

**Market Update**

**Equity**

Ukrainian stocks demonstrated considerable volatility on Wednesday (Mar 5), ending the trading session with mixed results. The strengthening hryvnia, which closed at 9.35 against US dollar compared to 10.20 three days ago, helped to provide some confidence to market players amid the ongoing geopolitical standoff over Crimea. The UX index rose by 0.7%, finishing at 1,090 points. The electricity generation sector was the main locomotive for the index's growth, with CentrEnergo (CEEN UK) and DonbasEnergo (DOEN UK) advancing by 3.0% and 5.0% respectively. A notable rise was also seen in UkrNafta (UNAF UK), which added 4.6%. Meanwhile the steel sector was weak, as Avdyivka Coke (AVDK UK) and Yenakievo Steel (ENMZ UK) fell by 1.1% and 1.9% respectively. Among London-traded Ukrainian names, Avangard (AVGR LI) rose by 3.5% and MHP (MHPC LI) climbed 1.5%. In Warsaw, second-tier issue Agrotan (AGT PW) shot up by almost 20% to reach the PLN 5 level.

**Fixed Income**

Ukraine's benchmark sovereign Eurobonds were little-changed on Wednesday. Ukraine-23s edged up by 0.2p.p. to close at 87.0/89.0 (9.7%/9.3%), while Ukraine-17s inched down by 0.1p.p. to 87.9/89.6 (11.1%/10.4%). By contrast, the country's top corporate debt issues were quite volatile. MHP-15s declined by 3.2p.p. to 93.5/95.0 (19.2%/17.3%) while DTEK-15s improved by 2.1p.p. to 75.2/77.3 (16.5%/15.6%).

| Volume Leaders | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------|--------|-----------|-------|----------------|------------------|
| Ukrnafta       | UNAF   | 206.40    | 4.6%  | 4.6            | 166              |
| Motor Sich     | MSICH  | 1905.00   | -1.2% | 2.7            | 87               |
| Centrenergo    | CEEN   | 5.536     | 3.0%  | 2.6            | 216              |

**Growth Leaders**

|              |      |        |       |      |     |
|--------------|------|--------|-------|------|-----|
| Ukrtelecom   | UTLM | 0.15   | 10.2% | 0.30 | 24  |
| Donbasenergo | DOEN | 42.49  | 5.0%  | 0.79 | 169 |
| Ukrnafta     | UNAF | 206.40 | 4.6%  | 4.61 | 166 |

**Loss Leaders**

|                 |       |          |       |       |    |
|-----------------|-------|----------|-------|-------|----|
| Yenakievo Steel | ENMZ  | 36.90    | -1.9% | 0.764 | 29 |
| Ukrsotsbank     | USCB  | 0.18     | -1.4% | 0.013 | 7  |
| Motor Sich      | MSICH | 1,905.00 | -1.2% | 2.665 | 87 |

**Highlights**

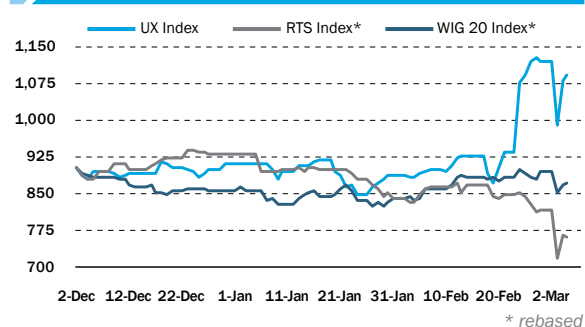
**POLITICS AND ECONOMICS**

- > US-Russia Talks in Paris Fruitless; UN Envoy Forced Out of Crimea

**STOCKS IN THE NEWS**

- > Azovstal Posts Worst Quarterly Bottom Line in its History
- > Khartsysk Pipe FY13 Net Profit Slumps 7x YoY to UAH 38mn
- > Ovostar Reports In-Line Unaudited FY13 Financials

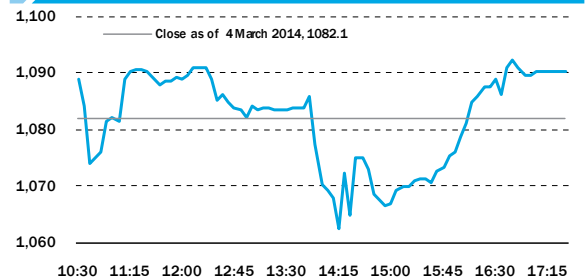
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

|         | Last   | 1D ch | 1M ch | YTD    |
|---------|--------|-------|-------|--------|
| UX      | 1090.2 | 0.7%  | 22.5% | 19.8%  |
| RTS     | 1182.1 | -0.2% | -9.1% | -18.1% |
| WIG20   | 2445.4 | 0.1%  | 3.8%  | 1.9%   |
| MSCI EM | 959.2  | 0.3%  | 2.4%  | -4.3%  |
| S&P 500 | 1873.8 | 0.0%  | 5.1%  | 1.8%   |

**UX INTRADAY MARCH 5, 2014**



**FIXED INCOME**

|                 | Last   | 1D ch    | 1M ch     | YTD       |
|-----------------|--------|----------|-----------|-----------|
| EMBI+Global     | 340.6  | -0.4%    | -12.6%    | 3.0%      |
| CDS 5Y UKR      | 1060.1 | -10.4%   | 0.7%      | 29.2%     |
| Ukraine-17      | 10.5%  | 0.0 p.p. | -0.4 p.p. | 1.5 p.p.  |
| Naftogaz Ukr-14 | 29.2%  | 1.4 p.p. | 11.0 p.p. | 20.4 p.p. |
| Ukraine-23      | 9.5%   | 0.0 p.p. | -0.4 p.p. | 2.0 p.p.  |
| Privatbank-16   | 31.9%  | 0.6 p.p. | 10.9 p.p. | 7.3 p.p.  |

**CURRENCY**

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 9.35      | 2.7%  | 8.5%  | 13.5% |
| EUR | 12.84     | 2.7%  | 10.5% | 12.9% |
| RUB | 0.26      | 2.7%  | 5.8%  | 3.3%  |

**COMMODITIES**

|               | Last   | 1D ch | 1M ch | YTD   |
|---------------|--------|-------|-------|-------|
| Wheat, USD/t* | 278.0  | 0.0%  | 4.7%  | -3.3% |
| Steel, USD/t  | 527.5  | 0.0%  | -2.8% | -1.9% |
| Oil, USD/bbl  | 107.8  | -1.4% | 1.8%  | -3.1% |
| Gold, USD/oz  | 1336.9 | 0.2%  | 7.4%  | 11.7% |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## US-Russia Talks in Paris Fruitless; UN Envoy Forced Out of Crimea

by Will Ritter  
w.ritter@eavex.com.ua

### NEWS

High-level talks between the US and Russian foreign ministers held in Paris yesterday (Mar 5) yielded no immediate breakthrough on ending the pro-Russian military occupation of Crimea, although the sides agreed to continue discussions later this week. Russian Foreign Minister Sergey Lavrov refused to meet directly with new Ukrainian Foreign Minister Andriy Deschtyisia on the grounds that Russia does not recognize the new government in Kyiv. Meanwhile, in Crimea, UN mediation envoy Robert Serry was physically threatened by a band of pro-Russian protestors in Simferopol and decided to cut short his visit. In Donetsk, pro-Russian demonstrators took over the provincial administration building in the evening, although a large pro-Ukrainian counter-demonstration was also reported.

### COMMENTARY

The latest events regarding Crimea indicate to us a hardening of positions on both sides, which could lead to an extended period of heightened tensions. Russia continues to create “facts on the ground” which indicate that its takeover of Crimea is likely a permanent phenomenon, and we believe that the U.S., EU, and - most of all - Ukraine’s central authorities in Kyiv will sooner or later have to reconcile themselves to this emerging reality, given that a Crimean secession referendum set for Mar 30 will probably pass comfortably. Far more important than Crimea is the ongoing unrest in the major southeastern Ukrainian cities, especially Kharkiv and Donetsk. Here, the situation looks more encouraging, with top Donetsk oligarch Rinat Akhmetov having come out strongly in favor of keeping the region as part of Ukraine; unlike in Crimea, there appears to be considerable grassroots support in Donetsk for Ukrainian unity, while many of the pro-Russian activists there are reported to have been bussed in from across the Russian border. Finally, we think that the US and EU should not waste the “heavy artillery” of economic sanctions against Moscow on the Crimean issue, but rather keep them in reserve to deter an escalation of Russian aggression in Eastern Ukraine. The Kremlin’s near-hysterical reaction (as well as the sharp slump in Moscow’s financial markets) to the threat of sanctions this week indicates that Russia’s elite strongly fears such steps, and that they might be the West’s most effective tool in protecting Ukraine.

## Azovstal Posts Worst Quarterly Bottom Line in its History

by Ivan Dzvinka  
i.dzvinka@eavex.com.ua

### AZOVSTAL (AZST UK)

Price: UAH 0.74 Market Cap: USD 335mn

|       | P/B  | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|------|-----|-----------|------------|
| 2013E | 0.21 | 0.17 | neg | neg       | 0%         |
| 2014E | 0.22 | 0.16 | neg | 9.1       | 0%         |

### NEWS

Azovstal, Ukraine's second largest steel mill, ended 2013 with a reported net loss of UAH 2.51bn (USD 309mn at the average 2013 exchange rate), the company said in its annual meeting announcement. The reported figure implies a 4Q13 bottom line of negative USD 144mn (vs. losses of USD 93mn in 4Q12 and USD 39mn in 3Q13). Other figures from the company's P&L statement were not disclosed.

### COMMENTARY

Azovstal's 4Q bottom line turned out to be the worst reported result in the steel mill's history. As historically has been the case for the company, we attribute the ugly result to opaque financial reporting techniques. With the company's financials being a poor indicator of its fundamentals, we confirm our SELL recommendation for the AZST stock.

## Khartsysk Pipe FY13 Net Profit Slumps 7x YoY to UAH 38mn

by Dmitry Churin  
d.churin@eavex.com.ua

### KHARTSYSK PIPE (HRTR UK)

Price: UAH 0.60 Market Cap: USD 167mn

|       | EV/S | P/E  | EV/EBITDA | Div. Yield |
|-------|------|------|-----------|------------|
| 2013E | 0.7  | 35.5 | 6.8       | 0%         |
| 2014E | 0.6  | 30.5 | 6.2       | 0%         |

### NEWS

Khartsysk Pipe, Ukraine's monopoly producer of large diameter pipes, posted a net profit of UAH 38.3mn (USD 4.7mn) in FY13 compared to net profit of UAH 273mn in FY12, according to the company's announcement for a general shareholders meeting published yesterday (Mar 5). The company also said that its total assets decreased by 25.3% YoY to UAH 2.38bn (USD 290mn) in the period, mainly due to collection of receivables and redemption of current liabilities.

### COMMENTARY

The announced net profit for Khartsysk was well short of our forecast of UAH 140mn for FY13, since the company had a net loss of UAH 63mn in 4Q13. We consider the probability that Khartsysk Pipe will pay a substantial dividend as low. In case majority owner Metinvest decides to distribute FY13 net profit, the dividend per share will amount to UAH 0.015, implying a yield of 2.5%. However, there is also a theoretical chance that the company will distribute its profit from last year, in which case the dividend per share will amount to UAH 0.16, implying a hefty yield of 26%. The company previously paid out 100% of its profits during 2006-2011, but did not pay any dividend for 2012. Khartsysk's shareholder meeting is scheduled for Apr 8.

## Ovostar Reports In-Line Unaudited FY13 Financials

by Ivan Dzvinka  
i.dzvinka@eavex.com.ua

### OVOSTAR UNION (OVO PW)

Price: PLN 65.8 Market Cap: USD 129mn

|       | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|------|-----|-----------|------------|
| 2013E | 1.7  | 4.2 | 3.8       | 0%         |
| 2014E | 1.5  | 3.8 | 3.5       | 0%         |

### NEWS

Ovostar, Ukraine's third-largest egg producer, disclosed its unaudited financial results for FY13 as well as its operating forecasts for 2014 in a Wednesday (Mar 5) presentation. According to the release, the company's top line increased by 35% YoY to USD 82mn. EBITDA improved by 30% YoY to USD 36mn and net profit rose by 29% YoY to USD 31mn.

Ovostar's total debt as of end 2013 stood at USD 14.5mn and its cash amounted to USD 8.6mn, translating into a net debt figure of USD 5.9mn. The Net Debt/EBITDA is a small 0.2x.

For FY14, the company intends to increase its laying hen capacity to 5.8-6.4mn heads from 5.4mn as of 2013 year-end. Egg output is expected at 1.1-1.2bn, up from 890mn in 2013. Dry and liquid egg product output volumes are planned in the range of 1,500-1,700 tonnes and 7,500-8,500 respectively, compared to 1,370 tonnes and 6.855 tonnes respectively in FY13.

### OVOSTAR FINANCIALS, USD MN

| USD mn        | 2012 | 2013 Unaudited | 2013E Evx | Unaudited/2012 | Evx/Unaudited |
|---------------|------|----------------|-----------|----------------|---------------|
| Net Revenue   | 60.3 | 81.6           | 81.9      | 35%            | 0%            |
| EBITDA        | 27.3 | 35.5           | 36.0      | 30%            | 1%            |
| EBITDA margin | 45%  | 44%            | 44%       | -2pp           | Opp           |
| Net Income    | 24.0 | 30.9           | 30.8      | 29%            | 0%            |
| Net margin    | 40%  | 38%            | 38%       | -2pp           | Opp           |

Source: Company data, Eavex Research

### COMMENTARY

Ovostar's non-audited top and bottom lines as well as its EBITDA for FY13 are exactly in line with our expectations. We see the improved YoY 2013 financials, which were based on production capacity expansion, as positive for the company's stock. Ovostar also has low leverage, and the stock offers a 2013E EV/EBITDA of 3.8x, with the share price having fallen by a third since the release of our latest report in November from a peak of PLN 100/share. On balance, it remains to be seen whether management's rather ambitious egg production expansion target for 2014 of up to 34% YoY will be realized, given Ovostar's past history of failing to meet its commitments. Also, the recent depreciation of the Ukrainian currency by some 20% bodes poorly for the company's earnings this year providing significant downside risk for our FY14 financial projections for the company. More than 90% of Ovostar's revenue comes from domestic sales, while around 90% of its production cost is linked to the USD rate. An additional adverse point (for 1Q14) was a drop in egg prices that occurred in January (prices have since partly recovered). According to UkrStat, egg prices in Ukraine dropped by 10% YoY and 8% MoM in January to UAH 0.59 (ex-VAT).

## EAVEX RECOMMENDATIONS

| Name                         | Ticker  | Price, per share | Target price, per share | Upside, % | Rating | Commentary  |
|------------------------------|---------|------------------|-------------------------|-----------|--------|---|
| <b>Steel&amp;Pipes</b>       |         |                  |                         |           |        |   |
| Azovstal                     | AZST    | 0.74             | 0.56                    | -24%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.  |
| <b>Iron Ore</b>              |         |                  |                         |           |        |   |
| Ferrexpo                     | FXPO LN | 146.7            | 218.0                   | 49%       | 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    | 9.80             | U/R                     | na        | U/R    | On its EGM on 14 Feb 2014, SGOK's shareholders approved additional issue of 14.75mn of new shares implying 0.64% of the company's share capital.  |
| Centralny GOK                | CGOK    | 8.99             | U/R                     | na        | U/R    | On its EGM on 19 Feb 2014, CGOK's shareholders made a decision on additional issue of 14.73mn of new shares implying 1.26% of the company's share capital.  |
| <b>Coke</b>                  |         |                  |                         |           |        |   |
| Avdyivka Coke                | AVDK    | 3.04             | 6.2                     | 105%      | BUY    | AVDK's order book is secure thanks to its integration with Metinvest, Ukraine's largest M&M holding.  |
| Yasynivsky Coke              | YASK    | 0.70             | 3.4                     | 391%      | 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   | 0.60             | 2.9                     | 391%      | 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    | 22.0             | U/R                     | --        | U/R    |   |
| LuganskTeplovoz              | LTPL    | 1.33             | 5.2                     | 293%      | 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   | 1905             | 5250                    | 176%      | 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     | 12.0             | 42.0                    | 250%      | BUY    | We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.  |
| JKX Oil & Gas                | JKX     | 57.0             | 370                     | 549%      | 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    | 42.5             | 72.0                    | 69%       | 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    | 5.54             | 15.00                   | 171%      | 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    | 14.0             | 22.10                   | 58%       | 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     | 46.5             | 90.0                    | 94%       | BUY    | Astarta's business leans on three pillars: sugar beet cultivation/processing, grain cultivation, and cattle farming. With sugar prices depressed since 2011, a favorable market for grain should continue to drive the company's profitability.   |
| AvangardCo                   | AVGR    | 8.9              | 19.35                   | 119%      | 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     | 65.8             | 109.50                  | 67%       | HOLD   | 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     | 1090.16        | 1153.01          | 781.22          | 0.7%                 | -2.7%  | 22.5%  | 19.8%  | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.040          | 0.06             | 0.02            | -1.5%                | -4.7%  | 12.3%  | 3.9%   | -2.2%                                | -2.0%  | -10.3% | -15.9% |
| Azovstal                     | AZST   | 0.74           | 0.90             | 0.31            | -0.3%                | -10.2% | 23.7%  | 9.9%   | -1.0%                                | -7.5%  | 1.2%   | -9.9%  |
| Dniprospezstal               | DNSS   | n/a            | n/a              | n/a             | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| Enakievo Steel               | ENMZ   | 36.9           | 52.0             | 20.0            | -2.0%                | -5.9%  | 16.8%  | 15.3%  | -2.7%                                | -3.2%  | -5.8%  | -4.5%  |
| 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   | 0.17           | 0.20             | 0.05            | 0.0%                 | -5.6%  | 30.8%  | 70.0%  | -0.7%                                | -2.8%  | 8.2%   | 50.2%  |
| <b>Coke</b>                  |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Avdyivka Coke                | AVDK   | 3.04           | 4.80             | 1.60            | -1.1%                | -5.8%  | 10.9%  | 2.8%   | -1.9%                                | -3.0%  | -11.6% | -17.0% |
| Yasynivsky Coking            | YASK   | 0.70           | 0.84             | 0.49            | 0.0%                 | -5.4%  | 20.7%  | 32.1%  | -0.7%                                | -2.7%  | -1.8%  | 12.3%  |
| <b>Iron Ore Mining</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 8.99           | n/a              | n/a             | 0.0%                 | 16.0%  | 28.4%  | 38.3%  | -0.7%                                | 18.7%  | 5.9%   | 18.5%  |
| Ferrexpo                     | FXPO   | 2.45           | 3.28             | 2.02            | -0.7%                | -11.8% | -1.9%  | -22.2% | -1.4%                                | -9.1%  | -24.4% | -42.0% |
| Pivnichny GOK                | SGOK   | 9.80           | 10.00            | 5.77            | 0.0%                 | 2.6%   | 22.5%  | 22.5%  | -0.7%                                | 5.3%   | 0.0%   | 2.7%   |
| <b>Coal Mining</b>           |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.60           | 0.70             | 0.10            | 0.0%                 | 33.3%  | 66.7%  | 50.0%  | -0.7%                                | 36.1%  | 44.1%  | 30.2%  |
| Komsomolets Donbasa          | SHKD   | 0.79           | n/a              | n/a             | 5.3%                 | 8.2%   | 83.7%  | 27.4%  | 4.6%                                 | 10.9%  | 61.2%  | 7.6%   |
| Energy Coal                  | CLE    | 0.53           | 3.21             | 0.31            | -1.9%                | -7.3%  | 47.6%  | 50.3%  | -2.6%                                | -4.5%  | 25.0%  | 30.5%  |
| <b>Mining Machinery</b>      |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Svitlo Shakhtara             | HMBZ   | n/a            | n/a              | n/a             | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| <b>Pipe Manufacturing</b>    |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.60           | 0.81             | 0.30            | 0.0%                 | -3.2%  | 20.0%  | 0.0%   | -0.7%                                | -0.5%  | -2.5%  | -19.8% |
| Interpipe NMPP               | NVTR   | 0.26           | n/a              | n/a             | 0.0%                 | -7.1%  | 23.8%  | 23.8%  | -0.7%                                | -4.4%  | 1.3%   | 4.0%   |
| <b>Railcar Manufacturing</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 22.0           | 29.0             | 12.0            | 0.0%                 | -5.9%  | 25.7%  | 27.2%  | -0.7%                                | -3.2%  | 3.2%   | 7.4%   |
| Luhanskeplovoz               | LTPL   | 1.33           | 2.20             | 1.20            | -14.2%               | -14.2% | -12.5% | -11.3% | -14.9%                               | -11.5% | -35.0% | -31.1% |
| Stakhanov Wagon              | SVGZ   | 1.25           | n/a              | n/a             | 0.0%                 | -2.3%  | -1.6%  | -3.8%  | -0.7%                                | 0.4%   | -24.1% | -23.6% |
| <b>Specialized Machinery</b> |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Bogdan Motors                | LUAZ   | 0.03           | 0.08             | 0.02            | 5.3%                 | -15.3% | 23.1%  | 20.8%  | 4.5%                                 | -12.6% | 0.5%   | 1.0%   |
| Motor Sich                   | MSICH  | 1,905          | 2,612            | 1,303           | -1.2%                | -8.2%  | 10.1%  | 4.4%   | -1.9%                                | -5.5%  | -12.4% | -15.4% |
| Summy Frunze Engineering     | SMASH  | 3.49           | n/a              | n/a             | 0.0%                 | 4.8%   | 39.6%  | 39.6%  | -0.7%                                | 7.5%   | 17.1%  | 19.8%  |
| Turboatom                    | TATM   | 4.00           | n/a              | n/a             | 0.0%                 | 1.3%   | 122.2% | 14.3%  | -0.7%                                | 4.0%   | 99.7%  | -5.5%  |
| WESTA ISIC                   | WES    | 0.20           | 0.26             | 0.13            | 1.6%                 | -10.0% | 34.1%  | 50.4%  | 0.9%                                 | -7.3%  | 11.5%  | 30.7%  |
| <b>Telecom</b>               |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.15           | 0.17             | 0.09            | 10.2%                | 7.6%   | 4.5%   | 32.3%  | 9.5%                                 | 10.3%  | -18.1% | 12.5%  |
| <b>Oil &amp; Gas</b>         |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 0.20           | 0.45             | 0.18            | 0.4%                 | 4.9%   | -4.3%  | -4.6%  | -0.4%                                | 7.7%   | -26.9% | -24.4% |
| JKX Oil                      | JKX    | 0.95           | 1.21             | 0.75            | 0.8%                 | -7.9%  | -19.0% | -19.5% | 0.1%                                 | -5.2%  | -41.5% | -39.3% |
| Ukrnafta                     | UNAF   | 206            | 208              | 96              | 4.6%                 | 8.1%   | 63.2%  | 90.1%  | 3.8%                                 | 10.8%  | 40.6%  | 70.3%  |
| <b>Power Utilities</b>       |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Centrenerg                   | CEEN   | 5.54           | 7.40             | 2.50            | 3.1%                 | 0.7%   | 24.7%  | 16.1%  | 2.3%                                 | 3.4%   | 2.1%   | -3.7%  |
| Donbasenergo                 | DOEN   | 42.5           | 43.0             | 15.4            | 4.9%                 | 3.1%   | 31.5%  | 54.0%  | 4.2%                                 | 5.8%   | 9.0%   | 34.2%  |
| Zakhidenergo                 | ZAEN   | 120.4          | 134.0            | 64.0            | -1.7%                | -3.1%  | 1.2%   | 33.2%  | -2.5%                                | -0.4%  | -21.4% | 13.4%  |
| <b>Consumer</b>              |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 1.66           | 3.5              | 0.36            | 19.0%                | 8.0%   | 110.8% | 156.0% | 18.3%                                | 10.7%  | 88.2%  | 136.2% |
| Astarta                      | AST    | 15.3           | 24.4             | 14.5            | -3.1%                | -17.5% | -27.4% | -31.4% | -3.9%                                | -14.7% | -50.0% | -51.2% |
| Avangardo                    | AVGR   | 8.9            | 13.0             | 7.61            | 3.5%                 | -15.7% | -23.4% | -24.7% | 2.8%                                 | -13.0% | -45.9% | -44.5% |
| Industrial Milk Company      | IMC    | 3.04           | 5.14             | 2.57            | 0.4%                 | -1.3%  | -4.9%  | -24.9% | -0.3%                                | 1.4%   | -27.5% | -44.7% |
| Kernel                       | KER    | 8.5            | 19.6             | 8.3             | -6.7%                | -24.9% | -29.5% | -32.6% | -7.4%                                | -22.2% | -52.0% | -52.4% |
| Mriya Agro Holding           | MAYA   | 6.96           | 8.2              | 5.36            | 2.4%                 | -15.2% | -0.9%  | -6.6%  | 1.7%                                 | -12.5% | -23.5% | -26.4% |
| MHPC                         | MHPC   | 14.0           | 19.9             | 12.01           | 1.4%                 | -9.0%  | -7.3%  | -17.7% | 0.7%                                 | -6.3%  | -29.8% | -37.5% |
| Milkiland                    | MLK    | 2.95           | 4.9              | 2.77            | -0.4%                | -13.2% | -5.1%  | -29.0% | -1.1%                                | -10.5% | -27.7% | -48.8% |
| Ovostar Union                | OVO    | 21.6           | 33.3             | 19.4            | -0.4%                | -4.5%  | -16.4% | -35.1% | -1.1%                                | -1.7%  | -38.9% | -54.9% |
| Sintal                       | SNPS   | n/a            | -                | -               | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| MCB Agricole                 | 4GW1   | n/a            | -                | -               | n/a                  | n/a    | n/a    | n/a    | n/a                                  | n/a    | n/a    | n/a    |
| <b>Chemicals</b>             |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Stirol                       | STIR   | 14.5           | n/a              | n/a             | 0.0%                 | -6.7%  | 10.3%  | 15.6%  | -0.7%                                | -4.0%  | -12.2% | -4.2%  |
| <b>Banks</b>                 |        |                |                  |                 |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.156          | 0.163            | 0.077           | -0.7%                | 3.6%   | 37.0%  | 37.6%  | -1.4%                                | 6.3%   | 14.5%  | 17.8%  |
| UkrSotsbank                  | USCB   | 0.185          | 0.257            | 0.111           | -1.4%                | -8.6%  | -0.2%  | -1.5%  | -2.2%                                | -5.8%  | -22.8% | -21.3% |

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 |       |       |
|------------------------------|--------|--------------|-------|-------|--------------|-------|-------|---------------|-------|-------|------------|-------|-------|-------------------|-------|-------|
|                              |        | 2012         | 2013E | 2014E | 2012         | 2013E | 2014E | 2012          | 2013E | 2014E | 2012       | 2013E | 2014E | 2012              | 2013E | 2014E |
| <b>Steel</b>                 |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Alchevsk Steel               | ALMK   | 1,783        | 1,729 | 1,730 | -5           | -62   | -14   | neg           | neg   | neg   | -127       | -173  | -35   | neg               | neg   | neg   |
| Enakievo Steel               | ENMZ   | 1,578        | 1,531 | 1,561 | -84          | 22    | 33    | neg           | 1.5%  | 2.1%  | 9          | -185  | -29   | 0.5%              | neg   | neg   |
| Azovstal                     | AZST   | 2,814        | 1,926 | 1,976 | -181         | -31   | 35    | neg           | neg   | 1.8%  | -333       | -308  | -24   | neg               | neg   | neg   |
| <b>Coke</b>                  |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Avdyivka Coke                | AVDK   | 1,090        | 914   | 784   | -112         | 47    | 29    | neg           | 5.1%  | 3.8%  | -137       | -6    | -24   | neg               | neg   | neg   |
| Yasynivsky Coking            | YASK   | 432          | 367   | 333   | 27           | 29    | 19    | 6.4%          | 7.8%  | 5.7%  | 8          | 11    | 5     | 1.9%              | 3.1%  | 1.4%  |
| <b>Iron Ore Mining</b>       |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Centralny GOK                | CGOK   | 610          | 679   | 634   | 232          | 312   | 279   | 38.0%         | 46.0% | 44.1% | 95         | 194   | 163   | 15.6%             | 28.6% | 25.7% |
| Pivnichny GOK                | SGOK   | 1,416        | 1,630 | 1,506 | 750          | 914   | 816   | 53.0%         | 56.1% | 54.2% | 436        | 548   | 460   | 30.8%             | 33.7% | 30.5% |
| Ferrexpo                     | FXPO   | 1,424        | 1,545 | 1,623 | 402          | 433   | 449   | 28.2%         | 28.0% | 27.7% | 216        | 240   | 248   | 15.1%             | 15.5% | 15.3% |
| <b>Coal Mining</b>           |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Komsomolets Donbasa          | SHKD   | 273          | 220   | 234   | 125          | 92    | 94    | 45.9%         | 41.8% | 40.1% | 7          | 17    | 17    | 2.6%              | 7.6%  | 7.3%  |
| Coal Energy                  | CLE    | 165          | 126   | 101   | 63           | 21    | 9     | 38.0%         | 16.8% | 8.9%  | 38         | -17   | -24   | 23.2%             | neg   | neg   |
| <b>Pipe Manufacturing</b>    |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Khartsyzk Pipe               | HRTR   | 480          | 310   | 361   | 52           | 31    | 34    | 10.8%         | 10.1% | 9.5%  | 34         | 5     | 5     | 7.0%              | 1.5%  | 1.5%  |
| <b>Railcar Manufacturing</b> |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Luhanskteplovoz              | LTPL   | 216          | 329   | 367   | 29           | 36    | 38    | 13.4%         | 10.8% | 10.4% | 5          | 18    | 20    | 2.2%              | 5.4%  | 5.5%  |
| Kryukiv Wagon                | KVBZ   | 891          | 424   | 310   | 135          | 65    | 49    | 15.2%         | 15.3% | 15.9% | 95         | 25    | 18    | 10.7%             | 5.8%  | 5.8%  |
| Stakhanov Wagon              | SVGZ   | 311          | 172   | 150   | 7            | 6     | 5     | 2.3%          | 3.4%  | 3.6%  | 1          | -1    | -1    | 0.2%              | neg   | neg   |
| <b>Specialized Machinery</b> |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Turboatom                    | TATM   | 160          | 236   | 263   | 51           | 91    | 98    | 32.2%         | 38.7% | 37.1% | 38         | 72    | 76    | 23.8%             | 30.4% | 29.0% |
| Motor Sich                   | MSICH  | 979          | 1,000 | 1,116 | 309          | 233   | 258   | 31.6%         | 23.3% | 23.1% | 200        | 169   | 188   | 20.4%             | 16.9% | 16.9% |
| <b>Telecom</b>               |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Ukrtelecom                   | UTLM   | 838          | 749   | 654   | 206          | 215   | 209   | 24.5%         | 28.7% | 31.9% | 45         | 50    | 65    | 5.4%              | 6.6%  | 10.0% |
| <b>Oil &amp; Gas</b>         |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Ukrnafta                     | UNAF   | 1,853        | 2,454 | 2,143 | 319          | 373   | 355   | 17.2%         | 15.2% | 16.5% | 176        | 131   | 121   | 9.5%              | 5.4%  | 5.7%  |
| Regal Petroleum              | RPT    | 51           | 38    | 60    | 21           | 17    | 31    | 42.0%         | 45.0% | 52.0% | 12         | 5     | 13    | 22.7%             | 13.2% | 21.3% |
| JKX Oil                      | JKX    | 203          | 210   | 231   | 136          | 85    | 90    | 67.1%         | 40.5% | 39.0% | -11        | 20    | 24    | neg               | 9.5%  | 10.4% |
| <b>Electric Utilities</b>    |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| Centrenergo                  | CEEN   | 1,119        | 902   | 1,006 | 69           | 62    | 69    | 6.2%          | 6.8%  | 6.8%  | 29         | 43    | 50    | 2.6%              | 4.8%  | 5.0%  |
| Donbasenergo                 | DOEN   | 574          | 656   | 732   | 32           | 72    | 64    | 5.6%          | 11.0% | 8.8%  | 4          | 49    | 43    | 0.7%              | 7.5%  | 5.9%  |
| <b>Consumer</b>              |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
| MHP                          | MHPC   | 1,408        | 1,422 | 1,635 | 468          | 413   | 545   | 33.2%         | 29.0% | 33.3% | 311        | 202   | 269   | 22.1%             | 14.2% | 16.5% |
| Kernel                       | KER    | 2,157        | 2,797 | 2,480 | 322          | 291   | 255   | 14.9%         | 10.4% | 10.3% | 211        | 105   | 77    | 9.8%              | 3.8%  | 3.1%  |
| Astarta                      | AST    | 456          | 505   | 559   | 109          | 81    | 138   | 20.0%         | 13.4% | 20.5% | 58         | 13    | 82    | 10.6%             | 2.2%  | 12.2% |
| Avangardco                   | AVGR   | 629          | 703   | 785   | 280          | 328   | 373   | 44.5%         | 46.6% | 47.5% | 228        | 262   | 300   | 36.3%             | 37.2% | 38.3% |
| Agroton                      | AGT    | 88           | 69    | 76    | 20           | 13    | 12    | 23.2%         | 18.1% | 15.4% | 7          | -2    | -1    | 7.7%              | neg   | neg   |
| <b>Banks</b>                 |        |              |       |       |              |       |       |               |       |       |            |       |       |                   |       |       |
|                              |        | Total Assets |       |       | Total Equity |       |       | Total Income  |       |       | Net Profit |       |       | Return on Equity  |       |       |
| Raiffeisen Bank Aval         | BAVL   | 5,962        | 5,333 | 5,180 | 793          | 888   | 864   | 679           | 723   | 572   | 4          | 90    | 108   | 0.5%              | 10.1% | 12.5% |
| Ukrspatsbank                 | USCB   | 4,854        | 5,283 | 4,949 | 957          | 1,064 | 1,016 | 451           | 360   | 453   | 1          | 1     | 20    | 0.1%              | 0.1%  | 2.0%  |

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 |      |           |
|------------------------------|----------------|------------------------|--------------|------|-------|-------|-----------|-------|-------|----------|-------|-------|-----------|-------|-------|-------|------|-----------|
|                              |                |                        |              | 2012 | 2013E | 2014E | 2012      | 2013E | 2014E | 2012     | 2013E | 2014E | 2012      | 2013E | 2013E |       |      |           |
| <b>Steel</b>                 |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Alchevsk Steel               | ALMK           | 111                    | 3.9%         | 4    | 1,905 | neg   | neg       | neg   | neg   | neg      | neg   | 1.1   | 1.1       | 1.1   | 492   | 459   | 446  | \$/tonne  |
| Yenakievo Steel              | ENMZ           | 42                     | 8.8%         | 4    | 36    | 4.9   | neg       | neg   | neg   | 1.6      | 1.1   | 0.0   | 0.0       | 0.0   | 13    | 12    | 12   | \$/tonne  |
| Azovstal                     | AZST           | 331                    | 3.0%         | 10   | 315   | neg   | neg       | neg   | neg   | neg      | 8.9   | 0.1   | 0.2       | 0.2   | 69    | 70    | 69   | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Avdyivka Coke                | AVDK           | 64                     | 6.8%         | 4    | 61    | neg   | neg       | neg   | neg   | 1.3      | 2.1   | 0.1   | 0.1       | 0.1   | 14    | 16    | 16   | \$/tonne  |
| Yasynivsky Coke              | YASK           | 20                     | 9.0%         | 2    | 21    | 2.4   | 1.8       | 4.4   | 0.8   | 0.7      | 1.1   | 0.0   | 0.1       | 0.1   | 0.8   | 0.7   | 1.1  | \$/tonne  |
| <b>Iron Ore Mining</b>       |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Centralny GOK                | CGOK           | 1,127                  | 0.3%         | 3    | 1,125 | 11.8  | 5.8       | 6.9   | 4.8   | 3.6      | 4.0   | 1.8   | 1.7       | 1.8   |       |       |      |           |
| Pivnichny GOK                | SGOK           | 2,415                  | 0.4%         | 10   | 2,408 | 5.5   | 4.4       | 5.3   | 3.2   | 2.6      | 3.0   | 1.7   | 1.5       | 1.6   |       |       |      |           |
| Ferrexpo                     | FXPO           | 1,445                  | 24.0%        | 347  | 2,011 | 6.7   | 6.0       | 5.8   | 5.0   | 4.6      | 4.5   | 1.4   | 1.3       | 1.2   |       |       |      |           |
| <b>Coal Mining</b>           |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Komsomolets Donbasa          | SHKD           | 28                     | 5.4%         | 2    | 130   | 3.9   | 1.7       | 1.7   | 1.0   | 1.4      | 1.4   | 0.5   | 0.6       | 0.6   | 32    | 31    | 29   | \$/tonne  |
| Coal Energy                  | CLE            | 24                     | 25.0%        | 6    | 134   | 0.6   | neg       | neg   | 2.1   | 6.3      | 14.9  | 0.8   | 1.1       | 1.3   | 2.1   | 6.3   | 14.9 | \$/tonne  |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Khartsyzk Pipe               | HRTR           | 167                    | 2.0%         | 3    | 212   | 4.9   | >30       | >30   | 4.1   | 6.8      | 6.2   | 0.4   | 0.7       | 0.6   | 337   | 559   | 531  | \$/tonne  |
| <b>Railcar Manufacturing</b> |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| LuganskTeplovoz              | LTPL           | 31                     | 24.0%        | 7    | 73    | 6.4   | 1.8       | 1.5   | 2.5   | 2.0      | 1.9   | 0.3   | 0.2       | 0.2   |       |       |      |           |
| Kruiiv Wagon                 | KVBZ           | 270                    | 5.0%         | 13   | 270   | 2.8   | 11.0      | 15.1  | 2.0   | 4.2      | 5.5   | 0.3   | 0.6       | 0.9   |       |       |      |           |
| Stakhanov Wagon              | SVGZ           | 30                     | 8.0%         | 2    | 69    | >30   | neg       | neg   | 9.7   | 11.8     | 12.7  | 0.2   | 0.4       | 0.5   |       |       |      |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Turboatom                    | TATM           | 158                    | 5.8%         | 9    | 90    | 4.1   | 2.2       | 2.1   | 1.7   | 1.0      | 0.9   | 0.6   | 0.4       | 0.3   |       |       |      |           |
| Motor Sich                   | MSICH          | 423                    | 24.0%        | 102  | 438   | 2.1   | 2.5       | 2.2   | 1.4   | 1.9      | 1.7   | 0.4   | 0.4       | 0.4   |       |       |      |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Ukrtelecom                   | UTLM           | 291                    | 7.2%         | 21   | 613   | 6.4   | 5.9       | 4.5   | 3.0   | 2.9      | 2.9   | 0.7   | 0.8       | 0.9   |       |       |      |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Ukrnafta                     | UNAF           | 1,197                  | 3.0%         | 36   | 1,189 | 6.8   | 9.1       | 9.9   | 3.7   | 3.2      | 3.4   | 0.6   | 0.5       | 0.6   | n/a   | n/a   | n/a  | \$/boe    |
| Regal Petroleum              | RPT            | 64                     | 21.6%        | 14   | 36    | 5.6   | 12.8      | 5.0   | 1.7   | 2.1      | 1.2   | 0.7   | 0.9       | 0.6   | n/a   | n/a   | n/a  | \$/boe    |
| JKX Oil & Gas                | JKX            | 164                    | 50.4%        | 82   | 272   | neg   | 8.2       | 6.8   | 2.0   | 3.2      | 3.0   | 1.3   | 1.3       | 1.2   | 50    | 37    | 36   | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| CentrEnergO                  | CEEN           | 219                    | 21.7%        | 47   | 288   | 7.6   | 5.1       | 4.4   | 4.2   | 4.7      | 4.2   | 0.3   | 0.3       | 0.3   | 16    | 20    | 18   | \$/MWh    |
| DonbasEnergO                 | DOEN           | 107                    | 14.2%        | 15   | 178   | 28.1  | 2.2       | 2.5   | 5.6   | 2.5      | 2.8   | 0.3   | 0.3       | 0.2   | 22    | 23    | 22   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| MHP                          | MHPC           | 1,479                  | 34.1%        | 504  | 2,640 | 4.8   | 7.3       | 5.5   | 5.6   | 6.4      | 4.8   | 1.9   | 1.9       | 1.6   |       |       |      |           |
| Kernel                       | KER            | 680                    | 61.8%        | 420  | 1,386 | 3.2   | 6.5       | 8.8   | 4.3   | 4.8      | 5.4   | 0.6   | 0.5       | 0.6   |       |       |      |           |
| Astarta                      | AST            | 382                    | 37.0%        | 141  | 715   | 6.6   | 28.7      | 4.7   | 6.6   | 8.8      | 5.2   | 1.6   | 1.4       | 1.3   |       |       |      |           |
| Avangardco                   | AVGR           | 565                    | 22.5%        | 127  | 765   | 2.5   | 2.2       | 1.9   | 2.7   | 2.3      | 2.0   | 1.2   | 1.1       | 1.0   | 173   | 132   | 124  | \$/mneggs |
| Agroton                      | AGT            | 36                     | 26.2%        | 9    | 85    | 5.3   | neg       | neg   | 4.2   | 6.8      | 7.2   | 1.0   | 1.2       | 1.1   | n/a   | n/a   | n/a  |           |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |       |       |          |       |       |           |       |       |       |      |           |
| Raiffeisen Bank Aval         | BAVL           | 502                    | 3.6%         | 18   |       | >30   | 5.6       | 4.7   | 0.6   | 0.6      | 0.6   | 0.08  | 0.09      | 0.10  |       |       |      |           |
| Ukrsotsbank                  | USCB           | 363                    | 0.7%         | 3    |       | >30   | >30       | 19.4  | 0.5   | 0.3      | 0.4   | 0.08  | 0.07      | 0.08  |       |       |      |           |

Source: Eavex Research

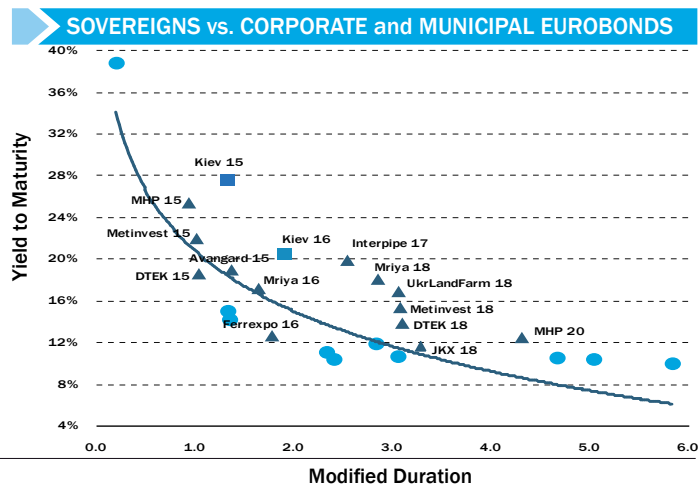
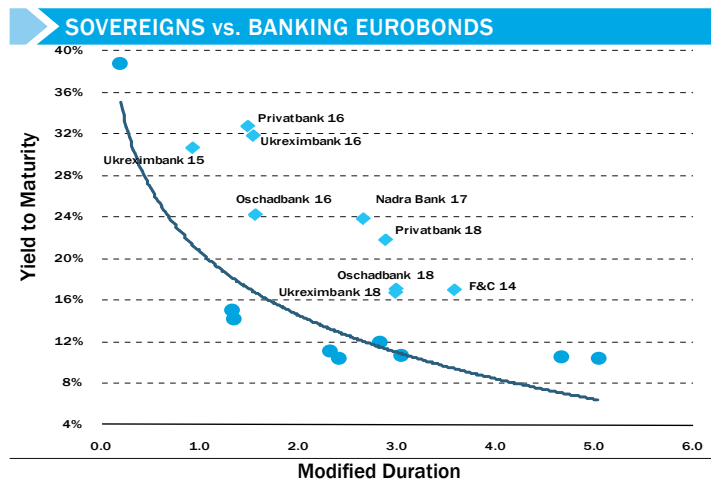


UKRAINIAN EUROBONDS

| 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                | 93.0        | 96.0        | 66.7%     | 37.4%     | -5.5%            | 0.2               | 7.95%  | S/A           | 4 Jun. 2014   | 1,000         | Caa1/CCC/CCC         |
| Naftogaz Ukraine, 2014       | 89.6        | 91.3        | 47.7%     | 40.0%     | -10.0%           | 0.4               | 9.50%  | S/A           | 30 Sept 2014  | 1,595         | //                   |
| Ukraine, 2015 (EUR)          | 83.2        | 90.2        | 19.2%     | 12.7%     | -9.6%            | 1.3               | 4.95%  | A             | 13 Oct 2015   | 600*          | Caa1/CCC/CCC         |
| Ukraine, 2015                | 90.9        | 93.9        | 14.6%     | 12.0%     | -5.4%            | 1.3               | 6.875% | S/A           | 23 Sept 2015  | 500           | Caa1/CCC/CCC         |
| Ukraine, 2016                | 90.3        | 92.3        | 11.1%     | 10.2%     | -2.9%            | 2.3               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | Caa1/CCC/CCC         |
| Ukraine, 2016-2              | 90.1        | 92.1        | 10.7%     | 9.8%      | -3.4%            | 2.4               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | Caa1/CCC/CCC         |
| Ukraine, 2017                | 87.9        | 89.6        | 11.1%     | 10.4%     | -4.3%            | 3.0               | 6.75%  | S/A           | 14 Nov 2017   | 700           | Caa1/CCC/CCC         |
| Ukraine, 2017-2              | 93.1        | 94.1        | 12.1%     | 11.7%     | -5.7%            | 2.8               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | Caa1/CCC/CCC         |
| Ukraine, 2017 Infr. projects | 85.0        | 87.0        | 14.7%     | 13.9%     | 4.1%             | 2.8               | 8.375% | S/A           | 3 Nov 2017    | 568           | Caa1//               |
| Ukraine, 2018 Infr. projects | 84.3        | 86.0        | 13.1%     | 12.4%     | 8.4%             | 3.2               | 7.40%  | S/A           | 20 Apr 2018   | 690           | Caa1//               |
| Ukraine, 2020                | 87.4        | 88.9        | 10.7%     | 10.3%     | -5.3%            | 4.7               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | Caa1/CCC/CCC         |
| Ukraine, 2021                | 88.1        | 90.1        | 10.5%     | 10.0%     | -4.9%            | 5.1               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | Caa1/CCC/CCC         |
| Ukraine, 2022                | 87.4        | 89.4        | 10.0%     | 9.7%      | -3.0%            | 5.8               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | Caa1/CCC/CCC         |
| Ukraine, 2023                | 87.0        | 89.0        | 9.7%      | 9.3%      | -2.7%            | 6.1               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | Caa1/CCC/CCC         |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2014                | 34.9        | 43.8        | 51.7%     | 39.9%     | n/a              | 2.4               | 8.00%  | S/A           | 14 Jul 2019   | 50            | /CCC/RD              |
| MHP, 2015                    | 93.5        | 95.0        | 19.2%     | 18.2%     | -8.9%            | 1.0               | 10.25% | S/A           | 29 Apr 2015   | 235           | Caa1//CCC            |
| MHP, 2020                    | 81.5        | 83.4        | 12.7%     | 12.2%     | -7.8%            | 4.3               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /CCC/CCC             |
| Avangardco, 2015             | 90.0        | 90.0        | 19.0%     | 19.0%     | n/a              | 1.4               | 10.00% | S/A           | 29 Oct 2015   | 200           | //B-                 |
| UkrLandFarming, 2018         | 80.0        | 81.9        | 18.0%     | 17.3%     | -10.3%           | 2.9               | 10.88% | S/A           | 26 Mar 2018   | 275           | /CCC/CCC             |
| Mriya, 2016                  | 90.0        | 93.9        | 18.6%     | 15.8%     | -8.3%            | 1.6               | 10.95% | S/A           | 30 Mar 2016   | 72            | /CCC/CCC             |
| Mriya, 2018                  | 80.1        | 83.0        | 16.3%     | 15.2%     | -6.4%            | 3.1               | 9.45%  | S/A           | 19 Apr 2018   | 400           | /CCC/CCC             |
| DTEK, 2015                   | 86.4        | 88.4        | 27.8%     | 24.9%     | -14.5%           | 0.9               | 9.50%  | S/A           | 28 Apr 2015   | 200           | Caa1//CCC            |
| DTEK, 2018                   | 75.2        | 77.3        | 16.5%     | 15.6%     | -19.1%           | 3.1               | 7.88%  | S/A           | 4 Apr 2018    | 750           | Caa1//CCC            |
| Metinvest, 2015              | 91.1        | 92.3        | 21.4%     | 20.0%     | -10.2%           | 1.0               | 10.25% | S/A           | 20 May 2015   | 500           | Caa1//CCC            |
| Metinvest, 2018              | 85.1        | 88.3        | 14.1%     | 12.9%     | -8.7%            | 3.1               | 8.75%  | S/A           | 14 Feb 2018   | 750           | Caa1//CCC            |
| Ferrexpo, 2016               | 90.0        | 94.0        | 14.4%     | 11.6%     | -6.1%            | 1.8               | 7.875% | S/A           | 07 Apr 2016   | 500           | /CCC/CCC             |
| UZ Rail, 2018                | 72.2        | 76.2        | 19.5%     | 17.8%     | -19.1%           | 3.1               | 9.50%  | S/A           | 21 May 2018   | 500           | /CCC/CCC             |
| Interepipe, 2017             | 75.0        | 82.0        | 21.8%     | 17.7%     | -2.5%            | 2.5               | 10.25% | S/A           | 2 Aug 2017    | 200           | //                   |
| JKX Oil&Gas, 2018            | 98.1        | 100.4       | 11.9%     | 11.2%     | -10.6%           | 3.3               | 8.00%  | S/A           | 19 Feb 2018   | 40            |                      |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2019        | 70.0        | 80.0        | 18.9%     | 15.2%     | -9.6%            | 3.6               | 9.25%  | S/A           | 25 Jan 2019   | 100           | Caa1//               |
| PUMB, 2014                   | 83.0        | 86.0        | n/a       | 50.5%     | -14.2%           | n/a               | 11.00% | Q             | 31 Dec 2014   | 275           | Caa1//               |
| Nadra Bank, 2017             | 79.3        | 85.0        | 27.0%     | 20.8%     | -2.5%            | 2.7               | 8.00%  | A             | 22 Jun 2017   | 175           | //                   |
| PrivatBank, 2015             | 70.0        | 75.0        | 44.3%     | 36.5%     | -18.7%           | 1.1               | 9.38%  | S/A           | 23 Sept 2015  | 200           | Caa1//               |
| PrivatBank, 2016             | 63.1        | 66.0        | 34.9%     | 31.7%     | -8.2%            | 1.5               | 8.75%  | S/A           | 9 Feb 2016    | 150           | Caa1//               |
| PrivatBank, 2018             | 70.0        | 75.0        | 22.7%     | 20.3%     | -13.4%           | 2.9               | 10.88% | S/A           | 28 Feb 2018   | 175           | Caa1//CCC            |
| UkrEximBank, 2015            | 81.0        | 82.0        | 34.0%     | 32.4%     | -15.5%           | 0.9               | 8.38%  | S/A           | 27 Apr 2015   | 750           | Caa1//CCC            |
| UkrEximBank, 2016            | 76.0        | 76.0        | 23.4%     | 23.4%     | -10.9%           | 1.6               | 8.40%  | S/A           | 2 Sept 2016   | 125           | Caa1//CCC            |
| UkrEximBank, 2018            | 75.0        | 78.0        | 18.0%     | 16.7%     | -14.2%           | 3.0               | 8.75%  | S/A           | 22 Jan 2018   | 500           | Caa1//CCC            |
| VAB Bank, 2014               | 70.0        | 78.0        | n/a       | n/a       | -13.5%           | n/a               | 10.50% | Q             | 14 Jun 2014   | 125           | Caa1//WD             |
| Oschadbank, 2016             | 75.0        | 80.0        | 27.6%     | 23.0%     | -16.7%           | 1.5               | 8.25%  | S/A           | 10 Mar 2016   | 700           | Caa1//CCC            |
| Oschadbank, 2018             | 75.0        | 78.0        | 17.9%     | 16.6%     | -14.0%           | 3.0               | 8.88%  | S/A           | 20 Mar 2018   | 500           | Caa1//CCC            |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 75.0        | 80.0        | 30.6%     | 25.3%     | -16.6%           | 1.3               | 8.00%  | S/A           | 6 Nov 2015    | 250           | Caa1/CCC/            |
| City of Kyiv, 2016           | 75.0        | 80.0        | 23.9%     | 20.6%     | -16.7%           | 1.9               | 9.375% | S/A           | 30 Jun 2016   | 300           | Caa1/CCC/            |

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

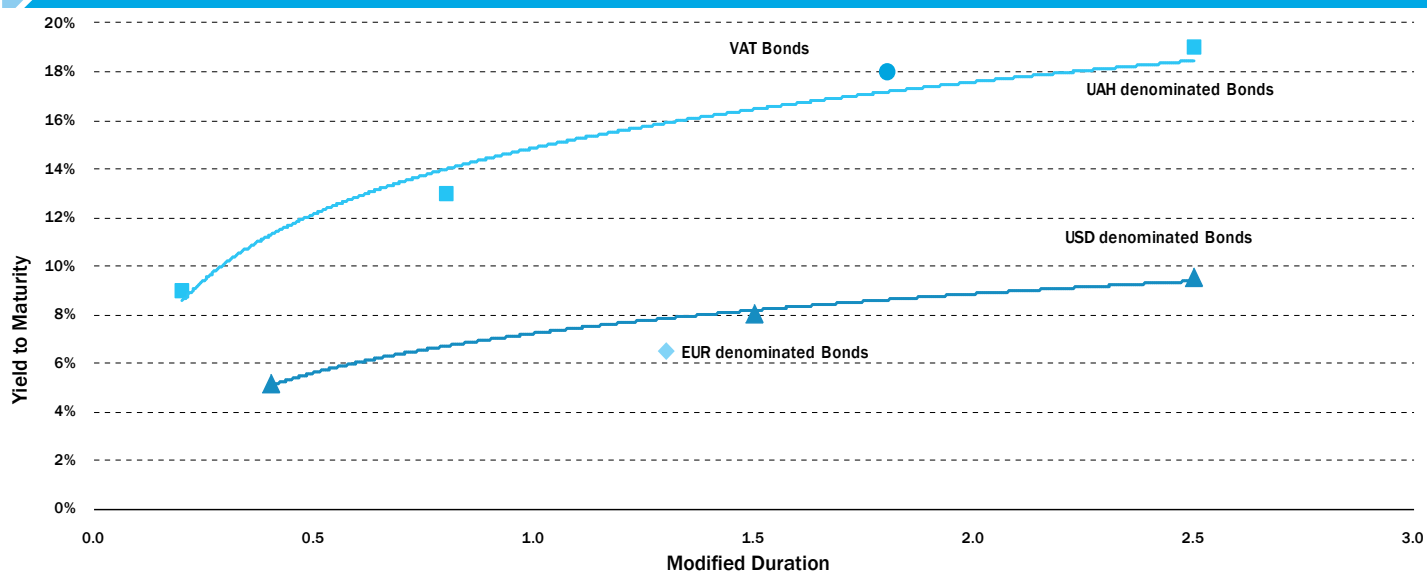
Source: Bloomberg, Cbonds, Eavex Research



**UKRAINIAN DOMESTIC BONDS**

| Issue                        | Price (Bid) | Price (Ask) | YTM (Bid) | YTM (Ask) | Modified Duration | Coupon | Coupon Period | Maturity Date | Volume mn USD |
|------------------------------|-------------|-------------|-----------|-----------|-------------------|--------|---------------|---------------|---------------|
| <b>UAH denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000115117                 |             |             | 9.0%      | 7.5%      | n/a               | 10.75% | S/A           | 26 Mar 2014   | 187           |
| UA4000141592                 |             |             | 13.5%     | 12.0%     | 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         | 5.8%      | 4.5%      | n/a               | 9.20%  | S/A           | 21 May 2014   | 171           |
| UA4000142699                 | n/a         | n/a         | 9.5%      | 6.5%      | n/a               | 9.45%  | S/A           | 22 Apr 2015   | 312           |
| UA4000141071                 | n/a         | n/a         | 9.5%      | 6.5%      | n/a               | 9.45%  | S/A           | 27 May 2015   | 152           |
| UA4000142673                 | n/a         | n/a         | 9.6%      | 7.0%      | n/a               | 4.50%  | S/A           | 17 Jun 2015   | 175           |
| <b>EUR denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000142681                 | n/a         | n/a         | 7.0%      | 5.3%      | n/a               | 4.80%  | S/A           | 6 May 2015    | 40            |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| UA4000082531                 |             |             | 17.5%     | 15.0%     | n/a               | 5.50%  | S/A           | 21 Aug 2015   | 141           |
| UA4000082622                 |             |             | 17.5%     | 15.0%     | n/a               | 5.50%  | S/A           | 24 Aug 2015   | 571           |
| UA4000083059                 |             |             | 17.5%     | 15.0%     | n/a               | 5.50%  | S/A           | 25 Aug 2015   | 415           |

Source: Bloomberg, Cbonds, Eavex Research

**DOMESTIC BONDS YIELD CURVE**


Source: Bloomberg, Cbonds, Eavex Research

## Eavex Capital

Evropa Plaza  
33 Shevchenko Blvd.  
Floor 11  
Kyiv, Ukraine, 01032

Telephone: +38 044 590 5454

Facsimile: +38 044 590 5464

E-mail: office@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko

**Chairman of the Board**

yuriy.yakovenko@eavex.com.ua

### SALES & TRADING

Pavel Korovitskiy

**Managing Director**

**Equity and Fixed Income**

p.korovitsky@eavex.com.ua

Alexander Klymchuk

**Equity & Fixed Income**

a.klymchuk@eavex.com.ua

Eugene Klymchuk

**Fixed Income Sales & Trading**

e.klymchuk@eavex.com.ua

Serhiy Scherbaniuk

**Equity Trading**

s.shcherbaniuk@eavex.com.ua

Nazar Malinyak

**Online Trading**

n.malinyak@eavex.com.ua

### RESEARCH

Dmitry Churin

**Head of Research**

d.churin@eavex.com.ua

Ivan Dzvinka

**Research Associate**

i.dzvinka@eavex.com.ua

Will Ritter

**Research editor**

w.ritter@eavex.com.ua