

**Market Update**

**Equity**

Local Ukrainian stocks rebounded on Friday (Nov 14) due to short covering purchases after the the UX index's Monday-to-Thursday plunge from 1090 to 930 points. The indicator regained 3.0%, finishing at 990 points. UkrNafta (UNAF) jumped by 7.0% to UAH 231 per share, while heavyweights Motor Sich (MSICH) and CentrEnegro (CEEN) advanced by 1.8% and 3.3% respectively. Avdyivka Coke (AVDK) was the only blue chip loser, slipping 0.5% to UAH 1.93. Among second-division stocks, Poltavsky GOK (PGOK) rose by 2.7%, receiving a boost from news that the company's majority owner Ferrexpo won a court case against previous owners. In London, the shoe finally dropped for Avangard (AVGR), which plummeted by 17.7% to an all time low of USD 4.85. Warsaw-listed Ovostar (OVO) was unchanged at PLN 72.5 after the company reported better-than-expected 3Q14 results, and Kernel (KER) edged up 1.0% to PLN 23.40.

**Fixed Income**

Ukrainian sovereigns were largely flat on Friday. Benchmark Ukraine-23s inched up by 0.1p.p. to 76.4/77.9 (12.0%/11.7%). Corporate names were also sluggish, with MHP-20s ending fractionally lower at 85.3/86.1 (12.0%/11.8%). The exception was distressed Mriya-16s, which lost another 8.0p.p. to 14.0/18.0 (275.6%/225.7%) on a rising risk of bankruptcy.

| Volume Leaders | Ticker | Last, UAH | 1D ch | Volume, UAH mn | Number of Trades |
|----------------|--------|-----------|-------|----------------|------------------|
| Ukrnafta       | UNAF   | 231.00    | 7.0%  | 3.8            | 149              |
| Motor Sich     | MSICH  | 2095.00   | 1.8%  | 1.2            | 104              |
| Dniproenergo   | DNEN   | 649.50    | 3.1%  | 0.8            | 15               |

**Growth Leaders**

|                      |      |        |      |      |     |
|----------------------|------|--------|------|------|-----|
| Ukrnafta             | UNAF | 231.00 | 7.0% | 3.85 | 149 |
| Alchevsk Steel       | ALMK | 0.02   | 5.0% | 0.09 | 136 |
| Raiffeisen Bank Aval | BAVL | 0.11   | 4.3% | 0.53 | 84  |

**Loss Leaders**

|                        |      |       |       |       |    |
|------------------------|------|-------|-------|-------|----|
| Mariupol Heavy Machine | MZVM | 0.10  | -1.5% | 0.008 | 7  |
| Avdyivka Coke          | AVDK | 1.93  | -0.5% | 0.067 | 50 |
| Kryukiv Wagon          | KVBZ | 12.19 | 1.2%  | 0.137 | 12 |

**Highlights**

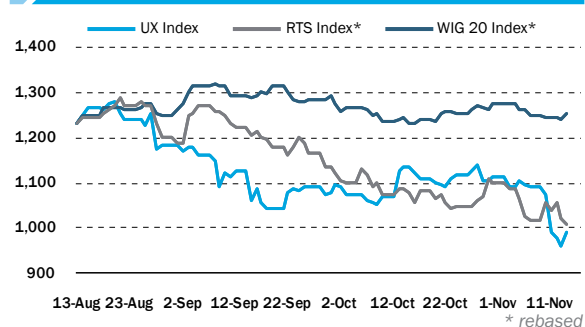
**POLITICS AND ECONOMICS**

- > Coalition Agreement Short On Economic Reform Specifics
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**STOCKS IN THE NEWS**

- > Ovostar's EBITDA Up 19% YoY in 9M14 Despite Deval
- > IMC Improves 9M14 EBITDA, Lowers FY14 Guidance

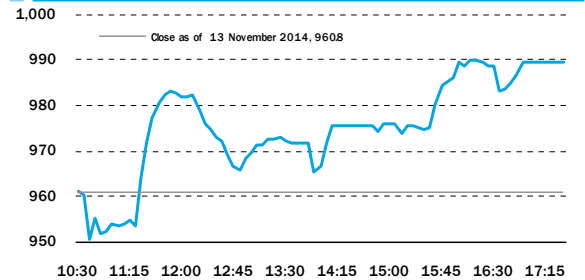
**STOCK MARKET PERFORMANCE**



**MARKET INDEXES**

|         | Last   | 1D ch | 1M ch  | YTD    |
|---------|--------|-------|--------|--------|
| UX      | 989.5  | 3.0%  | -12.9% | 8.7%   |
| RTS     | 1000.4 | -1.2% | -7.0%  | -30.7% |
| WIG20   | 2418.4 | 1.0%  | 0.6%   | 0.7%   |
| MSCI EM | 990.8  | -0.2% | -0.1%  | -1.1%  |
| S&P 500 | 2039.8 | 0.0%  | 8.6%   | 10.8%  |

**UX INTRADAY NOVEMBER 14, 2014**



**FIXED INCOME**

|               | Last   | 1D ch     | 1M ch    | YTD       |
|---------------|--------|-----------|----------|-----------|
| EMBI+Global   | 356.1  | 0.8%      | -1.2%    | 7.7%      |
| CDS 5Y UKR    | 1501.3 | 5.4%      | 10.3%    | 83.0%     |
| Ukraine-17    | 14.5%  | 0.0 p.p.  | 1.0 p.p. | 5.5 p.p.  |
| Ferrexpo-16   | 14.8%  | -0.2 p.p. | 1.9 p.p. | 6.0 p.p.  |
| Ukraine-23    | 11.9%  | 0.0 p.p.  | 0.9 p.p. | 4.4 p.p.  |
| Privatbank-16 | 47.9%  | 0.1 p.p.  | 5.2 p.p. | 27.4 p.p. |

**CURRENCY**

|     | Last, UAH | 1D ch | 1M ch | YTD   |
|-----|-----------|-------|-------|-------|
| USD | 15.53     | 0.0%  | 20.4% | 88.5% |
| EUR | 19.45     | 0.4%  | 19.1% | 71.0% |
| RUB | 0.33      | -1.0% | 4.4%  | 31.1% |

**COMMODITIES**

|               | Last   | 1D ch | 1M ch | YTD    |
|---------------|--------|-------|-------|--------|
| Wheat, USD/t* | 219.4  | 0.0%  | 4.2%  | -23.7% |
| Steel, USD/t  | 487.5  | 0.0%  | -7.6% | -9.3%  |
| Oil, USD/bbl  | 79.4   | 2.5%  | -7.6% | -26.0% |
| Gold, USD/oz  | 1188.8 | 2.3%  | -3.6% | -0.6%  |

\*Ukraine FOB

Source: Bloomberg, Ukrainian Exchange

## Coalition Agreement Short On Economic Reform Specifics

by Will Ritter  
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### NEWS

A draft coalition agreement released on Friday (Nov 14) by the Poroshenko Bloc, which won the most seats in the Oct 26 parliamentary election, is heavy on domestic political hot-button issues but lacks references to some of Ukraine's main economic reform challenges. The agreement calls for the adoption of measures "to return... Crimea and Sevastopol to Ukraine and to resume the work of legitimate authorities on the whole territory of Donetsk and Lugansk provinces." Another clause envisages the cancellation of Ukraine's non-aligned status, which would theoretically open the door to its joining NATO. Electoral reforms would include eliminating the geographic district MP voting and electing all 450 Parliament deputies via open party lists. In the economic field, the emphasis was on reducing bureaucracy for small and medium-sized business, including a proposal to cut the number of taxes from 22 to nine. No mention was made in the agreement to eliminating natural gas subsidies, reforming the energy sector, or to the pension system, which is one the largest single government expenditure categories. The release of coalition text follows Thursday's proposal for ministerial nominations by People's Front leader and presumptive PM Arseniy Yatseniuk; a Poroshenko Bloc representative said the President is unlikely to endorse "80 percent" of those nominations.

### COMMENTARY

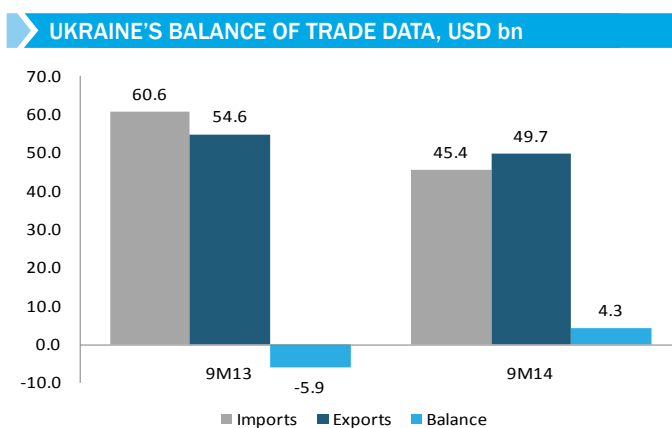
The coalition deal contains the obligatory political window-dressing about returning Crimea and the Donbass to Ukrainian control, as well as the symbolic cancellation of the Yanukovich-era geopolitical neutrality. However, it gives few clues about how the new authorities intend to address the enormous fiscal challenges facing Ukraine in the near term. The latest rumors suggest that the behind-the-scenes wrangling over ministerial appointments could continue for another week, as Yatseniuk's nominees are mostly members his People's Front party as well as its two smaller likely allies, Yulia Tymoshenko's Batkivschyna and Oleg Lyashko's Radical Party. Overall, we see a continuation of the general political structure of the past decade in which two main pro-Ukrainian political groupings - one leaning to the center-right (previously led by Viktor Yuschenko and now by Poroshenko), and the other leaning to the left (previously led by Tymoshenko and now by Yatseniuk) - compete, and occasionally cooperate, with each other. As during the Yuschenko presidency, we suspect that Poroshenko and his party will eventually be tempted to make situational alliances with the rump Party of the Regions (now called the Opposition Bloc) in order to pass certain legislation in Parliament opposed by the left-leaning parties. A question mark for us is what will be the orientation of the new Samopomich Party of Lviv mayor Andriy Sadoviy, as this entity could end up holding the balance of power on contested issues.

**UkrStat: Balance of Trade Surplus Was USD 4.3bn in 9M14**

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**NEWS**

Ukraine's balance of trade surplus was USD 4.3bn in 9M14, compared to a deficit of USD 5.9bn for the same period of 2013, according to data from the State Statistics Committee released on Friday (Nov 14). The country's imports fell by 25.1% YoY to USD 45.4bn in 9M14 while exports decreased by 9.1% YoY to USD 49.7bn in the period. Ukraine's exports to CIS countries dropped by 26.0% YoY to USD 15.2bn while exports to the EU rose by 10.1% YoY to USD 15.9bn. Imports from CIS countries fell by 29.6% YoY to USD 14.8bn and imports from the EU declined by 20.3% YoY to USD 17.7bn in the period.



Source: State Statistics Committee

**COMMENTARY**

We see the balance of trade data for this year as being somewhat distorted by the suspension of natural gas imports from Russia, which would normally have amounted to some USD 2.0bn in the Jun-Sept period. However, the primary reason for the notable decline both in exports and imports is the war in Eastern Ukraine against pro-Russia separatists, which has shrunk the national economy. Although the balance of trade data showed a surplus for 9M14, Ukraine had a balance of payments deficit of USD 4.9bn in the same period, according to data from the NBU. This deterioration in the BoP is attributable to capital flight and the withdrawal of hryvnia deposits from Ukrainian banks. The main positive contribution to Ukraine's balance of trade surplus this year has come from exports of transportation services, including pipeline transportation services in the amount of USD 1.8bn in 9M14. Ukraine's total services trade surplus was USD 4.4bn in the period compared to USD 5.0bn for the same period of 2013.

**Ovostar's EBITDA Up 19% YoY in 9M14 Despite Deval**

by Ivan Dzvinka  
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**NEWS**

Ovostar Union, one of the largest Ukrainian egg producers, reported on Friday (Nov 14) that its EBITDA rose by 19% YoY to USD 21.1mn in 9M14, with the EBITDA margin improving by 6.7p.p. to 39.5%. Net profit rose by 26% YoY to USD 18.8mn, translating into a net margin of 35.3% (+7.7p.p.). Revenue inched down by 1% YoY to USD 53.4mn as devaluation of the Ukrainian currency offset higher sales volume and UAH-denominated pricing. The company's net operating cash flow remained flat YoY at USD 13.0mn. The Net debt/EBITDA ratio remained at a nearly negligible level of 0.18x (0.29x a year earlier).

In the third quarter alone, Ovostar's revenue was down 12% YoY to USD 18.5mn. EBITDA declined by 8% YoY to USD 7.6mn and net profit dropped 7% YoY to USD 7.6mn.

**COMMENTARY**

We see the released results as better-than-expected given the current harsh devaluation environment. With some 80%+ sales of Ovostar's sales occurring on the domestic market, the negative effect of devaluation of the hryvnia from 8.00 against the dollar in 3Q13 to 12.50 in 3Q14 was almost exactly offset by higher egg sales volume (+27% YoY) and higher UAH-denominated prices for eggs (+14%) and egg products (+16..49%). The company's 9M14 financials also benefited from lower production costs due to depressed crop prices. Notably, the drop in EBITDA in 3Q14 (-8%) was smaller than the decline in revenue (-12%) and was solely due to a drop in revaluation of biological assets by 57% YoY to USD 1.1mn. If that gain had been the same in 3Q14 as in 3Q13, Ovostar's EBITDA would have increased by 9% YoY. Ovostar's ability to generate sufficient operating cash flow enabled the company to repay USD 2.0mn of its debt over the period, reinforcing its position of negligible leverage.

**IMC Improves 9M14 EBITDA, Lowers FY14 Guidance**

by Ivan Dzvinka  
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**NEWS**

Central Ukraine-based, Warsaw-listed crop grower Industrial Milk Company (IMC) increased its revenue by 35% YoY to USD 98.0mn in 9M14, according to financials released last week. The main contributions to revenue growth came from 80% growth in sales of corn to USD 72.5mn as well as a surge in sunflower seed sales from near zero in 9M13 to USD 8.1mn in 9M14. Some 75% of IMC's sales were exports. A 28% decline in revaluation in biological assets to USD 43.3mn held down the increase in EBITDA to 7%, to USD 55.3mn. Adjusted for the revaluation effect, EBITDA jumped by 4.8x to USD 49.3mn. Also, the company's operating cash flow improved to USD 11.5mn in the reporting period compared to USD -7.6mn last year.

On the bottom line, however, a USD 45.9mn currency translation loss led to an overall loss of USD 14.3mn, vs. net profit of USD 34.7mn in 9M13.

**COMMENTARY**

IMC's financials are highly vulnerable to devaluation, as most of the company's debt is denominated in USD/EUR, and this is why the bottom line result was so poor in spite of the sharp rise in operating earnings. The significant increase in IMC's sales volume on the back of expansion of its business scale allowed it to post growth in EBITDA despite depressed crop prices. Specifically, the realized prices for the company's corn and sunflower were down by 20% and 40%, respectively over 9M14. The poor crop pricing has forced management to revise its financial projections for 2014 to the downside. The company now expects its revenue to increase by 25% YoY vs. 50% growth. Also, EBITDA increase is now foreseen at 10% vs. 2013 (to some USD 54.5mn) compared to the expected 20% rise previously.

## EAVEX RECOMMENDATIONS

| Name                         | Ticker  | Price, per share | Target price, per share | Upside, % | Rating | Commentary   |
|------------------------------|---------|------------------|-------------------------|-----------|--------|--|
| <b>Steel&amp;Pipes</b>       |         |                  |                         |           |        |  |
| Azovstal                     | AZST    | 0.70             | 0.56                    | -20%      | SELL   | Non-transparent reporting practices detrimentally affect Azovstal's reported earnings.   |
| <b>Iron Ore</b>              |         |                  |                         |           |        |  |
| Ferrexpo                     | FXPO LN | 78.9             | 108.0                   | 37%       | HOLD   | Exacerbated issue of global ore oversupply together with sluggish growth in demand will likely keep iron ore prices at depressed level at least in the short run boding bad for Ferrexpo's earnings.   |
| Pivnichny GOK                | SGOK    | 8.14             | U/R                     | -         | 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    | 7.30             | U/R                     | -         | 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    | 1.93             | U/R                     | -         | Susp.  | Avdyivka Coke experienced several artillery attacks since August 2014 due to its location near the border of occupied territory.   |
| Yasynivsky Coke              | YASK    | 0.36             | U/R                     | -         | U/R    | Yasynivsky Coke reported net loss of UAH 22mn for FY13 which was the first negative bottom line since 2004.  |
| <b>Coal</b>                  |         |                  |                         |           |        |  |
| Pokrovske Mine               | SHCHZ   | 0.31             | U/R                     | -         | Susp.  | The company's coal production expansion plan were put under high risk of realization due to war in Donbass.  |
| <b>Railcar Manufacturing</b> |         |                  |                         |           |        |  |
| Krukiv Wagon                 | KVBZ    | 12.2             | U/R                     | -         | U/R    |  |
| LuganskTeplovoz              | LTPL    | 1.08             | U/R                     | -         | U/R    | LuganskTeplovoz was forced to shut down operations amid military conflict in the region.   |
| <b>Specialized Machinery</b> |         |                  |                         |           |        |  |
| Motor Sich                   | MSICH   | 2095             | 5250                    | 151%      | 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     | 6.3              | U/R                     | -         | U/R    | We assume that Regal will be able to produce 5,200 boepd in 2014, generating USD 116mn in sales.   |
| JKX Oil & Gas                | JKX     | 37.5             | U/R                     | -         | U/R    | 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    | 29.8             | 72.0                    | 142%      | BUY    | DonbasEnergO is expected to continue practice of 30% dividend payout in a medium term.   |
| CenterEnergO                 | CEEN    | 7.24             | 15.00                   | 107%      | 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    | 11.1             | 15.65                   | 41%       | BUY    | The company is set to reach full capacity utilisation at its greenfield Vinnytsia project in late 2014 on the back of favorable export and domestic markets demand for its poultry.  |
| Astarta                      | AST     | 19.7             | 90.0                    | 356%      | 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    | 4.9              | 8.93                    | 84%       | HOLD   | The company's FY14 results will be hit by the hryvnia devaluation, while next year's likely elimination of the special VAT regime for large agro producers bodes poorly for FY15 earnings.   |
| Ovostar Union                | OVO     | 72.5             | U/R                     | -         | U/R    | Ovostar is one of the hardest-hit Ukrainian public companies from this year's UAH devaluation as some 70% of its production cost is linked to USD while only 15% of revenue earned in hard currency. Capacity expansion project for 2014-16 will likely be delayed, according to the management. |
| <b>Banks</b>                 |         |                  |                         |           |        |  |
| Raiffeisen Bank Aval         | BAVL    | 0.109            | 0.24                    | 120%      | BUY    | We base our valuation on an assumption of the bank's fair value at 0.9x of its book value, the level at which Italian lender Intesa Sanpaolo sold its Ukrainian subsidiary in early 2014.  |

Source: Eavex Research

**PRICES AND QUOTES**

| Name                         | Ticker | Today, UAH* | 52 high, UAH* | 52 low, UAH* | Absolute performance |        |        |        | Performance relative to the UX index |        |        |        |
|------------------------------|--------|-------------|---------------|--------------|----------------------|--------|--------|--------|--------------------------------------|--------|--------|--------|
|                              |        |             |               |              | 1d                   | 1w     | 1m     | ytd    | 1d                                   | 1w     | 1m     | ytd    |
| UX Index                     | UX     | 989.52      | 1368.76       | 821.17       | 3.0%                 | -9.3%  | -12.9% | 8.7%   | 0.0%                                 | 0.0%   | 0.0%   | 0.0%   |
| <b>Steel</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Alchevsk Steel               | ALMK   | 0.019       | 0.05          | 0.01         | 5.0%                 | -16.0% | -26.7% | -51.3% | 2.0%                                 | -6.7%  | -13.9% | -60.0% |
| Azovstal                     | AZST   | 0.70        | 0.95          | 0.35         | 4.2%                 | -8.5%  | -6.4%  | 4.3%   | 1.2%                                 | 0.8%   | 6.4%   | -4.4%  |
| Dniprospezstal               | DNSS   | 175         | n/a           | n/a          | 0.0%                 | 0.0%   | 0.0%   | -86.5% | -3.0%                                | 9.3%   | 12.9%  | -95.3% |
| Enakievo Steel               | ENMZ   | 19.5        | 65.0          | 16.0         | 3.1%                 | -21.5% | -34.1% | -39.2% | 0.1%                                 | -12.2% | -21.2% | -48.0% |
| Arcelor Mittal KR            | KSTL   | 4.00        | n/a           | n/a          | 0.0%                 | 0.0%   | 0.0%   | 247.8% | -3.0%                                | 9.3%   | 12.9%  | 239.1% |
| Mariupol Ilyicha             | MMKI   | 0.20        | n/a           | n/a          | 0.0%                 | -4.8%  | 0.0%   | 100.0% | -3.0%                                | 4.5%   | 12.9%  | 91.3%  |
| <b>Coke</b>                  |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Avdyivka Coke                | AVDK   | 1.93        | 3.70          | 1.46         | -0.5%                | -18.9% | -30.2% | -34.8% | -3.5%                                | -9.6%  | -17.3% | -43.5% |
| Yasnyivsky Coking            | YASK   | 0.36        | 0.84          | 0.30         | 2.9%                 | -16.3% | -18.2% | -32.1% | -0.1%                                | -7.0%  | -5.3%  | -40.8% |
| <b>Iron Ore Mining</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centralny GOK                | CGOK   | 7.30        | n/a           | n/a          | 0.0%                 | 0.7%   | 0.0%   | 12.3%  | -3.0%                                | 10.0%  | 12.9%  | 3.6%   |
| Ferrexpo                     | FXPO   | 78.90       | 191.0         | 77.9         | 1.3%                 | -1.2%  | -15.3% | -58.7% | -1.7%                                | 8.1%   | -2.4%  | -67.4% |
| Pivnichny GOK                | SGOK   | 8.14        | 9.80          | 4.50         | 0.0%                 | 0.5%   | -1.2%  | 1.8%   | -3.0%                                | 9.8%   | 11.7%  | -7.0%  |
| <b>Coal Mining</b>           |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Pokrovske Mine               | SHCHZ  | 0.31        | 0.79          | 0.10         | 0.0%                 | -27.9% | -35.4% | -22.5% | -3.0%                                | -18.6% | -22.5% | -31.2% |
| Komsomolets Donbasa          | SHKD   | 0.35        | n/a           | n/a          | 45.8%                | -61.1% | -57.8% | -43.5% | 42.8%                                | -51.8% | -45.0% | -52.3% |
| Energy Coal                  | CLE    | 0.78        | 2.30          | 0.55         | 0.0%                 | 8.3%   | -15.2% | -25.7% | -3.0%                                | 17.6%  | -2.3%  | -34.4% |
| <b>Mining Machinery</b>      |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Svitlo Shakhtara             | HMBZ   | 0.30        | n/a           | n/a          | 0.0%                 | 0.0%   | 0.0%   | -34.8% | -3.0%                                | 9.3%   | 12.9%  | -43.5% |
| <b>Pipe Manufacturing</b>    |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Khartsyzk Pipe               | HRTR   | 0.44        | 1.01          | 0.32         | 0.0%                 | -21.4% | -12.0% | -26.7% | -3.0%                                | -12.2% | 0.9%   | -35.4% |
| Interpipe NMPP               | NVTR   | 0.39        | n/a           | n/a          | 34.5%                | 8.3%   | 8.3%   | 85.7%  | 31.5%                                | 17.6%  | 21.2%  | 77.0%  |
| <b>Railcar Manufacturing</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Kryukiv Wagon                | KVBZ   | 12.2        | 25.0          | 10.0         | 1.2%                 | -8.7%  | -18.6% | -29.5% | -1.8%                                | 0.6%   | -5.8%  | -38.3% |
| Luhanskeplovoz               | LTPL   | 1.08        | 1.80          | 0.85         | 0.0%                 | -13.6% | -13.6% | -28.0% | -3.0%                                | -4.3%  | -0.7%  | -36.7% |
| Stakhanov Wagon              | SVGZ   | 0.57        | n/a           | n/a          | 0.0%                 | -48.2% | -55.8% | -56.2% | -3.0%                                | -38.9% | -42.9% | -64.9% |
| <b>Specialized Machinery</b> |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Bogdan Motors                | LUAZ   | 0.03        | 0.08          | 0.02         | -6.0%                | -16.4% | -35.5% | 13.2%  | -8.9%                                | -7.2%  | -22.6% | 4.5%   |
| Motor Sich                   | MSICH  | 2,095       | 2,879         | 1,507        | 1.7%                 | -8.9%  | -7.1%  | 14.9%  | -1.2%                                | 0.4%   | 5.8%   | 6.1%   |
| Summy Frunze Engineering     | SMASH  | 5.50        | n/a           | n/a          | 0.0%                 | 1.9%   | -8.3%  | 120.0% | -3.0%                                | 11.1%  | 4.5%   | 111.3% |
| Turboatom                    | TATM   | 6.00        | n/a           | n/a          | 0.0%                 | 0.0%   | 33.3%  | 71.4%  | -3.0%                                | 9.3%   | 46.2%  | 62.7%  |
| WESTA ISIC                   | WES    | 0.26        | 0.80          | 0.21         | 0.0%                 | -7.1%  | 0.0%   | -35.0% | -3.0%                                | 2.1%   | 12.9%  | -43.7% |
| <b>Telecom</b>               |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Ukrtelecom                   | UTLM   | 0.14        | 0.20          | 0.09         | 11.4%                | -22.2% | -25.1% | 27.3%  | 8.4%                                 | -12.9% | -12.3% | 18.5%  |
| <b>Oil &amp; Gas</b>         |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Regal Petroleum              | RPT    | 6.25        | 15.63         | 4.88         | 0.0%                 | 0.0%   | -2.0%  | -51.0% | -3.0%                                | 9.3%   | 10.9%  | -59.7% |
| JKX Oil                      | JKX    | 37.50       | 75.00         | 36.00        | -1.3%                | -2.0%  | -13.3% | -47.7% | -4.3%                                | 7.3%   | -0.4%  | -56.5% |
| Ukrnafta                     | UNAF   | 231         | 375           | 54           | 7.6%                 | -13.3% | -35.9% | 112.7% | 4.6%                                 | -4.0%  | -23.0% | 104.0% |
| <b>Power Utilities</b>       |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Centrenerg                   | CEEN   | 7.24        | 8.70          | 3.00         | 3.3%                 | -4.3%  | -4.3%  | 51.8%  | 0.3%                                 | 5.0%   | 8.6%   | 43.1%  |
| Donbasenergo                 | DOEN   | 29.8        | 50.2          | 11.0         | 1.8%                 | -9.7%  | -6.8%  | 7.9%   | -1.2%                                | -0.4%  | 6.0%   | -0.8%  |
| Zakhidenergo                 | ZAEN   | 142.9       | 199.8         | 80.0         | 0.0%                 | -7.1%  | -7.2%  | 58.1%  | -3.0%                                | 2.2%   | 5.7%   | 49.3%  |
| <b>Consumer</b>              |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Agroton                      | AGT    | 1.45        | 5.5           | 1.45         | -4.0%                | -4.6%  | -24.9% | -25.6% | -7.0%                                | 4.7%   | -12.0% | -34.4% |
| Astarta                      | AST    | 19.73       | 68.0          | 19.4         | -1.2%                | -11.8% | -45.2% | -70.5% | -4.2%                                | -2.6%  | -32.3% | -79.2% |
| Avangardo                    | AVGR   | 4.85        | 12.8          | 4.85         | -17.7%               | -21.8% | -27.1% | -58.7% | -20.6%                               | -12.5% | -14.2% | -67.5% |
| Industrial Milk Company      | IMC    | 6.74        | 14.10         | 6.50         | -0.1%                | -4.9%  | -3.7%  | -44.5% | -3.1%                                | 4.3%   | 9.2%   | -53.3% |
| Kernel                       | KER    | 24.35       | 45.1          | 22.0         | 2.7%                 | 2.7%   | 1.0%   | -36.0% | -0.2%                                | 12.0%  | 13.9%  | -44.8% |
| Mriya Agro Holding           | MAYA   | 1.43        | 6.0           | 0.58         | 0.0%                 | -4.7%  | 110.1% | -73.5% | -3.0%                                | 4.5%   | 123.0% | -82.3% |
| MHPC                         | MHPC   | 11.10       | 18.5          | 10.00        | 3.7%                 | 1.4%   | -7.5%  | -34.7% | 0.7%                                 | 10.6%  | 5.4%   | -43.5% |
| Milkiland                    | MLK    | 2.48        | 13.0          | 2.48         | -0.8%                | -4.6%  | -29.5% | -80.2% | -3.8%                                | 4.7%   | -16.7% | -88.9% |
| Ovostar Union                | OVO    | 72.5        | 100.0         | 59.4         | 0.0%                 | 0.7%   | 5.8%   | -27.5% | -3.0%                                | 10.0%  | 18.7%  | -36.2% |
| 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   | 8.9         | n/a           | n/a          | 0.0%                 | 4.8%   | -8.6%  | -28.5% | -3.0%                                | 14.1%  | 4.3%   | -37.2% |
| <b>Banks</b>                 |        |             |               |              |                      |        |        |        |                                      |        |        |        |
| Raiffeisen Bank Aval         | BAVL   | 0.109       | 0.190         | 0.091        | 4.3%                 | -11.6% | -15.5% | -4.1%  | 1.3%                                 | -2.3%  | -2.6%  | -12.8% |
| UkrSotsbank                  | USCB   | 0.150       | 0.205         | 0.090        | 0.0%                 | 1.4%   | 11.1%  | -20.0% | -3.0%                                | 10.7%  | 24.0%  | -28.7% |

Source: Bloomberg

\* companies listed abroad are in traded currency

**MAIN FINANCIAL FORECASTS, USD mn**

| Name                         | Ticker | Net Sales    |       |       | EBITDA       |       |       | EBITDA margin |       |       | Net Profit |      |       | Net Profit margin |       |       |
|------------------------------|--------|--------------|-------|-------|--------------|-------|-------|---------------|-------|-------|------------|------|-------|-------------------|-------|-------|
|                              |        | 2012         | 2013  | 2014E | 2012         | 2013  | 2014E | 2012          | 2013  | 2014E | 2012       | 2013 | 2014E | 2012              | 2013  | 2014E |
| <b>Steel</b>                 |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Alchevsk Steel               | ALMK   | 1,783        | 1,729 | 1,730 | -5           | -62   | -14   | neg           | neg   | neg   | -127       | -214 | -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 | 1,400 | -181         | -31   | 25    | neg           | neg   | 1.8%  | -333       | -308 | 33    | neg               | neg   | 2.4%  |
| <b>Coke</b>                  |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Avdyivka Coke                | AVDK   | 1,090        | 914   | 555   | -112         | 46    | -42   | neg           | 5.0%  | neg   | -137       | -6   | -17   | neg               | neg   | neg   |
| Yasynivsky Coking            | YASK   | 432          | 367   | 333   | 27           | 29    | 19    | 6.4%          | 7.8%  | 5.7%  | 8          | -3   | 5     | 1.9%              | neg   | 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        | 1,581 | 1,449 | 402          | 506   | 492   | 28.2%         | 32.0% | 33.9% | 216        | 264  | 277   | 15.1%             | 16.7% | 19.1% |
| <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   | 271   | 52           | 31    | 26    | 10.8%         | 10.1% | 9.5%  | 34         | 5    | 4     | 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          | 19   | 23    | 2.2%              | 5.9%  | 6.1%  |
| Kryukiv Wagon                | KVBZ   | 891          | 462   | 142   | 135          | 50    | 13    | 15.2%         | 10.9% | 9.4%  | 95         | 42   | -4    | 10.7%             | 9.0%  | neg   |
| Stakhanov Wagon              | SVGZ   | 311          | 172   | 150   | 7            | 6     | 5     | 2.3%          | 3.4%  | 3.6%  | 1          | 1    | 0     | 0.2%              | 0.3%  | 0.3%  |
| <b>Specialized Machinery</b> |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Turboatom                    | TATM   | 160          | 214   | 196   | 51           | 90    | 73    | 32.2%         | 42.1% | 37.3% | 38         | 72   | 65    | 23.8%             | 33.5% | 33.0% |
| Motor Sich                   | MSICH  | 979          | 1,000 | 950   | 309          | 274   | 260   | 31.6%         | 27.4% | 27.4% | 200        | 169  | 188   | 20.4%             | 16.9% | 19.7% |
| <b>Telecom</b>               |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Ukrtelecom                   | UTLM   | 838          | 791   | 611   | 206          | 190   | 174   | 24.5%         | 24.0% | 28.5% | 45         | 17   | 26    | 5.4%              | 2.2%  | 4.3%  |
| <b>Oil &amp; Gas</b>         |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Ukrnafta                     | UNAF   | 2,554        | 2,589 | 2,543 | 454          | 286   | 323   | 17.8%         | 11.1% | 12.7% | 176        | 23   | 161   | 6.9%              | 0.9%  | 6.3%  |
| Regal Petroleum              | RPT    | 41           | 37    | 45    | 21           | -146  | 26    | 52.2%         | neg   | 57.0% | 12         | -127 | 2     | 28.3%             | neg   | 4.4%  |
| JKX Oil                      | JKX    | 203          | 181   | 199   | 136          | 66    | 68    | 67.1%         | 36.7% | 34.3% | -11        | 7    | 8     | neg               | 3.6%  | 3.9%  |
| <b>Electric Utilities</b>    |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| Centrenergo                  | CEEN   | 1,119        | 915   | 714   | 69           | 94    | 44    | 6.2%          | 10.3% | 6.1%  | 29         | 60   | 21    | 2.6%              | 6.5%  | 2.9%  |
| Donbasenergo                 | DOEN   | 574          | 656   | 512   | 32           | 72    | 45    | 5.6%          | 11.0% | 8.8%  | 4          | 65   | 40    | 0.7%              | 9.9%  | 7.8%  |
| <b>Consumer</b>              |        |              |       |       |              |       |       |               |       |       |            |      |       |                   |       |       |
| MHP                          | MHPC   | 1,408        | 1,496 | 1,306 | 468          | 391   | 479   | 33.2%         | 26.1% | 36.7% | 311        | 162  | -44   | 22.1%             | 10.8% | neg   |
| Kernel                       | KER    | 2,157        | 2,797 | 2,393 | 322          | 291   | 223   | 14.9%         | 10.4% | 9.3%  | 211        | 105  | -107  | 9.8%              | 3.8%  | neg   |
| Astarta                      | AST    | 456          | 491   | 559   | 110          | 91    | 138   | 20.2%         | 15.5% | 20.5% | 58         | 34   | -13   | 10.6%             | 5.8%  | neg   |
| Avangardco                   | AVGR   | 629          | 661   | 594   | 280          | 301   | 234   | 44.5%         | 45.6% | 39.5% | 228        | 238  | 164   | 36.3%             | 36.0% | 27.6% |
| Agroton                      | AGT    | 88           | 81    | 90    | 20           | 8     | 3     | 23.2%         | 9.2%  | 3.9%  | 7          | -6   | -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 | 3,966 | 793          | 888   | 610   | 679           | 723   | 460   | 4          | 90   | -40   | 0.5%              | 10.1% | -6.6% |
| Ukrspotsbank                 | USCB   | 4,854        | 5,283 | 3,777 | 957          | 1,064 | 775   | 451           | 318   | 400   | 1          | 1    | 15    | 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 | 2013  | 2014E | 2012      | 2013 | 2014E | 2012     | 2013 | 2014E | 2012      | 2013 | 2013E |       |      |           |
| <b>Steel</b>                 |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Alchevsk Steel               | ALMK           | 31                     | 3.9%         | 1    | 1,380 | neg   | neg       | neg  | neg   | neg      | neg  | 0.8   | 0.8       | 0.8  | 357   | 333   | 323  | \$/tonne  |
| Yenakievo Steel              | ENMZ           | 13                     | 8.8%         | 1    | 10    | 1.5   | neg       | neg  | neg   | 0.4      | 0.3  | 0.0   | 0.0       | 0.0  | 4     | 3     | 3    | \$/tonne  |
| Azovstal                     | AZST           | 189                    | 3.0%         | 6    | 178   | neg   | neg       | 5.7  | neg   | neg      | 7.1  | 0.1   | 0.1       | 0.1  | 39    | 39    | 39   | \$/tonne  |
| <b>Coke</b>                  |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Avdyivka Coke                | AVDK           | 24                     | 6.8%         | 2    | -24   | neg   | neg       | neg  | neg   | -0.5     | neg  | 0.0   | 0.0       | 0.0  | -6    | -6    | -6   | \$/tonne  |
| Yasynivsky Coke              | YASK           | 6                      | 9.0%         | 1    | 7     | 0.8   | neg       | 1.3  | 0.3   | 0.3      | 0.4  | 0.0   | 0.0       | 0.0  | 0.3   | 0.3   | 0.4  | \$/tonne  |
| <b>Iron Ore Mining</b>       |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Centralny GOK                | CGOK           | 551                    | 0.3%         | 1    | 549   | 5.8   | 2.8       | 3.4  | 2.4   | 1.8      | 2.0  | 0.9   | 0.8       | 0.9  |       |       |      |           |
| Pivnichny GOK                | SGOK           | 1,208                  | 0.4%         | 5    | 1,201 | 2.8   | 2.2       | 2.6  | 1.6   | 1.3      | 1.5  | 0.8   | 0.7       | 0.8  |       |       |      |           |
| Ferrexpo                     | FXPO           | 744                    | 24.0%        | 179  | 1,438 | 3.5   | 2.8       | 2.7  | 3.6   | 2.8      | 2.9  | 1.0   | 0.9       | 1.0  |       |       |      |           |
| <b>Coal Mining</b>           |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Komsomolets Donbasa          | SHKD           | 8                      | 5.4%         | 0    | 110   | 1.1   | 0.4       | 0.4  | 0.9   | 1.2      | 1.2  | 0.4   | 0.5       | 0.5  | 27    | 26    | 24   | \$/tonne  |
| Coal Energy                  | CLE            | 35                     | 25.0%        | 9    | 145   | 0.9   | neg       | neg  | 2.3   | 6.9      | 16.2 | 0.9   | 1.2       | 1.4  | 2.3   | 6.9   | 16.2 | \$/tonne  |
| <b>Pipe Manufacturing</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Khartsyzk Pipe               | HRTR           | 74                     | 2.0%         | 1    | 119   | 2.2   | 15.7      | 17.9 | 2.3   | 3.8      | 4.6  | 0.2   | 0.4       | 0.4  | 189   | 314   | 298  | \$/tonne  |
| <b>Railcar Manufacturing</b> |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| LuganskTeplovoz              | LTPL           | 15                     | 24.0%        | 4    | 52    | 3.2   | 0.8       | 0.7  | 1.8   | 1.5      | 1.4  | 0.2   | 0.2       | 0.1  |       |       |      |           |
| Kruiw Wagon                  | KVBZ           | 90                     | 5.0%         | 5    | 79    | 0.9   | 2.2       | neg  | 0.6   | 1.6      | 6.0  | 0.1   | 0.2       | 0.6  |       |       |      |           |
| Stakhanov Wagon              | SVGZ           | 8                      | 8.0%         | 1    | 41    | 14.1  | 15.6      | 17.9 | 5.7   | 7.0      | 7.5  | 0.1   | 0.2       | 0.3  |       |       |      |           |
| <b>Specialized Machinery</b> |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Turboatom                    | TATM           | 95                     | 5.8%         | 5    | 35    | 2.5   | 1.3       | 1.5  | 0.7   | 0.4      | 0.5  | 0.2   | 0.2       | 0.2  |       |       |      |           |
| Motor Sich                   | MSICH          | 280                    | 24.0%        | 67   | 272   | 1.4   | 1.7       | 1.5  | 0.9   | 1.0      | 1.0  | 0.3   | 0.3       | 0.3  |       |       |      |           |
| <b>Telecom</b>               |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrtelecom                   | UTLM           | 169                    | 7.2%         | 12   | 472   | 3.7   | 9.9       | 6.4  | 2.3   | 2.5      | 2.7  | 0.6   | 0.6       | 0.8  |       |       |      |           |
| <b>Oil &amp; Gas</b>         |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Ukrnafta                     | UNAF           | 807                    | 3.0%         | 24   | 802   | 4.6   | >30       | 5.0  | 1.8   | 2.8      | 2.5  | 0.3   | 0.3       | 0.3  | n/a   | n/a   | n/a  | \$/boe    |
| Regal Petroleum              | RPT            | 32                     | 21.6%        | 7    | 7     | 2.8   | neg       | 16.2 | 0.3   | neg      | 0.3  | 0.2   | 0.2       | 0.2  | n/a   | n/a   | n/a  | \$/boe    |
| JKX Oil & Gas                | JKX            | 104                    | 50.4%        | 52   | 212   | neg   | 16.0      | 13.3 | 1.6   | 3.2      | 3.1  | 1.0   | 1.2       | 1.1  | 39    | 29    | 28   | \$/boe    |
| <b>Electric Utilities</b>    |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| CentrEnergO                  | CEEN           | 172                    | 21.7%        | 37   | 159   | 6.0   | 2.9       | 8.3  | 2.3   | 1.7      | 3.6  | 0.1   | 0.2       | 0.2  | 9     | 11    | 10   | \$/MWh    |
| DonbasEnergO                 | DOEN           | 45                     | 14.2%        | 6    | 90    | 11.9  | 0.7       | 1.1  | 2.8   | 1.2      | 2.0  | 0.2   | 0.1       | 0.2  | 11    | 12    | 11   | \$/MWh    |
| <b>Consumer</b>              |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| MHP                          | MHPC           | 1,173                  | 34.1%        | 400  | 2,323 | 3.8   | 7.2       | neg  | 5.0   | 5.9      | 4.9  | 1.7   | 1.6       | 1.8  |       |       |      |           |
| Kernel                       | KER            | 589                    | 61.8%        | 364  | 1,273 | 2.8   | 5.6       | neg  | 4.0   | 4.4      | 5.7  | 0.6   | 0.5       | 0.5  |       |       |      |           |
| Astarta                      | AST            | 150                    | 37.0%        | 55   | 545   | 2.6   | 4.4       | neg  | 4.9   | 6.0      | 4.0  | 1.2   | 1.1       | 1.0  |       |       |      |           |
| Avangardco                   | AVGR           | 310                    | 22.5%        | 70   | 416   | 1.4   | 1.3       | 1.9  | 1.5   | 1.4      | 1.8  | 0.7   | 0.6       | 0.7  | 94    | 72    | 67   | \$/mneggs |
| Agroton                      | AGT            | 10                     | 26.2%        | 2    | 59    | 1.4   | neg       | neg  | 2.9   | 7.8      | 16.9 | 0.7   | 0.7       | 0.7  | n/a   | n/a   | n/a  |           |
| <b>Banks</b>                 |                |                        |              |      |       |       |           |      |       |          |      |       |           |      |       |       |      |           |
| Raiffeisen Bank Aval         | BAVL           | 211                    | 3.5%         | 7    |       | >30   | 2.4       | neg  | 0.3   | 0.2      | 0.3  | 0.04  | 0.04      | 0.05 |       |       |      |           |
| Ukrsotsbank                  | USCB           | 178                    | 1.0%         | 2    |       | >30   | >30       | 21.1 | 0.2   | 0.2      | 0.2  | 0.07  | 0.06      | 0.08 |       |       |      |           |

Source: Eavex Research

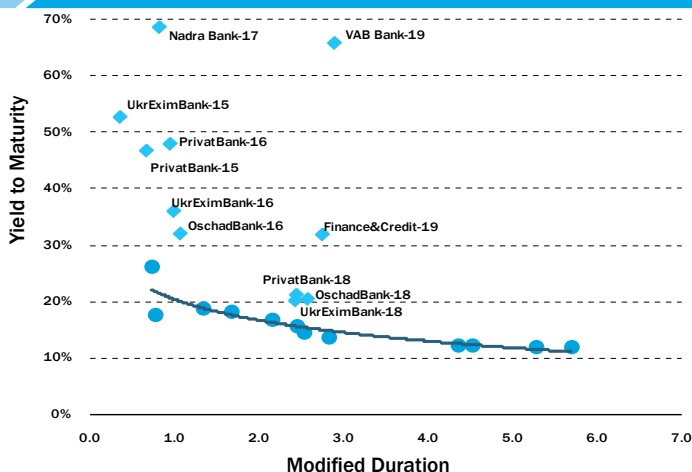
**UKRAINIAN EUROBONDS**

| 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, 2015 (EUR)          | 85.0        | 86.5        | 25.3%     | 22.9%     | -10.7%           | 0.8               | 4.95%  | A             | 13 Oct 2015   | 600*          | Caa3/CCC/CCC         |
| Ukraine, 2015                | 85.4        | 86.5        | 27.4%     | 25.6%     | -12.1%           | 0.7               | 6.875% | S/A           | 23 Sept 2015  | 500           | Caa3/CCC/CCC         |
| Ukraine, 2016                | 80.6        | 81.7        | 18.7%     | 17.8%     | -13.8%           | 1.7               | 6.58%  | S/A           | 21 Nov 2016   | 1,000         | Caa3/CCC/CCC         |
| Ukraine, 2016-2              | 82.4        | 83.5        | 19.7%     | 18.8%     | -11.8%           | 1.3               | 6.25%  | S/A           | 17 Jun 2016   | 1,250         | Caa3/CCC/CCC         |
| Ukraine, 2017                | 81.0        | 82.5        | 14.8%     | 14.1%     | -11.8%           | 2.5               | 6.75%  | S/A           | 14 Nov 2017   | 700           | Caa3/CCC/CCC         |
| Ukraine, 2017-2              | 83.3        | 84.7        | 17.2%     | 16.5%     | -15.3%           | 2.2               | 9.25%  | S/A           | 24 Jul 2017   | 2,000         | Caa3/CCC/CCC         |
| Ukraine, 2017 Infr. projects | 82.5        | 84.5        | 16.0%     | 15.1%     | 1.1%             | 2.5               | 8.375% | S/A           | 3 Nov 2017    | 568           | Caa3//               |
| Ukraine, 2018 Infr. projects | 82.5        | 83.8        | 14.0%     | 13.5%     | 5.9%             | 2.8               | 7.40%  | S/A           | 20 Apr 2018   | 690           | Caa3//               |
| Ukraine, 2020                | 80.8        | 82.3        | 12.5%     | 12.0%     | -12.3%           | 4.4               | 7.75%  | S/A           | 23 Sept 2020  | 1,500         | Caa3/CCC/CCC         |
| Ukraine, 2021                | 80.5        | 82.5        | 12.5%     | 12.0%     | -13.0%           | 4.5               | 7.95%  | S/A           | 23 Feb 2021   | 1,500         | Caa3/CCC/CCC         |
| Ukraine, 2022                | 78.3        | 79.8        | 12.1%     | 11.7%     | -13.2%           | 5.3               | 7.80%  | S/A           | 28 Nov 2022   | 1,250         | Caa3/CCC/CCC         |
| Ukraine, 2023                | 76.4        | 77.9        | 12.0%     | 11.7%     | -14.9%           | 5.7               | 7.50%  | S/A           | 17 Apr 2023   | 1,250         | Caa3/CCC/CCC         |
| <b>Corporate Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| Agroton, 2019                | 30.0        | 33.1        | 43.0%     | 39.4%     | -39.5%           | 2.8               | 8.00%  | S/A           | 14 Jul 2019   | 50            | //RD                 |
| MHP, 2015                    | 97.8        | 99.8        | 15.6%     | 10.8%     | -4.8%            | 0.4               | 10.25% | S/A           | 29 Apr 2015   | 235           | Caa2//CCC            |
| MHP, 2020                    | 85.3        | 86.1        | 12.0%     | 11.8%     | -5.0%            | 4.1               | 8.25%  | S/A           | 2 Apr 2020    | 750           | /CCC/CCC             |
| Avangardco, 2015             | 88.0        | 88.0        | 24.7%     | 24.7%     | -10.2%           | 0.8               | 10.00% | S/A           | 29 Oct 2015   | 200           | /CCC/                |
| UkrLandFarming, 2018         | 60.0        | 61.9        | 30.8%     | 29.4%     | -30.0%           | 2.3               | 10.88% | S/A           | 26 Mar 2018   | 500           | /CCC/CCC             |
| Mriya, 2016                  | 14.0        | 18.0        | 275.6%    | 225.7%    | -84.1%           | 0.5               | 10.95% | S/A           | 30 Mar 2016   | 72            | /SD/RD               |
| Mriya, 2018                  | 20.0        | 25.0        | 83.9%     | 70.6%     | -73.8%           | 1.8               | 9.45%  | S/A           | 19 Apr 2018   | 400           | /SD/RD               |
| DTEK, 2015                   | 88.9        | 88.9        | 37.6%     | 37.6%     | -12.8%           | 0.4               | 9.50%  | S/A           | 28 Apr 2015   | 200           | Caa2//CCC            |
| DTEK, 2018                   | 58.0        | 61.0        | 27.8%     | 25.9%     | -36.9%           | 2.5               | 7.88%  | S/A           | 4 Apr 2018    | 750           | Caa2//CCC            |
| Metinvest, 2015              | 82.0        | 85.0        | 56.1%     | 47.1%     | -18.5%           | 0.4               | 10.25% | S/A           | 20 May 2015   | 500           | Caa2//CCC            |
| Metinvest, 2018              | 67.5        | 69.9        | 23.6%     | 22.2%     | -22.8%           | 2.4               | 8.75%  | S/A           | 14 Feb 2018   | 750           | Caa2//CCC            |
| Ferrexpo, 2016               | 90.0        | 93.0        | 16.2%     | 13.5%     | -6.6%            | 1.2               | 7.875% | S/A           | 07 Apr 2016   | 500           | /CCC/CCC             |
| UZ Rail, 2018                | 69.0        | 72.0        | 22.8%     | 21.2%     | -21.7%           | 2.5               | 9.50%  | S/A           | 21 May 2018   | 500           | /CCC/CCC             |
| Interpipe, 2017              | 55.0        | 65.0        | 38.3%     | 30.0%     | -22.0%           | 2.0               | 10.25% | S/A           | 2 Aug 2017    | 200           | //                   |
| JKX Oil&Gas, 2018            | 81.7        | 83.3        | 19.6%     | 18.8%     | -26.4%           | 2.6               | 8.00%  | S/A           | 19 Feb 2018   | 40            |                      |
| <b>Bank Eurobonds</b>        |             |             |           |           |                  |                   |        |               |               |               |                      |
| Fin&Credit Bank, 2019        | 45.0        | 55.0        | 35.3%     | 28.2%     | -39.4%           | 2.8               | 9.25%  | S/A           | 25 Jan 2019   | 100           | Caa3//               |
| PUMB, 2014                   | 71.0        | 71.0        | 350.4%    | 350.4%    | -27.9%           | 0.1               | 11.00% | Q             | 31 Dec 2014   | 275           | Caa3//               |
| Nadra Bank, 2018             | 45.0        | 50.0        | 74.5%     | 62.6%     | -41.0%           | 0.8               | 6.25%  | A             | 31 Jul 2018   | 60            | //                   |
| PrivatBank, 2015             | 74.0        | 78.0        | 50.6%     | 42.9%     | -16.5%           | 0.7               | 9.38%  | S/A           | 23 Sept 2015  | 200           | Caa3//               |
| PrivatBank, 2016             | 62.0        | 66.0        | 51.2%     | 44.7%     | -15.8%           | 1.0               | 8.75%  | S/A           | 9 Feb 2016    | 150           | Caa3//               |
| PrivatBank, 2018             | 75.3        | 78.0        | 21.8%     | 20.4%     | -8.3%            | 2.4               | 10.88% | S/A           | 28 Feb 2018   | 175           | Caa3//CCC            |
| UkrEximBank, 2015            | 83.0        | 85.0        | 56.1%     | 49.5%     | -12.9%           | 0.4               | 8.38%  | S/A           | 27 Apr 2015   | 750           | Caa3//CCC            |
| UkrEximBank, 2016            | 70.0        | 72.0        | 38.7%     | 36.0%     | -15.0%           | 1.0               | 8.40%  | S/A           | 2 Sept 2016   | 125           | Caa3//CCC            |
| UkrEximBank, 2018            | 72.5        | 74.5        | 21.0%     | 19.9%     | -17.4%           | 2.4               | 8.75%  | S/A           | 22 Jan 2018   | 500           | Caa3//CCC            |
| VAB Bank, 2019               | 35.0        | 40.0        | 70.7%     | 60.9%     | -56.1%           | n/a               | 9.00%  | Q             | 14 Jun 2019   | 88            | //WD                 |
| Oschadbank, 2016             | 75.0        | 77.0        | 33.2%     | 30.8%     | -18.3%           | 1.1               | 8.25%  | S/A           | 10 Mar 2016   | 700           | Caa3//CCC            |
| Oschadbank, 2018             | 72.2        | 74.0        | 20.8%     | 19.9%     | -17.5%           | 2.6               | 8.88%  | S/A           | 20 Mar 2018   | 500           | Caa3//CCC            |
| <b>Municipal Eurobonds</b>   |             |             |           |           |                  |                   |        |               |               |               |                      |
| City of Kyiv, 2015           | 76.9        | 78.4        | 38.9%     | 36.5%     | -16.2%           | 0.8               | 8.00%  | S/A           | 6 Nov 2015    | 250           | Caa3/CCC/            |
| City of Kyiv, 2016           | 74.0        | 77.6        | 30.6%     | 27.1%     | -18.5%           | 1.3               | 9.375% | S/A           | 30 Jun 2016   | 300           | Caa3/CCC/            |

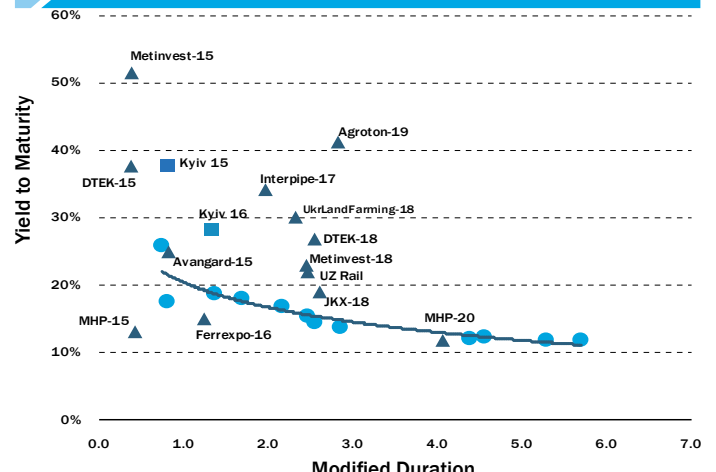
<sup>1</sup> Moody's/S&P/Fitch; \* EUR

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 UAH |
|------------------------------|-------------|-------------|-----------|-----------|-------------------|--------|---------------|---------------|---------------|
| <b>UAH denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000141592                 |             |             | 25%       | 20%       | n/a               | 14.30% | S/A           | 20 May 2015   | n/a           |
| UA4000142665                 |             |             | 25%       | 20%       | n/a               | 14.30% | S/A           | 24 May 2017   | n/a           |
| <b>USD denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000142699                 | n/a         | n/a         | 14.0%     | 12.0%     | n/a               | 9.45%  | S/A           | 22 Apr 2015   | n/a           |
| UA4000141071                 | n/a         | n/a         | 14.0%     | 12.0%     | n/a               | 9.45%  | S/A           | 27 May 2015   | n/a           |
| UA4000142673                 | n/a         | n/a         | 14.0%     | 12.0%     | n/a               | 4.50%  | S/A           | 17 Jun 2015   | n/a           |
| <b>EUR denominated Bonds</b> |             |             |           |           |                   |        |               |               |               |
| UA4000142681                 | n/a         | n/a         | 12.5%     | 12.0%     | n/a               | 4.80%  | S/A           | 6 May 2015    | n/a           |
| <b>VAT Bonds</b>             |             |             |           |           |                   |        |               |               |               |
| UA4000082531                 |             |             | 25%       | 20%       | n/a               | 5.50%  | S/A           | 21 Aug 2015   | n/a           |
| UA4000082622                 |             |             | 25%       | 20%       | n/a               | 5.50%  | S/A           | 24 Aug 2015   | n/a           |
| UA4000083059                 |             |             | 25%       | 20%       | n/a               | 5.50%  | S/A           | 25 Aug 2015   | n/a           |
| UA4000185151                 |             |             | 25%       | 20%       | 1.9               | 9.50%  | S/A           | 8 Jul 2019    | 3,577         |
| UA4000185557                 |             |             | 25%       | 20%       | 1.9               | 9.50%  | S/A           | 22 Jul 2019   | 2,171         |
| UA4000186159                 |             |             | 25%       | 20%       | 1.9               | 9.50%  | S/A           | 20 Aug 2019   | 955           |

Source: Bloomberg, Cbonds, Eavex Research

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