



EMPIRE STATE CAPITAL PARTNERS



UX
0.7%

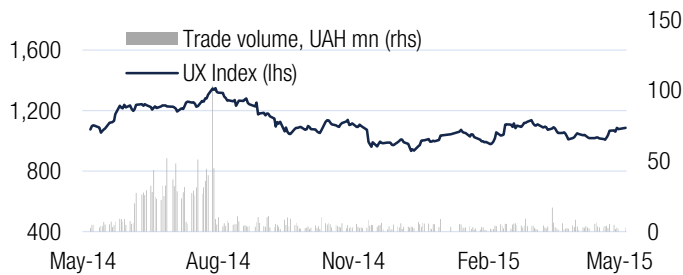


USD/UAH
-1.6%



Ukraine CDS
-3.1%

Ukrainian market performance (UX)



Source – Bloomberg

Currencies	Last	1d	1m	YTD *
USD/UAH	20.90	-1.6%	-7.9%	28.4%
EUR/UAH	23.38	-1.3%	-6.1%	17.7%
RUB/UAH	0.42	1.0%	3.8%	45.8%
Indices	Last	1d	1m	YTD
UX	1,085	0.7%	4.6%	5.0%
PFTS	371	0.0%	-12.4%	-4.1%
WIG UKR	293	0.1%	1.8%	20.0%
MICEX	1,722	2.0%	1.2%	23.3%
MSCI EM	1,048	0.0%	4.2%	9.6%
S&P500	2,089	-1.2%	0.4%	1.5%
DAX	11,328	-2.5%	-5.3%	15.5%
Dow Jones	17,928	-0.8%	0.3%	0.6%
Nikkei	19,532	0.0%	0.5%	11.9%
Shanghai Comp	4,299	-4.1%	11.3%	32.9%
WIG	56,442	-0.5%	4.2%	9.8%
Commodities	Last	1d	1m	YTD
Oil (Brent)	68	1.6%	16.2%	17.8%
Gold	1,193	0.5%	-2.1%	0.8%
Iron ore	57	1.8%	21.7%	-16.7%
Steel	462	0.0%	-2.7%	-23.6%
Wheat	207	0.0%	0.5%	-18.8%
Corn	154	-1.1%	-6.7%	-5.5%

Source – Bloomberg, Minfin.com.ua (*)

Futures - UX	Last	1d	Vol, UAH mn	Open acc, ths
DX-6.15 (USD)	23.5	-0.2%	0.3	0.6
UX-6.15	1,119	0.5%	0.8	14.3
UX-9.15	1,177	-	-	0.0

Source - UX

Market comment

The UX Index was up by 0.7% in UAH terms on Tuesday (last Monday and Friday were non-trading days on the UX), and up by 2.3% in the US dollar terms, while the PFTS index was flat in UAH terms. Eight out of ten companies in the UX index were up in the UAH terms, with the largest increase in prices observed for Alchevsk MP (6.3%), Uknafta (2.0%) and Azovsteel (1.7%).

On the interbank exchange market, the USD/UAH spot rate was down by 1.6% with the closing price of 20.90 (mid price) on Tuesday according to Bloomberg. The official exchange rate reported by the NBU was 21.13.

Ukraine 5-year CDS were down by 3.1% on Tuesday.

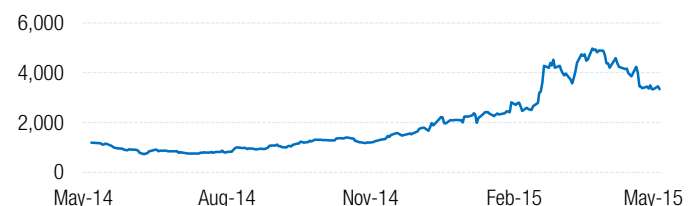
Market news

- Roman Nasirov appointed as the Head of the State Fiscal Service
- MHP's poultry meat sales flat, sunflower oil sales up by 11% y/y in 1Q2015
- Uknafta's sales down by 10%, EBITDA up by 33% in 2014
- Metinvest's production of crude steel down by 4% q/q, metal products output flat q/q in 1Q2015
- S&P downgrades Ukraine Railways to 'CC'

Best performers	Ticker	Price, \$	1d	YTD
Regal Petroleum	RPT LN	0.072	19.3%	48.1%
Alchevsk MP	ALMK UK	0.001	7.4%	-9.7%
Agrogeneration	ALAGR FP	0.582	4.4%	11.9%
Worst performers	Ticker	Price, \$	1d	YTD
Avangard	AVGR LI	2.300	-8.0%	12.2%
Milkland	MLK PW	0.717	-2.3%	71.4%
Coal Energy	CLE PW	0.169	-1.3%	-3.3%

Source – UX, Bloomberg

Ukraine 5Y CDS spreads



Roman Nasirov appointed as the Head of the State Fiscal Service

The Cabinet of Ministers appointed Roman Nasirov as the Head of Ukraine's State Fiscal Service upon the recommendation of the selection committee. Before the appointment, Nasirov was a deputy from the Poroshenko bloc, and chairman of the parliamentary committee for taxation and customs policy. He has a degree in Finance (Chernigiv, 2000), a BA degree in Law (Kyiv, 2001), and an MBA degree from the London School of Technology and Management (2001). His working experience includes Head of Securities Trading at Concorde Capital and Renaissance capital, Associate Director of Ukrnafta, as well as Deputy Head of the Ukrainian Food and Grain Corporation. Nasirov was one of the initiators of the last changes in the Ukrainian tax legislation, leading to increase in royalty payments for extracting companies.

Following the appointment, Mr Nasirov announced his intention to carry out radical changes in the State Fiscal Services. He singled among his priorities the improvement of the tax management system through simplification of the tax reporting procedures, overhauling of the institutional organization, the transformation of the tax police into tax investigation unit, a reordering of the large tax payer service through sectorial lines and overcoming corruption in the tax and customs services.

Our view:

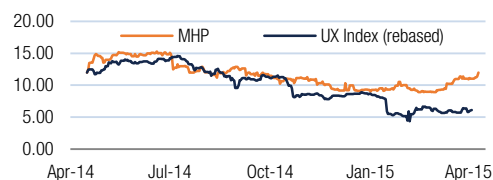
The appointment is a first occurrence of selecting the Head of the state institution through open tendering, therefore laying the ground for more transparency in the tax and customs services. Nevertheless, the appointment has raised a wave of criticism, generated by concerns about possible political bias toward the Poroshenko bloc and business preferences ensuing from his past working relationship with Kolomoisky (he was an associate director at Ukrnafta, which was then controlled by Kolomoisky). These latest circumstances make the appointment still neutral for the market.

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MHP

UKRAINE	AGRICULTURE
Bloomberg ticker	MHPC LI
Current price, \$	11.50
Market cap, \$ mn	1,215
EV, \$ mn	2,394

Price performance



Performance	1d	1m	YTD
Stock (USD)	0.0%	12.7%	25.0%
Index (USD)	2.3%	13.6%	-18.2%

Financials, \$ mn	2013	2014	2015f
Revenues	1,496	1,379	1,335
EBITDA	391	555	505
E. margin	26%	40%	38%
Net income	155.9	-412	239.6
EPS (GDR), \$	1.5	-	2.3
Div/GDR, \$	1.1	0.8	0.6

Valuation, gearing and yield			
EV/EBITDA	6.12	4.31	4.74
P/E	7.79	neg.	5.07

Source: Bloomberg

MHP's poultry meat sales flat, sunflower oil sales up by 11% y/y in 1Q2015

MHP [MHPC LI], the leading producer of poultry meat in Ukraine, published its operating results for 1Q2015. The company's sales of chicken meat to third parties increased by 1% y/y to 113,640 tonnes in 1Q2015, while the average realized price of chicken meat increased by 63% y/y to UAH 25.35/kg (-32% y/y in USD terms). The volume of chicken meat exports decreased by 14% y/y to 26,050 tonnes in 1Q2015. MHP reported that sales to the CIS region and Middle East have dropped, while export of chicken meat to the EU increased due to the introduction of the preferential export trade regime.

MHP's sales of sunflower oil increased by 11% y/y to 74,765 tonnes in 1Q2015, mostly due to increased production of fodder for chicken. The average price of sunflower oil decreased by 7% y/y to USD 793/t in 1Q2015. The sales volumes of sausage and cooked meat dropped by 23% y/y to 5,280 tonnes in 1Q2015, while the average realized price increased by 65% y/y to UAH 39.65/kg (-31% y/y in USD terms).

The company reported that 70,000 ha of land were planted with winter crops. MHP's 2015 spring sowing campaign is ongoing now with no significant change in crops.

Our view:

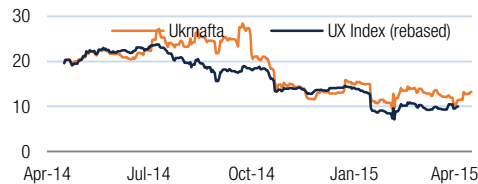
The news is moderately NEGATIVE for the company. It seems that MHP's export volumes have been affected by the unrest in Middle East and by the political crisis in relations with Russia as a result of the conflict in Eastern Ukraine. The company's production of poultry meat in 1Q2015 was almost flat compared to 1Q2014, but fell by 12% compared to 4Q2014, which is not a good sign. However, MHP's margins should be positively affected by the rapid growth in prices of chicken meat, which exceeded the overall inflation (45.8% y/y in March 2015).

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Ukrnafta

UKRAINE	OIL & GAS
Bloomberg ticker	UNAF UK
Current price, \$	13.21
Market cap, \$ mn	716
EV, \$ mn	984

Price performance



Performance	1d	1m	YTD
Stock (USD)	3.4%	-1.3%	5.7%
Index (USD)	2.3%	13.6%	-18.2%

Financials, \$ mn	2013	2014	2015f
Revenues	2,588	2,330	1,529
EBITDA	286	381	212
E. margin	11%	16%	14%
Net income	23.3	106	77
EPS, \$	0.4	2.0	1.4
Div/GDR, \$	-	0.7	0.6

Valuation, gearing and yield

EV/EBITDA	3.44	2.58	4.65
P/E	30.76	6.76	9.33

Source: Bloomberg, Company data

Ukrnafta's sales down by 10%, EBITDA up by 33% in 2014

Ukrnafta [UNAF UK], one of the biggest oil&gas companies in Ukraine, published its financial results for 2014. The company's revenue was down by 10% y/y to USD 2,330 mn in 2014 on back of the decrease in the production of oil and natural gas (by 7% and 9%, accordingly) and the falling prices of oil. Ukrnafta's EBITDA increased by 33% to USD 381 mn in 2014, however it was largely caused by the increase in "other operational income" (+USD 181 mn), some of which was non-cash and/or non-recurring income (adjusted EBITDA: USD 285 mn, flat y/y). As a result, the company reported a net income of USD 106 mn in 2014, a 4.5x increase over 2013 figure.

Ukrnafta's net cash flow from operating activity fell by 55% y/y to USD 50 mn in 2014. The company's capital expenditures fell by 8% y/y to USD 64 mn. Ukrnafta's net cash flow from financial activity was positive at USD 18 mn as a result of higher borrowing in 2014. The company reported a cash flow balance of USD 12 mn as of December 31, 2014.

Our view:

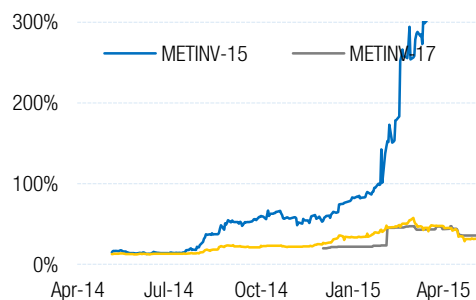
The news is NEGATIVE for the company. Declining prices of oil and production volumes decreased the company's revenue in 2014 and eroded Ukrnafta's cash generating capability. We expect the company's net income to decrease in 2015 on the back of higher oil and gas royalties. Additionally, Ukrnafta still has a huge debt with the state budget of Ukraine for unpaid taxes and dividends (the company still needs to pay UAH 1.8 bn to the state budget as dividends for 2011-2013, and about UAH 3.5 bn in tax payments).

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METINV-15,17,18

Ticker	METINV-15	METINV-17	METINV-18
Volume	114/500	290	750
Coupon	10.25	10.5	8.75
Mid price	69.2	59.5	59.1
Mid YTM	flat	36.0	32.0
Rating			
Fitch	C	C	C
Moody's	Caa3	-	Caa3

YTM history



Source: Bloomberg

Annual financials, USD mn			
P&L	2013	2014	Δ
Net sales	12,807	10,565	-18%
EBITDA	2,361	2,702	14%
Net income	392	159	-59%
BS	2013	2014	Δ
Assets	16,906	12,556	-26%
Liabilities	7,275	5,794	-20%
Equity	9,631	6,762	-30%
Total debt	4,308	3,231	-25%
Net debt	3,118	3,525	13%
Ratios	2013	2014	Δ
D/EBITDA	1.8	1.2	-0.5pp
ND/EBITDA	1.5	1.2	-0.5pp
EBITDA/Int. exp.	7.0	8.7	+1.7pp

Source: Company data, ESCP

Metinvest's production of crude steel down by 4% q/q, metal products output flat q/q in 1Q2015

Metinvest, the largest Ukrainian metals and mining company, published its operating results for 1Q2015. The company's output of hot metal fell by 37% y/y and by 2% q/q to 1,758 ths tonnes in 1Q2015 as production slumped due to the conflict in Eastern Ukraine. Driving the decline was the complete shutdown of Yenakieve Steel from February 7, 2015 to March 16, 2015 and constraints in raw-material supplies to Azovstal and Ilyich Steel in 1Q2015. Output fell by 133 thousand tonnes at Azovstal, 458 thousand tonnes at Ilyich Steel and 447 thousand tonnes at Yenakieve Steel. The decline in hot metal output caused a comparable decrease in crude steel production, which dropped by 39% y/y and by 4% q/q to 1,672 ths tonnes.

Metinvest's output of metal products fell by 37% y/y and by 1% q/q to 1,848 ths tonnes in 1Q2015 due to the 48% y/y drop in the production of semi-finished products (-7% q/q) and the 37% y/y drop in the production of finished products (-2% q/q), while pig iron output fell by 21% y/y, but grew by 10% q/q.

The company's coke output fell by 40% y/y and by 2% q/q to 879 ths tonnes in 1Q2015, as operations became unstable at Donetsk Coke and Avdiivka Coke, which are located in the conflict zone. Metinvest's production of iron ore concentrate also decreased by 16% y/y and by 12% q/q to 987 ths tonnes in 1Q2015, mainly due to lower internal consumption. The coal concentrate production fell by 31% y/y, but increased by 8% q/q to 846 ths tonnes in 1Q2015, which was largely caused by the increase in production of United Coal (the company's coal producing division in the US).

It is also worth noting that Metinvest recently announced that the meeting of bondholders held on May 1, 2015 was adjourned due to lack of quorum. However, the company has resolved not to proceed with an adjourned meeting and has decided to withdraw the proposals set out in the related Consent Solicitation Memorandum dated April 8, 2015. Metinvest commented that it intends to send holders of the 2015 notes a new proposal which will be set out in a further Consent Solicitation Memorandum together with a new Notice of Meeting.

Our view:

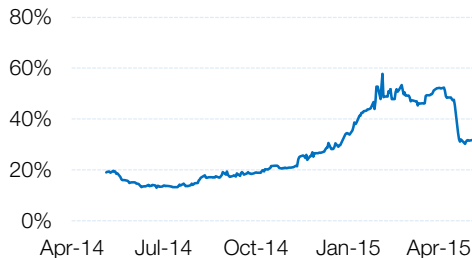
The news is NEGATIVE for the company. Decreasing production volumes across all segments show that the company's operations are still suffering from the conflict in Eastern Ukraine, although there is a sign of a slight improvement after the latest Minsk agreement. Subsequently, the company is cash-starved and therefore we deem it unlikely that Metinvest will be able to pay the remaining amount of the company's Eurobonds due in 2015 (around USD 114 mn). As such, we expect Metinvest to come up with a new proposal for bondholders that will be attractive enough for them to vote for a maturity extension.

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UARAIL-18

Ticker	UARAIL-18
Volume, \$ mn	500
Coupon, %	9.5
Mid price	58.3
Mid YTM	31.6
Rating	
Fitch	CC
S&P	CC

YTM history



Source: Bloomberg

S&P downgrades Ukraine Railways to 'CC' from 'CCC-'

On April 30, 2015, Standard & Poor's Rating Services downgraded the long-term foreign and local currency corporate credit ratings on Ukrainian railway company "The State Administration of Railways Transport of Ukraine" (Ukrainian Railways) to 'CC' from 'CCC-', setting the outlook to negative. The Agency also lowered the issue ratings on the senior secured loan participation notes due 2018 and issued by financing vehicle Shortline PLC to 'CC' from 'CCC-'.

The rating action reflects the decision of the government to initiate a restructuring of the Ukrainian Railways' loan participation notes worth USD 500 mn due 2018 as part of the overall government debt reprofiling agenda required by the IMF Extended Financing Facility for Ukraine. Such a decision virtually sent the company's rating to near-default grade. The negative outlook reflects the likelihood of further downgrade of the long-term ratings on the company to 'SD' (selective default) and the issue rating on its USD 500 mn loan participation notes to 'D' after completion of the restructuring procedures.

Our view:

The news is explicitly NEGATIVE for the company. The rating operation follows the statement of Ukraine's Finance Ministry pointing the company as one of participants to the debt restructuring process. In the meantime, no information has been released till now as to the company's reprofiling process. Additionally, the rating downgrade takes into account the difficult operating environment of the company and a worsening of its results in connection with the Eastern Ukrainian conflict. The Minister of Finance Natalie Jaresko is reported to have aligned the restructuring terms for the company's notes with those of Ukreximbank, referring to the Minister's presentation in Washington on April 17, 2015. Overall however, the restructuring of the company's bonds will be carried on an individual basis, with regard to the specific features of the company. In the meantime, the rating reflects concerns about the ability and willingness of the government to financially back the company in the future, given stringent requirements of the government commitments under the IMF sponsored reform program.

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Local equity – UX Index

Company	Ticker	Mcap, \$ mn	Last price, \$	Bid, \$	Ask, \$	Chg, d/d	Chg, m/m	Chg, YTD	1M ADT Vol, \$000	52w Low	52w High
Alchevsky MP	ALMK UK	20.7	0.001	0.001	0.001	7.4%	32.2%	-9.7%	1.1	0.001	0.004
Avdeevsky Coke	AVDK UK	12.6	0.065	0.063	0.065	1.0%	1.3%	-39.2%	1.9	0.066	0.309
Azovstal	AZST UK	174.8	0.042	0.041	0.042	2.3%	18.0%	-9.1%	7.0	0.030	0.074
Bank Aval	BAVL UK	143.3	0.005	0.005	0.005	2.4%	14.0%	-18.9%	13.7	0.005	0.016
CentrEnerg	CEEN UK	147.3	0.399	0.396	0.399	2.7%	13.0%	-13.9%	19.1	0.253	0.746
DonbassEnerg	DOEN UK	26.9	1.138	1.120	1.135	3.0%	15.6%	-43.8%	7.4	0.940	4.111
Enakievo MP	ENMZ UK	9.1	0.862	0.828	0.861	1.8%	6.7%	-33.0%	1.7	0.578	5.365
Motor Sich	MSICH UK	274.6	132.15	132.15	132.54	1.1%	15.9%	-13.4%	57.5	142.54	110.1
Ukrnafta	UNAF UK	716.1	13.206	13.196	13.254	3.4%	-1.3%	5.7%	47.3	4.563	29.07
Kryukiv carriage	KVBZ UK	64.7	0.564	0.544	0.565	2.1%	16.7%	-28.5%	1.5	0.418	1.814

Source: Bloomberg, UX. Price calculated using the interbank exchange rate according to Bloomberg.

Other local equity

Company	Ticker	Mcap, \$ mn	Last price, \$	Bid, \$	Ask, \$	Chg, d/d	Chg, m/m	Chg, YTD	1M ADT Vol, \$000	52w Low	52w High
Central GZK	CGOK UK	470.4	0.401	0.273	0.421	1.7%	-	-	-	-	-
Donetsk Coke	DKOK UK	3.8	0.015	-	0.023	1.7%	-	-	-	-	-
DniproEnerg	DNON UK	27.8	4.641	3.493	4.784	1.7%	-	-	-	-	-
DonetskOblEner	DOON UK	8.5	0.129	0.067	0.194	1.7%	-	-	-	-	-
Farmak	FARM UK	34.8	4.785	7.177	-	1.7%	-	-	-	-	-
Forum Bank	FORM UK	-	-	-	-	-	-	-	-	-	-
KhmelnytskOblEner	HMON UK	14.5	0.108	0.054	0.161	1.7%	-	-	-	-	-
Hartsyzk pipes	HRTR UK	37.3	0.014	0.014	0.017	1.7%	-33.2%	-39.1%	0.1	0.013	0.086
KievEnerg	KIEN UK	93.3	0.861	0.671	0.933	1.7%	-	-	-	-	-
KirovogradOblEner	KION UK	12.9	0.108	0.054	0.161	1.7%	-	-	-	-	-
AvtoKRAZ	KRAZ UK	13.0	0.006	0.005	0.006	1.7%	-	-	-	-	-
DTEK KrymEnerg	KREN UK	4.4	0.025	0.014	0.036	1.7%	4.9%	-79.0%	0.2	0.031	0.214
Kryukiv carriage	KVBZ UK	64.7	0.564	0.544	0.565	2.1%	16.7%	-28.5%	1.5	0.418	1.814
Lugansk Locomotive	LTPL UK	12.6	0.057	0.048	0.058	1.7%	-13.1%	-13.5%	0.1	0.072	0.066
Bogdan Motors	LUAZ UK	5.6	0.001	0.001	0.001	1.3%	-11.2%	4.8%	0.2	0.001	0.007
Ilyich iron and steel	MMKI UK	112.5	0.009	0.008	0.010	1.7%	-	-	-	-	-
Mariupol machinery	MZVM UK	1.1	0.003	0.003	0.004	1.7%	7.8%	-55.7%	0.9	0.005	0.017
MHP	MHPC UK	1,365.1	12.919	12.919	13.300	1.7%	-	-	-	-	-
Nord	NORD UK	5.2	1.914	0.957	3.349	1.7%	-	-	-	-	-
Poltavkhimmash	PHMSH UK	1.7	0.718	0.359	1.072	1.7%	-	-	-	-	-
South GZK	SGOK UK	903.9	0.392	0.344	0.383	1.7%	12.7%	-23.7%	0.8	0.280	0.777
Pokrovske mine	SHCHZ UK	13.4	0.016	0.011	0.016	1.7%	-25.9%	-45.5%	0.1	0.011	0.068
Universalna insur.	SKUN UK	2.4	-	-	-	-	-	-	-	0.025	0.669
Slavutich	SLAV UK	318.0	0.311	0.317	0.474	1.7%	-	-	-	-	-
Stakhanov railway	SVGZ UK	2.9	0.013	0.011	0.018	1.7%	-	-	-	-	-
Ukrtelecom	UTLM UK	140.2	0.007	0.008	0.009	0.3%	0.8%	-19.8%	15.9	0.008	0.010
Yasynivsky Coke	YASK UK	3.6	0.013	0.012	0.014	1.7%	-2.2%	-24.9%	0.0	0.012	0.072
Zakhidenergo	ZAEN UK	91.8	7.177	6.708	8.172	1.7%	-8.3%	-21.1%	0.4	7.693	15.488
ZakarpattyaOblEner	ZOEN UK	6.6	0.053	0.048	-	1.7%	8.6%	-22.1%	-	0.060	0.145

Source: Bloomberg, UX. Price calculated using the interbank exchange rate according to Bloomberg.

Ukrainian equities listed abroad

Company	Ticker	Mcap, \$ mn	Last price, \$	Bid, \$	Ask, \$	Chg, d/d	Chg, m/m	Chg, YTD	1M ADT Vol, \$000	52w Low	52w High
Active Energy	AEG LN	56.9	0.10	0.10	0.10	-0.5%	41.5%	116.0%	83.6	0.02	0.18
Agrogeneration	ALAGR FP	53.8	0.58	0.56	0.56	4.4%	8.4%	11.9%	19.1	0.32	1.29
Agroton	AGT PW	6.6	0.30	0.30	0.30	-0.6%	-2.7%	-12.9%	9.8	0.29	0.89
Astarta-Kyiv	AST PW	176.3	7.05	7.05	7.05	2.6%	20.4%	24.8%	296.8	3.97	13.34
Avangard	AVGR LI	146.9	2.30	2.30	2.30	-8.0%	-12.5%	12.2%	89.8	1.81	10.35
Black Iron	BKI CN	4.7	0.03	0.02	0.02	1.2%	45.2%	-32.5%	4.6	0.02	0.15
Cadogan Oil	CAD LN	30.7	0.13	0.13	0.13	0.6%	3.4%	-14.6%	13.2	0.13	0.19
Cereal Planet	CRP PW	6.1	3.41	3.36	3.36	0.9%	3.5%	2.6%	0.0	2.93	3.41
Coal Energy	CLE PW	7.6	0.17	0.17	0.17	-1.3%	-2.1%	-3.3%	1.6	0.14	0.41
Cub Energy	CUB CN	5.2	0.02	0.02	0.02	0.6%	-17.1%	-44.9%	3.0	0.01	0.15
Ferrexpo	FXPO LN	711.4	1.21	1.20	1.20	3.2%	29.1%	58.6%	1,027.8	0.67	2.15
Hawkey Oil&Gas	HOG AU	1.4	0.00	0.00	0.00	1.3%	4.2%	45.7%	-	0.00	0.01
IMC	IMC PW	46.1	1.47	1.42	1.42	0.3%	4.5%	-8.1%	1.8	1.39	2.91
JKX Oil&Gas	JKX LN	78.5	0.46	0.44	0.44	2.3%	-1.4%	143.9%	27.8	0.17	0.96
KDM Shipping	KDM PW	10.3	1.11	0.01	0.01	0.0%	-18.1%	-3.2%	0.5	0.97	3.05
Kernel	KER PW	774.7	9.72	9.75	9.75	-0.8%	-8.3%	20.9%	906.6	5.83	11.08
MHP	MHPC LI	1,215.2	11.50	11.40	11.40	0.0%	12.7%	25.0%	403.7	8.24	15.77
Milkiland	MLK PW	22.4	0.72	0.70	0.70	-2.3%	15.7%	71.4%	31.3	0.39	2.11
Misen Energy	MISE SS	137.1	0.95	0.84	0.84	-0.6%	25.2%	8.5%	-	0.69	3.21
Mriya	MAYA GF	6.1	0.06	0.07	0.07	2.4%	-88.4%	-91.6%	0.5	0.06	6.17
Ovostar	OVO PW	124.2	20.70	20.70	20.70	0.1%	10.9%	1.7%	226.4	17.35	21.24
Regal Petroleum	RPT LN	23.1	0.07	0.05	0.05	19.3%	1.8%	48.1%	0.6	0.04	0.15
Serinus Energy	SEN PW	76.9	0.98	0.98	0.98	0.6%	18.5%	-13.7%	185.6	0.79	2.41
Westa ISIC	WES PW	1.0	0.02	0.02	0.02	0.0%	2.4%	-53.9%	0.2	0.02	0.13

Source: Bloomberg.

Market multiples

Industry	Ticker	Last price,	Target price,	Mcap \$ mn	EV, \$ mn	Free float	P/E			EV/EBITDA			EV/Sales			P/B
		\$	\$				2013	2014E	2015F	2013	2014E	2015F	2013	2014E	2015F	
OIL&GAS, ENERGY																
Ukrnafta	UNAF UK	13.21	-	716	984	10%	30.8	6.8	9.3	3.4	2.6	4.6	0.4	0.5	0.6	0.3
JKX Oil & Gas	JKX LN	0.46	-	79	90	48%	12.1	neg.	neg.	1.4	1.9	1.6	0.5	0.6	0.6	0.2
Misen Energy	MISE SS	0.95	-	137	154	1%	4.3	-	-	3.3	-	-	1.6	-	-	1.6
Serinus Energy	SER PW	0.98	-	77	103	22%	neg.	3.6	neg.	1.4	1.3	3.2	0.7	0.6	0.8	0.5
Cub Energy	KUB CN	0.02	0.03	5	4	45%	neg.	neg.	neg.	neg.	neg.	neg.	1.5	0.5	0.6	0.1
Active Energy	AEG LN	0.10	0.26	57	59	33%	neg.	neg.	1.0	neg.	117.7	1.0	7.2	2.2	1.0	9.8
METALS & MINING																
Ferrexpo	FXPO LN	1.21	-	711	1,300	50%	2.7	3.9	11.0	2.6	2.6	5.4	0.8	0.9	1.2	0.4
Central GZK	CGOK UK	0.40	-	470	456	0%	2.4	2.9	-	1.4	1.6	-	0.7	0.7	-	0.6
South GZK	SGOK UK	0.39	-	904	1,212	1%	1.7	2.0	-	1.3	1.5	-	0.7	0.8	-	0.4
Pokrovske coal	SHCHZ UK	0.02	-	13	140	2%	neg.	-	-	1.4	-	-	0.3	-	-	0.1
Azovsteel	AZST UK	0.04	-	175	175	4%	neg.	2.2	3.4	neg.	1.1	1.7	0.1	0.1	0.1	0.1
Enakievo MP	ENMZ UK	0.86	-	9	1	14%	neg.	neg.	neg.	neg.	0.0	0.0	0.0	0.0	0.0	0.3
AGRI/FOOD																
Kernel	KER PW	9.72	-	775	1,510	61%	6.9	neg.	5.6	5.2	8.0	4.6	0.5	0.6	0.6	0.6
MHP	MHPC LI	11.50	-	1,215	2,394	34%	7.8	neg.	5.1	6.1	4.3	4.7	1.6	1.7	1.8	1.0
Astarta	AST PW	7.05	-	176	439	37%	5.2	neg.	neg.	4.4	2.8	4.5	0.9	0.9	1.2	0.3
Agrogeneration	ALAGR FP	0.58	-	54	80	100%	neg.	-	-	neg.	-	-	1.1	-	-	0.8
Avangard	AVGR LI	2.30	4.52	147	300	23%	0.6	neg.	2.3	1.0	2.3	2.5	0.5	0.7	0.7	0.1
Ovostar	OVO PW	20.70	-	124	133	29%	4.1	5.0	6.0	3.7	4.6	5.1	1.5	1.8	1.6	0.9
Mriya	MAYA GF	0.06	-	6	794	20%	0.1	-	-	4.8	-	-	1.6	-	-	0.0
IMC	IMC PW	1.47	-	46	170	31%	1.8	neg.	5.7	3.4	3.0	3.4	1.5	1.2	1.0	0.3
Milkiland	MLK PW	0.72	-	22	134	16%	1.6	neg.	neg.	3.0	4.2	4.5	0.3	0.4	0.5	0.1
UTILITIES																
CentrEnerg	CEEN UK	0.40	-	147	244	22%	2.5	24.6	neg.	2.6	9.4	neg.	0.3	0.4	0.5	0.5
DonbassEnerg	DOEN UK	1.14	-	27	123	14%	0.4	1.1	neg.	1.1	2.6	38.3	0.2	0.3	0.7	0.2
KievEnerg	KIEN UK	0.86	-	93	33	3%	0.8	-	-	0.2	-	-	0.0	-	-	0.2
Zakhidenerg	ZAEN UK	7.18	-	92	122	3%	1.3	-	-	0.8	-	-	0.1	-	-	0.4
INDUSTRIALS																
Hartsyzk pipes	HRTR UK	0.01	-	37	38	2%	8.0	7.5	-	1.5	1.3	-	0.3	0.1	-	0.3
AutoKRAZ	KRAZ UK	0.006	0.017	13	148	13%	5.4	neg.	0.6	11.4	3.4	3.3	1.7	1.0	1.0	-
Kryukiv carriage	KVBZ UK	0.56	-	65	68	32%	1.6	neg.	neg.	1.4	neg.	13.7	0.1	0.5	1.0	0.2
Motor Sich	MSICH UK	132.15	-	275	211	30%	1.7	1.7	1.9	0.5	0.5	0.8	0.2	0.3	0.3	0.2
Bogdan Motors	LUAZ UK	0.001	-	6	181	42%	neg.	-	-	neg.	-	-	1.4	-	-	0.1
BANKING																
Ukrsotsbank	USCB UK	0.005	-	135	877	2%	neg.	7.1	neg.	-	-	-	1.4	-	-	0.1
Bank Aval	BAVL UK	0.005	-	143	655	5%	1.2	neg.	neg.	-	-	-	0.7	1.4	2.6	0.1
TELECOMS																
Ukrtelecom	UTLM UK	0.007	-	140	126	7%	neg.	8.8	17.5	0.8	1.2	1.8	0.2	0.3	0.6	0.2
PHARMA																
Farmak	FARM UK	4.78	-	35	74	22%	1.0	-	-	1.1	-	-	0.3	-	-	0.2

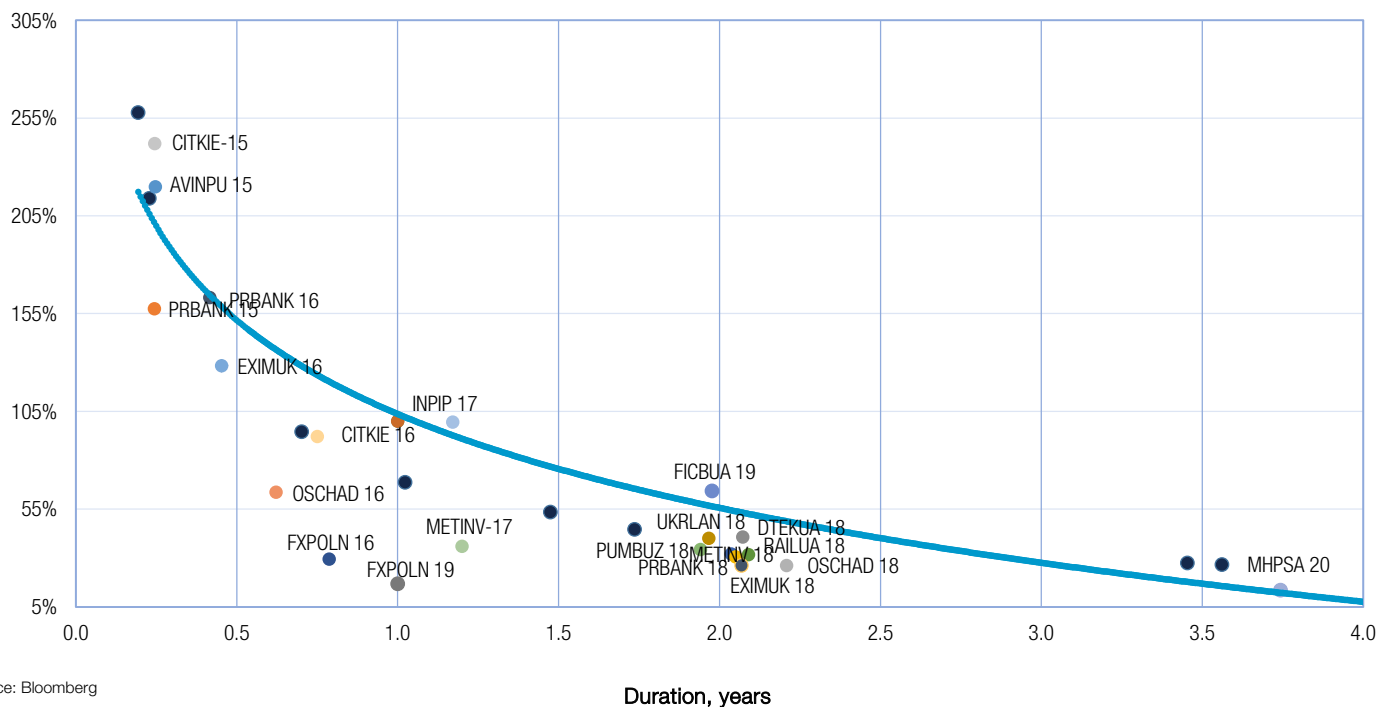
Source: Bloomberg, ESCP estimates. Market value of debt is used where applicable.

Eurobonds

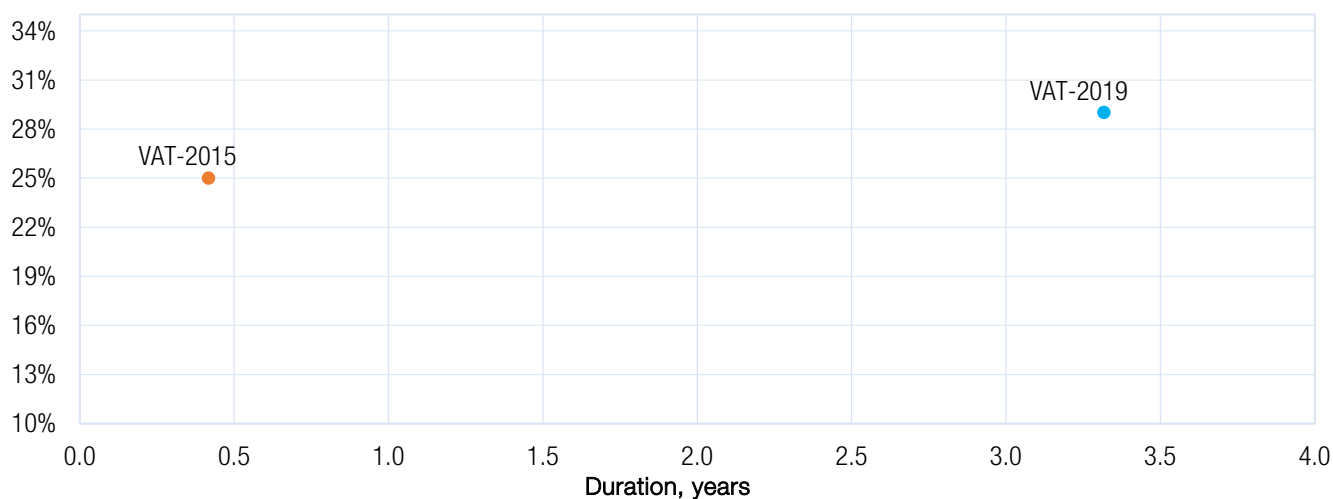
Issue	Ticker	Cpn	Maturity	Amt, \$ mn	Last	Bid	Ask	YTM (mid)	Mod. Dur.	Spread to sov., bps	Rating
Sovereigns											
Ukraine-15	UKRAIN	6.88	23.09.2015	500	51.56	50.63	52.50	257.8	0.19	4,044	CC/Ca/CCC-
Ukraine-15	UKRAIN	4.95	13.10.2015	600	51.52	50.42	52.62	214.0	0.23	813	CC/Ca/CCC-
Ukraine-15 (RU)	UKRAIN	5.00	20.12.2015	3,000	50.00	47.50	52.50	158.6	0.35	-1,879	CCC/Caa3/CCC
Ukraine-16	UKRAIN	6.25	17.06.2016	1,250	46.00	45.50	46.50	94.6	0.70	-3,361	CC/Ca/CCC-
Ukraine-16	UKRAIN	6.58	21.11.2016	1,000	45.94	45.50	46.38	68.8	1.02	-3,327	CC/Ca/CCC-
Ukraine-17	UKRAIN	9.25	24.07.2017	2,600	46.13	45.75	46.50	53.5	1.47	-2,326	CC/Ca/CCC-
Ukraine-17	UKRAIN	6.75	14.11.2017	700	45.88	45.25	46.50	44.6	1.74	-2,081	CC/Ca/CCC-
Ukraine-20	UKRAIN	7.75	23.09.2020	1,500	46.06	45.61	46.52	27.5	3.45	976	CC/Ca/CCC-
Ukraine-21	UKRAIN	7.95	23.02.2021	1,500	46.21	45.54	46.89	26.7	3.56	1,102	CC/Ca/CCC-
Ukraine-22	UKRAIN	7.8	28.11.2022	2,250	46.06	45.60	46.52	23.3	4.09	1,732	CC/Ca/CCC-
Ukraine-23	UKRAIN	7.5	17.04.2023	1,250	47.75	47.00	48.50	21.5	4.65	2,434	CC/Ca/CCC-
Fin. of infr. pr.-17	UKRINF	8.38	03.11.2017	568	44.50	43.50	45.50	49.6	1.76	-1,510	-/Ca/-
Fin. of infr. pr.-17	UKRINF	9	07.12.2017	550	44.75	44.00	45.50	48.8	1.67	-1,942	-(P)Ca/-
Fin. of infr. pr.-18	UKRINF	7.4	20.04.2018	690	44.50	43.50	45.50	41.8	2.11	-1,012	-/Ca/-
Municipals											
City of Kiev-15	CITKIE	8	06.11.2015	250	47.25	44.50	50.00	242.0	0.25	4,107	CC/Ca/CCC-
City of Kiev-16	CITKIE	9.38	11.07.2016	300	46.75	44.50	49.00	92.2	0.75	-3,138	CC/Ca/CCC-
Corporates											
Mriya-16	MRIYA	10.95	30.03.2016	250	12.25	9.50	15.00	flat	0.28	-	WD/-/NR
Mriya-18	MRIYA	9.45	19.04.2018	400	N/A	N/A	N/A	flat	1.78	-	WD/-/NR
Ukrlandfarming-18	UKRLAN	10.88	26.03.2018	500	52.51	50.01	55.00	40.0	1.97	-1,676	WD/-/CC
Ferrexpo-16	FXPOLN	7.88	07.04.2016	500	83.63	82.42	84.83	29.5	0.79	-9,075	CCC/Caa3/CCC+
Ferrexpo-19	FXPOLN	10.38	07.04.2019	161	82.00	80.00	84.00	16.8	2.64	-1,947	CCC/Caa3/CCC+
MHP-20	MHPSA	8.25	02.04.2020	750	81.40	80.08	82.73	13.6	3.74	138	CCC/-/CCC-
DTEK-18	DTEKUA	7.88	04.04.2018	750	46.83	45.67	48.00	40.6	2.07	-1,252	C/Ca/-
Metinvest-15	METINV	10.25	20.05.2015	500	68.83	67.67	70.00	1,186.8	0.02	-	C/Caa3/-
Metinvest-17	METINV	10.5	28.11.2017	290	59.50	57.00	62.00	36.0	1.20	-5,505	C/-/-
Metinvest-18	METINV	8.75	14.02.2018	750	59.17	58.33	60.00	32.0	2.04	-2,235	C/Caa3/-
Ukraine Railways-18	RAILUA	9.5	21.05.2018	500	58.67	57.33	60.00	31.6	2.09	-2,093	CC/-/CCC-
Avangard-15	AVINPU	10	29.10.2015	200	51.00	46.00	55.99	219.8	0.25	1,940	WD/ /-
Interpipe-17	INPIP	10.25	02.08.2017	200	27.50	25.00	30.00	99.5	1.17	673	C/-/NR
Banks											
PrivatBank-15	PRBANK	9.38	23.09.2015	200	64.50	62.00	67.00	157.4	0.24	-10,037	CC/Cau/CCC-
PrivatBank-16 (sub.)	PRBANK	5.80	09.02.2016	150	42.50	40.00	45.00	163.1	0.42	-124	-/Cu/-
Privatbank-18	PRBANK	10.88	28.02.2018	175	64.50	62.00	67.00	30.5	2.05	-2,336	CC/Cau/CCC-
Ukreximbank-15	EXIMUK	8.38	27.07.2015	750	75.00	73.00	77.00	flat	0.17	-	RD/Ca/-
Ukreximbank-16 (sub.)	EXIMUK	5.79	09.02.2016	125	49.50	48.00	51.00	128.3	0.45	-3,019	C/C/-
Ukreximbank-18	EXIMUK	8.75	22.01.2018	600	67.50	66.00	69.00	26.2	2.07	-2,708	C/Ca/-
Oschadbank-16	OSCHAD	8.25	10.03.2016	700	67.50	66.50	68.50	63.7	0.62	-7,282	CC/Ca/-
Oschadbank-18	OSCHAD	8.88	20.03.2018	500	66.50	65.00	68.00	26.2	2.21	-2,260	CC/Ca/-
Nadra-17 (restr.)	NADRA	9.38	05.12.2017	N/A	N/A	N/A	N/A	N/A	N/A	-	-/-/-
VAB Bank-19 (restr.)	VABANK	9.00	14.06.2019	125	4.00	2.00	6.00	flat	1.50	-	WD/WR/-
Fin&Credit-19 (restr.)	FICBUA	9.25	25.01.2019	100	25.00	20.00	30.00	64.3	1.98	789	-/-/-
PUMB-18	PUMBUZ	11.00	31.12.2018	275	52.50	51.00	54.00	34.3	1.94	-2,341	NR/WR/-

Source: Bloomberg, ESCP

Eurobonds yield curve



OVDP yield curve

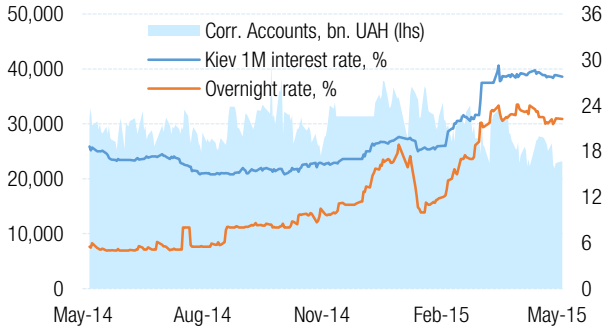


OVDP auction results

Date	ISIN	Maturity	Coupon	Avg. YTM	Auction Bids, UAH mn	Amnt placed, UAH mn	Num. of bids accepted
24.02.2015	UA4000189021	01.02.2017	16.70%	16.70%	19	19	1
18.02.2015	UA4000189294	17.03.2015	8.75%	8.75%	USD 40 mn	USD 40 mn	1
17.02.2015	UA4000189294	17.03.2015	8.75%	8.75%	USD 100 mn	USD 100 mn	1
05.02.2015	UA4000189013	24.03.2015	8.75%	8.75%	USD 100 mn	USD 100 mn	1
03.02.2015	UA4000189021	01.02.2017	16.70%	16.70%	24	24	1
03.02.2015	UA4000189013	24.03.2015	8.75%	8.75%	USD 61 mn	USD 61mn	1
27.01.2015	UA4000188940	24.04.2015	17.00%	17.00%	3,073	3,073	3
26.01.2015	UA4000188940	24.04.2015	17.00%	17.00%	1,500	1,500	2
16.01.2015	UA4000188791	01.04.2015	17.00%	17.00%	2,509	2,509	3
15.01.2015	UA4000188791	01.04.2015	17.00%	17.00%	3,227	3,227	4
26.12.2014	UA4000188536	11.12.2019	14.25%	14.25%	903	903	1
19.12.2014	UA4000188429	04.12.2019	14.25%	14.25%	500	500	1
16.12.2014	UA4000188429	04.12.2019	14.25%	14.25%	1,000	1,000	1
15.12.2014	UA4000188379	23.11.2016	17.60%	17.60%	1,000	1,000	1

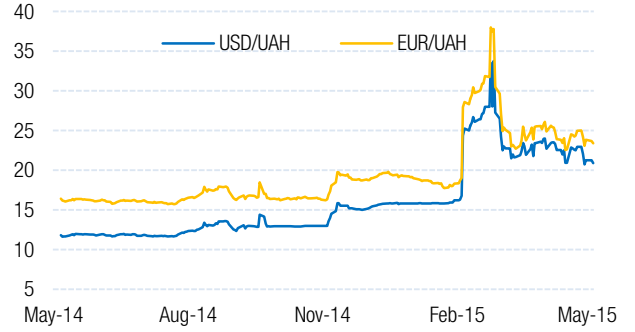
Source: Ministry of Finance of Ukraine

Liquidity indicators



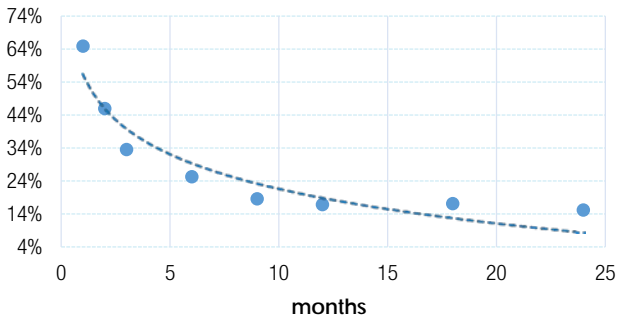
Source: NBU, Bloomberg

Exchange rate dynamics



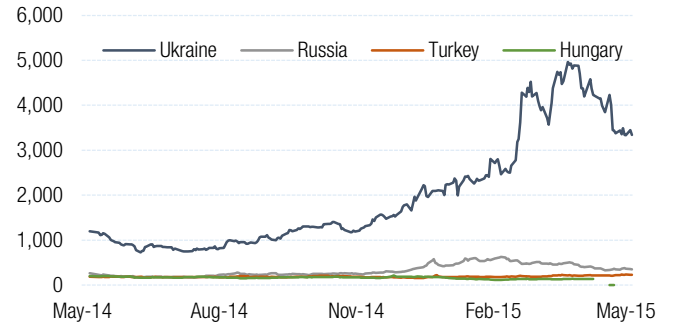
Source: Bloomberg

UAH/USD NDF implied yield curve



Source: Bloomberg, ESCP estimates

CDS USD 5Y: Ukraine and comparables



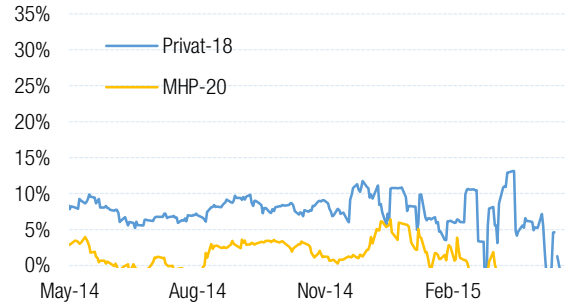
Source: Bloomberg

Spread of 10-y sov. issue to U.S. Treasuries



Source: Bloomberg

Spread of corp. issues to Ukraine gov. bonds



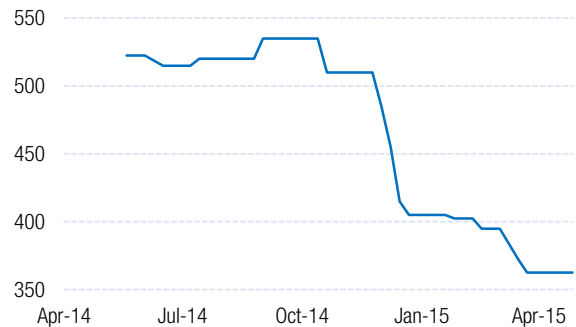
Source: Bloomberg

S&P GSCI Agriculture index



Source: Bloomberg

Ukraine hot-rolled coil, FOB \$/t



Source: Bloomberg

Important disclosure

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