -5.4%                                | -6.7%  | -10.7% | -54.8% |
| JKX Oil                      | JKX    | 1.19           | 1.26             | 0.75            | 4.7%                 | 1.7%   | -1.3%  | -0.3%  | 2.1%                                 | -1.5%  | -2.3%  | 3.3%   |
| Ukrnafta                     | UNAF   | 106            | 280              | 96              | 1.5%                 | -0.3%  | -4.1%  | -10.6% | -1.1%                                | -3.4%  | -5.1%  | -7.0%  |
| <b>Power Utilities</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centrenerg                   | CEEN   | 4.86           | 7.40             | 2.50            | 1.7%                 | 0.1%   | -5.3%  | -23.5% | -0.9%                                | -3.0%  | -6.3%  | -19.9% |
| Donbasenergo                 | DOEN   | 28.1           | 34.0             | 15.4            | 1.3%                 | 3.1%   | 8.2%   | 32.4%  | -1.3%                                | 0.0%   | 7.2%   | 36.0%  |
| Zakhidenergo                 | ZAEN   | 86.0           | 115.0            | 64.0            | 0.0%                 | -3.2%  | 3.6%   | -11.3% | -2.6%                                | -6.3%  | 2.6%   | -7.7%  |
| <b>Consumer</b>              |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 0.68           | 3.6              | 0.36            | -5.9%                | 5.8%   | -10.0% | -79.0% | -8.5%                                | 2.7%   | -11.0% | -75.4% |
| Astarta                      | AST    | 20.4           | 24.4             | 14.5            | 6.9%                 | -4.9%  | -4.0%  | 14.3%  | 4.3%                                 | -8.1%  | -5.0%  | 17.9%  |
| Avangardo                    | AVGR   | 11.5           | 13.0             | 7.61            | 0.0%                 | -1.7%  | -9.4%  | 1.5%   | -2.6%                                | -4.9%  | -10.4% | 5.1%   |
| Industrial Milk Company      | IMC    | 4.00           | 5.35             | 3.63            | -2.8%                | -5.7%  | -11.3% | -24.7% | -5.4%                                | -8.9%  | -12.3% | -21.1% |
| Kernel                       | KER    | 12.1           | 22.6             | 12.1            | -1.1%                | -4.4%  | -12.2% | -43.9% | -3.7%                                | -7.6%  | -13.2% | -40.3% |
| Mriya Agro Holding           | MAYA   | 7.03           | 8.2              | 5.36            | 0.0%                 | -2.8%  | 5.3%   | 8.3%   | -2.6%                                | -5.9%  | 4.3%   | 11.9%  |
| MHPC                         | MHPC   | 16.5           | 19.9             | 14.15           | 2.8%                 | 4.7%   | 2.2%   | 7.9%   | 0.2%                                 | 1.6%   | 1.2%   | 11.5%  |
| Milkiland                    | MLK    | 4.03           | 5.2              | 3.11            | -2.0%                | 1.3%   | 1.3%   | -14.4% | -4.6%                                | -1.8%  | 0.3%   | -10.8% |
| Ovostar Union                | OVO    | 28.0           | 33.3             | 21.3            | 2.4%                 | -0.3%  | -9.6%  | -3.2%  | -0.2%                                | -3.4%  | -10.6% | 0.4%   |
| Sintal                       | SNPS   | n/a            | 0.28             | 0.28            | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| MCB Agricole                 | 4GW1   | n/a            | 0.57             | 0.57            | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| <b>Chemicals</b>             |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Stirol                       | STIR   | 13.2           | 15.9             | 7.1             | 2.3%                 | -1.0%  | -4.1%  | -1.5%  | -0.3%                                | -4.1%  | -5.1%  | 2.1%   |
| <b>Banks</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.119          | 0.128            | 0.077           | 2.1%                 | 2.5%   | 5.4%   | 38.7%  | -0.5%                                | -0.7%  | 4.4%   | 42.3%  |
| UkrSotsbank                  | USCB   | 0.193          | 0.257            | 0.107           | 1.4%                 | 13.2%  | -0.2%  | 49.2%  | -1.2%                                | 10.1%  | -1.2%  | 52.8%  |

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           | 125                    | 3.9%         | 5    | 1,540 | 3.4   | neg       | neg  | 10.6   | neg      | neg  | 0.7      | 0.9       | 0.9  | 531   | 458   | 413  | \$/tonne  |
| Yenakievo Steel              | ENMZ           | 43                     | 8.8%         | 4    | 35    | 1.4   | 5.0       | neg  | neg    | neg      | neg  | 0.0      | 0.0       | 0.0  | 14    | 13    | 13   | \$/tonne  |
| Azovstal                     | AZST           | 362                    | 4.1%         | 15   | 340   | neg   | neg       | neg  | neg    | neg      | neg  | 0.1      | 0.1       | 0.1  | 61    | 57    | 55   | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Avdyivka Coke                | AVDK           | 73                     | 7.5%         | 6    | 70    | neg   | neg       | neg  | 11.5   | neg      | neg  | 0.0      | 0.1       | 0.1  | 20    | 15    | 13   | \$/tonne  |
| Yasynivsky Coke              | YASK           | 18                     | 9.0%         | 2    | 46    | 1.2   | 1.6       | 1.6  | 1.6    | 1.6      | 1.7  | 0.1      | 0.1       | 0.1  | 1.6   | 1.6   | 1.7  | \$/tonne  |
| <b>Iron Ore Mining</b>       |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Centralny GOK                | CGOK           | 918                    | 0.5%         | 5    | 918   | 2.8   | 9.7       | 8.8  | 1.8    | 3.9      | 4.5  | 1.1      | 1.6       | 1.8  |       |       |      |           |
| Pivnichny GOK                | SGOK           | 1,724                  | 0.5%         | 9    | 1,849 | 2.2   | 4.0       | 4.8  | 1.6    | 2.3      | 2.9  | 1.0      | 1.2       | 1.4  |       |       |      |           |
| Ferrexpo                     | FXPO           | 1,761                  | 24.0%        | 423  | 2,012 | 3.1   | 8.2       | 6.7  | 2.5    | 5.0      | 4.5  | 1.1      | 1.4       | 1.3  |       |       |      |           |
| <b>Coal Mining</b>           |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Komsomolets Donbasa          | SHKD           | 27                     | 5.4%         | 1    | 129   | 1.8   | 0.7       | 0.8  | 1.9    | 1.3      | 1.4  | 0.7      | 0.5       | 0.5  | 31    | 30    | 29   | \$/tonne  |
| Coal Energy                  | CLE            | 16                     | 11.9%        | 2    | 41    | 0.4   | 0.4       | 0.4  | 0.8    | 0.7      | 0.6  | 0.3      | 0.2       | 0.2  | 0.8   | 0.7   | 0.6  | \$/tonne  |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Khartsyzk Pipe               | HRTR           | 154                    | 2.0%         | 3    | 196   | 1.6   | 4.6       | 4.5  | 1.4    | 2.6      | 2.5  | 0.3      | 0.3       | 0.3  | 312   | 517   | 491  | \$/tonne  |
| <b>Railcar Manufacturing</b> |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| LuganskTeplovoz              | LTPL           | 39                     | 24.0%        | 9    | 39    | 4.3   | 5.6       | 4.8  | 2.8    | 3.1      | 2.5  | 0.2      | 0.2       | 0.2  |       |       |      |           |
| Kruiiv Wagon                 | KVBZ           | 231                    | 5.0%         | 12   | 233   | 2.7   | 2.4       | 4.6  | 2.0    | 1.7      | 2.5  | 0.3      | 0.3       | 0.4  |       |       |      |           |
| Stakhanov Wagon              | SVGZ           | 36                     | 8.0%         | 3    | 75    | 1.8   | >30       | 12.5 | 2.3    | 10.4     | 6.9  | 0.2      | 0.2       | 0.2  |       |       |      |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Turboatom                    | TATM           | 178                    | 5.8%         | 10   | 126   | 3.3   | 4.7       | 4.3  | 2.0    | 2.7      | 2.4  | 0.7      | 0.7       | 0.7  |       |       |      |           |
| Motor Sich                   | MSICH          | 418                    | 24.0%        | 100  | 428   | 2.5   | 1.7       | 1.5  | 1.5    | 1.4      | 1.3  | 0.6      | 0.5       | 0.5  |       |       |      |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Ukrtelecom                   | UTLM           | 272                    | 7.2%         | 20   | 608   | neg   | 6.0       | 5.7  | 2.9    | 3.0      | 2.9  | 0.7      | 0.7       | 0.8  |       |       |      |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| Ukrnafta                     | UNAF           | 694                    | 3.0%         | 21   | 684   | 2.6   | 2.2       | 3.1  | 1.6    | 1.3      | 1.6  | 0.2      | 0.2       | 0.3  | n/a   | n/a   | n/a  | \$/boe    |
| Regal Petroleum              | RPT            | 72                     | 49.0%        | 35   | 55    | 11.3  | 6.0       | 3.0  | neg    | 2.4      | 1.5  | 2.9      | 1.1       | 0.7  | n/a   | n/a   | n/a  | \$/boe    |
| JKX Oil & Gas                | JKX            | 205                    | 50.4%        | 103  | 313   | 3.5   | 5.1       | 4.1  | 2.7    | 2.2      | 2.1  | 1.3      | 1.4       | 1.3  | 82    | 57    | 43   | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| CentrEnergO                  | CEEN           | 217                    | 21.7%        | 47   | 299   | >30   | 7.5       | 6.5  | 6.2    | 4.9      | 4.4  | 0.3      | 0.3       | 0.3  | 20    | 21    | 17   | \$/MWh    |
| DonbasEnergO                 | DOEN           | 80                     | 14.2%        | 11   | 137   | neg   | 20.9      | 7.9  | 6.6    | 7.9      | 5.7  | 0.3      | 0.2       | 0.2  | 17    | 16    | 16   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
| MHP                          | MHPC           | 1,738                  | 34.1%        | 593  | 2,783 | 6.7   | 5.6       | 6.4  | 6.9    | 5.9      | 5.3  | 2.3      | 2.0       | 1.8  | 8696  | 8696  | 8696 | \$/tonne  |
| Kernel                       | KER            | 895                    | 61.8%        | 553  | 1,505 | 4.0   | 4.2       | 4.6  | 4.9    | 4.7      | 4.4  | 0.8      | 0.7       | 0.5  |       |       |      |           |
| Astarta                      | AST            | 510                    | 31.0%        | 158  | 657   | 4.5   | 10.2      | 8.6  | 4.6    | 6.7      | 5.4  | 1.6      | 1.4       | 1.2  | 3330  | 2027  | 1684 | \$/tonne  |
| Avangardco                   | AVGR           | 735                    | 22.5%        | 165  | 883   | 3.7   | 3.2       | 3.2  | 3.5    | 3.2      | 3.0  | 1.6      | 1.4       | 1.3  | 200   | 152   | 143  | \$/mneegs |
| Agroton                      | AGT            | 15                     | 44.6%        | 7    | 48    | neg   | 0.8       | 0.7  | 2.6    | 1.5      | 1.4  | 0.4      | 0.5       | 0.4  | 0.4   | n/a   | n/a  | \$/th/ha  |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |      |        |          |      |          |           |      |       |       |      |           |
|                              |                |                        |              |      |       | P/E   |           |      | P/Book |          |      | P/Assets |           |      |       |       |      |           |
| Raiffeisen Bank Aval         | BAVL           | 431                    | 4.0%         | 17   |       | >30   | >30       | 15.1 | 0.5    | 0.5      | 0.5  | 0.06     | 0.06      | 0.06 |       |       |      |           |
| Ukrsotsbank                  | USCB           | 428                    | 1.6%         | 7    |       | >30   | >30       | 21.8 | 0.5    | 0.5      | 0.5  | 0.06     | 0.06      | 0.06 |       |       |      |           |

Source: Eavex Research



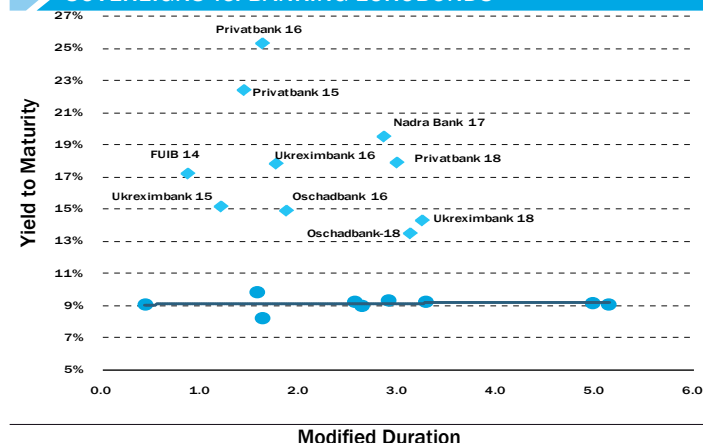
## UKRAINIAN EUROBONDS

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Price chg. (YTD) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume USD mn | Ratings <sup>1</sup> |
|------------------------------|-------------|-------------|-----------|-----------|------------------|-------------------|--------|---------------|---------------|---------------|----------------------|
| <b>Sovereign Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Ukraine, 2014                | 99.8        | 100.5       | 9.1%      | 7.2%      | -2.2%            | 0.4               | 7.95%  | S/A           | 6 Apr. 2014   | 1,000         | Caa1/B-/B-           |
| Naftogaz Ukraine, 2014       | 98.9        | 99.7        | 12.4%     | 11.1%     | -3.6%            | 0.7               | 9.50%  | S/A           | 30 Sept 2014  | 1,595         | //B-                 |
| Ukraine, 2015 (EUR)          | 92.1        | 97.9        | 10.2%     | 6.3%      | -2.5%            | 1.6               | 4.95%  | A             | 13 Oct 2015   | 600*          | Caa1/B-/B-           |
| Ukraine, 2015                | 96.9        | 98.4        | 9.1%      | 8.1%      | -3.5%            | 1.6               | 6.875% | S/A           | 23 Sept 2015  | 500           | Caa1/B-/B-           |
| Ukraine, 2016                | 94.1        | 95.3        | 9.1%      | 8.5%      | -5.2%            | 2.6               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | Caa1/B-/B-           |
| Ukraine, 2016-2              | 94.0        | 95.5        | 8.7%      | 8.1%      | -4.9%            | 2.6               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | Caa1/B-/B-           |
| Ukraine, 2017                | 93.0        | 94.5        | 9.0%      | 8.5%      | -5.5%            | 3.3               | 6.75%  | S/A           | 14 Nov 2017   | 700           | Caa1/B-/B-           |
| Ukraine, 2017-2              | 99.6        | 100.6       | 9.5%      | 9.2%      | -6.6%            | 2.9               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | Caa1/B-/B-           |
| Ukraine, 2017 Infr. projects | 81.8        | 83.5        | 15.6%     | 14.8%     | -15.9%           | 3.0               | 8.375% | S/A           | 3 Nov 2017    | 568           | Caa1//               |
| Ukraine, 2018 Infr. projects | 77.8        | 79.3        | 15.2%     | 14.6%     | -17.4%           | 3.4               | 7.40%  | S/A           | 20 Apr 2018   | 690           | Caa1//               |
| Ukraine, 2020                | 92.9        | 94.4        | 9.3%      | 9.0%      | -9.1%            | 5.0               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | Caa1/B-/B-           |
| Ukraine, 2021                | 93.5        | 95.0        | 9.2%      | 8.9%      | -9.2%            | 5.1               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | Caa1/B-/B-           |
| Ukraine, 2022                | 91.6        | 92.8        | 9.2%      | 9.0%      | -8.7%            | 6.1               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | Caa1/B-/B-           |
| Ukraine, 2023                | 90.8        | 92.5        | 9.0%      | 8.7%      | -8.3%            | 6.4               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | Caa1/B-/B-           |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2014                | 50.0        | 54.4        | 32.6%     | 29.3%     | n/a              | 2.9               | 8.00%  | S/A           | 14 Jul 2019   | 50            | /CCC/RD              |
| MHP, 2015                    | 101.5       | 103.1       | 9.6%      | 8.9%      | -3.0%            | 1.2               | 10.25% | S/A           | 29 Apr 2015   | 235           | Caa1//B-             |
| MHP, 2020                    | 87.5        | 88.7        | 11.1%     | 10.8%     | -11.9%           | 4.6               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /B-/B-               |
| Avangardco, 2015             | 98.8        | 100.5       | 11.3%     | 10.1%     | n/a              | 1.6               | 10.00% | S/A           | 29 Oct 2015   | 200           | //B-                 |
| UkrLandFarming, 2018         | 86.3        | 87.9        | 15.4%     | 14.8%     | -12.9%           | 3.1               | 10.88% | S/A           | 26 Mar 2018   | 275           | /B-/B-               |
| Mriya, 2016                  | 99.2        | 100.7       | 12.0%     | 11.1%     | -3.0%            | 1.9               | 10.95% | S/A           | 30 Mar 2016   | 72            | /B-/B-               |
| Mriya, 2018                  | 85.2        | 86.3        | 14.1%     | 13.8%     | -14.3%           | 3.3               | 9.45%  | S/A           | 19 Apr 2018   | 400           | /B-/B-               |
| DTEK, 2015                   | 100.5       | 101.9       | 9.6%      | 8.5%      | -0.1%            | 1.2               | 9.50%  | S/A           | 28 Apr 2015   | 200           | Caa1//B-             |
| DTEK, 2018                   | 92.2        | 93.5        | 10.2%     | 9.8%      | -7.1%            | 3.5               | 7.88%  | S/A           | 4 Apr 2018    | 750           | Caa1//B-             |
| Metinvest, 2015              | 101.3       | 102.3       | 9.8%      | 9.0%      | -1.8%            | 1.3               | 10.25% | S/A           | 20 May 2015   | 500           | Caa1//B-             |
| Metinvest, 2018              | 93.6        | 95.1        | 10.8%     | 10.3%     | -2.7%            | 3.3               | 8.75%  | S/A           | 14 Feb 2018   | 750           | Caa1//B-             |
| Ferrexpo, 2016               | 96.1        | 97.2        | 10.2%     | 9.4%      | -0.8%            | 2.0               | 7.875% | S/A           | 07 Apr 2016   | 500           | /B-/B-               |
| UZ Rail, 2018                | 87.2        | 89.1        | 13.4%     | 12.8%     | -11.9%           | 3.4               | 9.50%  | S/A           | 21 May 2018   | 500           | /B-/B-               |
| Interepipe, 2017             | 77.0        | 80.1        | 19.9%     | 18.0%     | -3.8%            | 2.6               | 10.25% | S/A           | 2 Aug 2017    | 200           | /NR/C                |
| JKX Oil&Gas, 2018            | 109.6       | 111.5       | 8.5%      | 8.0%      | 10.5%            | 3.4               | 8.00%  | S/A           | 19 Feb 2018   | 40            | //                   |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2014        | 70.0        | 80.0        | n/a       | n/a       | 17.2%            | n/a               | 10.50% | S/A           | 25 Jan 2014   | 100           | Caa1//               |
| PUMB, 2014                   | 98.5        | 98.5        | 14.6%     | 14.6%     | -3.5%            | 0.9               | 11.00% | Q             | 31 Dec 2014   | 275           | B//                  |
| Nadra Bank, 2017             | 80.7        | 89.0        | 23.2%     | 15.8%     | -3.8%            | 2.9               | 8.00%  | A             | 22 Jun 2017   | 175           | //                   |
| PrivatBank, 2015             | 86.1        | 88.0        | 20.5%     | 18.9%     | -8.2%            | 1.5               | 9.38%  | S/A           | 23 Sept 2015  | 200           | Caa1//               |
| PrivatBank, 2016             | 70.0        | 75.0        | 25.2%     | 21.3%     | -6.1%            | 1.7               | 8.75%  | S/A           | 9 Feb 2016    | 150           | Caa1//               |
| PrivatBank, 2018             | 80.1        | 83.8        | 17.8%     | 16.3%     | -18.0%           | 3.0               | 10.88% | S/A           | 28 Feb 2018   | 175           | Caa1//B-             |
| UkrEximBank, 2015            | 94.7        | 95.9        | 13.6%     | 12.5%     | -4.6%            | 1.2               | 8.38%  | S/A           | 27 Apr 2015   | 750           | Caa1//B-             |
| UkrEximBank, 2016            | 81.8        | 82.8        | 17.0%     | 16.3%     | -1.9%            | 1.8               | 8.40%  | S/A           | 2 Sept 2016   | 125           | Caa1//B-             |
| UkrEximBank, 2018            | 85.3        | 87.1        | 13.6%     | 12.9%     | -13.8%           | 3.1               | 8.75%  | S/A           | 22 Jan 2018   | 500           | Caa1//B-             |
| VAB Bank, 2014               | 83.0        | 88.0        | n/a       | n/a       | 52.7%            | n/a               | 10.50% | Q             | 14 Jun 2014   | 125           | Caa1//WD             |
| Oschadbank, 2016             | 89.0        | 91.0        | 14.9%     | 13.7%     | -5.4%            | 1.9               | 8.25%  | S/A           | 10 Mar 2016   | 700           | Caa1//B-             |
| Oschadbank, 2018             | 84.2        | 87.2        | 13.9%     | 12.9%     | -14.3%           | 3.3               | 8.88%  | S/A           | 20 Mar 2018   | 500           | Caa1//B-             |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 90.1        | 92.0        | 14.8%     | 13.4%     | -2.7%            | 1.6               | 8.00%  | S/A           | 6 Nov 2015    | 250           | Caa1/B-/             |
| City of Kyiv, 2016           | 90.1        | 92.1        | 14.1%     | 13.1%     | -2.6%            | 2.1               | 9.375% | S/A           | 30 Jun 2016   | 300           | Caa1/B-/             |

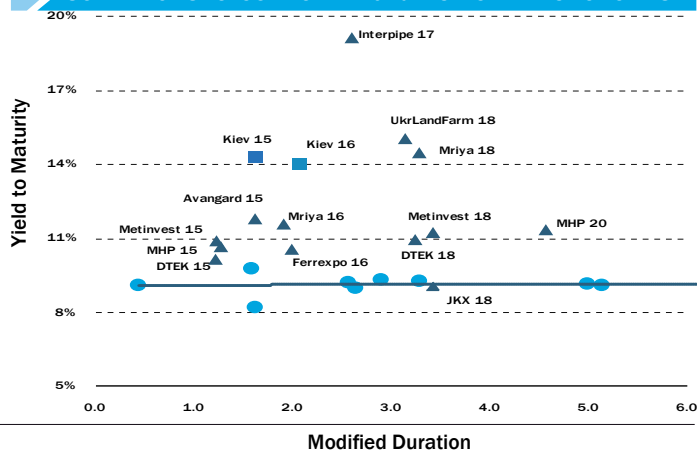
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

Source: Bloomberg, Cbonds, Eavex Research

### SOVEREIGNS vs. BANKING EUROBONDS



### SOVEREIGNS vs. CORPORATE and MUNICIPAL EUROBONDS

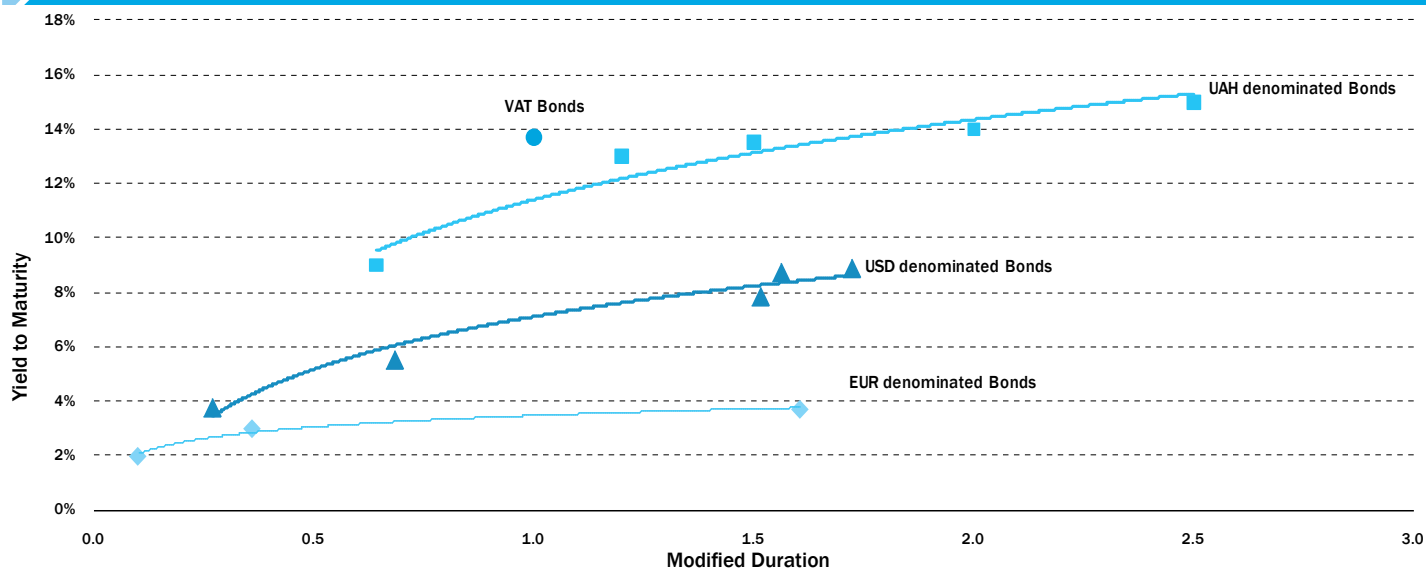




**UKRAINIAN DOMESTIC BONDS**

| 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%     | 8.0%      | n/a               | 10.75% | S/A           | 26 Mar 2014   | 187           |
| UA4000141592                 |             |             | 15.0%     | 13.0%     | n/a               | 14.30% | S/A           | 20 May 2015   | 31            |
| UA4000142665                 |             |             | 19.0%     | 17.0%     | n/a               | 14.30% | S/A           | 24 May 2017   | 184           |
| <b>USD denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000140362                 | n/a         | n/a         | 8.3%      | 8.0%      | n/a               | 9.20%  | S/A           | 21 May 2014   | 171           |
| UA4000142699                 | n/a         | n/a         | 9.4%      | 8.4%      | n/a               | 9.45%  | S/A           | 22 Apr 2015   | 312           |
| UA4000141071                 | n/a         | n/a         | 9.6%      | 8.5%      | n/a               | 9.45%  | S/A           | 27 May 2015   | 152           |
| UA4000142673                 | n/a         | n/a         | 9.6%      | 8.5%      | n/a               | 4.50%  | S/A           | 17 Jun 2015   | 175           |
| <b>EUR denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000142681                 | n/a         | n/a         | 5.4%      | 5.3%      | n/a               | 4.80%  | S/A           | 6 May 2015    | 40            |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| UA4000082531                 |             |             | 18.0%     | 14.0%     | n/a               | 5.50%  | S/A           | 21 Aug 2015   | 141           |
| UA4000082622                 |             |             | 18.0%     | 14.0%     | n/a               | 5.50%  | S/A           | 24 Aug 2015   | 571           |
| UA4000083059                 |             |             | 18.0%     | 14.0%     | n/a               | 5.50%  | S/A           | 25 Aug 2015   | 415           |

Source: Bloomberg, Cbonds, Eavex Research

**DOMESTIC BONDS YIELD CURVE**


Source: Bloomberg, Cbonds, Eavex Research

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