CONCORDE CAPITAL

Ukraine/ Machine-Building

Dnipropetrovsky Switch Plant

Switching It On

16 NOV 2005

BUY

Target Price **USD 118**

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Market Information	
No of Shares, mln	**0.25**
Free Float, %	**12%**

Stock Ownership	
CJSC Tako	35.6%
CJSC Yugtransstroy	13.8%
Other	50.6%

The Dnipropetrovsky Railway Switch Plant, a Ukrainian monopoly, is a key player in the nation-wide program to modernize the railways. The company has no competition, stable demand from the national railway monopoly Ukrzaliznitsa and ¼ of its revenues come from deliveries to the CIS. These factors have lead us to issue a BUY recommendation for the company.

Reaping The Benefits Of The National Modernization Plan. A major CIS producer of railway switching systems, DniproSwitch, is playing a leading role in the country's nation-wide railroad infrastructure modernization plan. With a total length of about 22 thousand km, the Ukrainian railway network is one of the largest in Europe. Economic stagnation in the early 1990's has left the segment in dire need of repairs and modernization.

Ukrzaliznitsa & EBRD Teaming Up To Improve Ukrainian Rails. As 3/4 of all domestic cargo is transported by rail - due to the pronounced steel/ bulk product/ heavy machinery profile of the Ukrainian economy - the national railway operator, Ukrzaliznitsa, is spearheading a modernization program with the help of the EBRD. Nearly 38% of Europe's international carriage traffic passes through Ukrainian transportation corridors annually. The EBRD has already provided Ukraliznitsa USD 52 mln and signed an agreement to provide another USD 120 mln. Ukrzaliznitsa alone invested over USD 234 mln in 1H05 in industry development and will invest over USD 920 mln in infrastructure improvements in the mid-term.

DniproSwitch: The Only Switch In Town. The adoption of antidumping duties for imported of railway switches in 2002, combined with the decay of domestic competitors, made DniproSwitch a monopoly supplier on the Ukrainian market. The antidumping duties are effective until mid 2007, and we expect a protectionist policy to be put in place thereafter as well.

Export Opportunities Abound. Exports account for ¼ of DniproSwitch's revenues, and the company has unrestricted access to Russian and other CIS markets. Russian switch plants in particular, are unable to meet growing domestic demand. Russia plans to invest USD 51 bln in railway infrastructure development by 2010.

KEY FINANCIAL DATA, USD mln

	Sales	EBITDA	Net Income
2003	25.7	3.4	1.7
2004	32.5	3.9	1.8
2005E	37.9	4.0	1.9

	Sales Growth	Margins EBITDA	Net
2003	22%	13%	7%
2004	27%	12%	5%
2005E	17%	11%	5%

Spot Exchange Rate	5.05

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Investment Case – Get On The Train

The production of rolling stock for railroads has always been one of the most attractive sectors of Ukrainian machine building, however, the stock is difficult to get your hands on. On the other side, the national railroads are in state hands and this is not likely to change in the foreseeable future. Fortunately, there are other ways to get exposure to the railway sector. In this report, we introduce the Dnipropetrovsky Switch Plant (DniproSwitch) – a Ukrainian monopoly in the production of railway junctions and switching systems.

The company has flown below the radar of most investors, and therefore represents an early-entrance opportunity. DniproSwitch's ~USD 38 mln of expected sales, a modest figure, hide the company's potential to multiply its top line on the back of burgeoning demand for railway infrastructure improvement in the CIS. Currently the company is only operating at 20% capacity. In deriving target price, we consider only immediate upside, leaving ample room for future surprises.

Our estimated target MCap is USD 30 mln, with a corresponding share price of USD 118. **Important note:** The company plans to hold an EGM on December 15 2005 to double its share capital. If the issue is approved, the adjusted target price will be USD 60. However, shareholders will be allowed to subscribe for additional shares at par value (USD 2.08), keeping their upside intact.

Valuation

We calculated the target price based on multiples for a group of foreign companies which produce rails and/or switching systems. Though most of the companies are significantly larger than DniproSwitch, we believe that the company's monopolistic position, combined with the fact that the stock is a rare opportunity to get exposure to the Ukrainian railway industry, compensates for this difference.

Key Peer Financial Data

	Country	Sales, USD mln		EBITDA margin		Net margin	
		2004	2005e	2004	2005e	2004	2005e
DniproSwitch	**Ukraine**	**32.5**	**37.9**	**12.1%**	**10.6%**	**5.4%**	**5.1%**
Portec Rail Products Inc	USA	69.4	89.9	11.4%	n/a	5.9%	6.6%
Vossloh	GERMANY	1253.4	1223.4	14.5%	11.7%	6.2%	4.7%
Hunan Valin Steel Tube	CHINA	2870.7	3684.2	9.8%	n/a	4.2%	3.2%
Delachaux	FRANCE	543.7	527.5	12.9%	13.1%	2.6%	6.6%
Jindal Steel & Power	INDIA	326.1	536.7	36.9%	26.5%	21.6%	16.0%
Yamato Kogyo Company	JAPAN	683.9	808.4	19.3%	n/a	18.0%	17.0%
Peer Average				17.4%	**17.1%**	9.7%	**9.5%**
Peer Median				13.7%	**13.1%**	6.0%	**6.6%**

Source: IBES, Company Data, Concorde Capital estimates

EV/Sales, EV/EBITDA and P/E multiples led us to **the target price of USD 118 for Dnipropetrovsky Switch.**

Multiples Valuation

	Mcap, USD mln	EV/S		EV/EBITDA		P/E	
		2004	2005e	2004	2005e	2004	2005e
Portec Rail Products Inc	115.0	1.8	n/a	15.9	n/a	28.2	19.4
Vossloh	705.3	0.7	0.8	5.2	6.6	9.1	12.2
Hunan Valin Steel Tube	969.5	0.7	0.5	6.9	n/a	8.0	8.1
Delachaux	412.7	1.2	1.1	9.1	8.5	29.1	11.8
Jindal Steel & Power	827.9	3.2	1.9	8.8	7.2	11.8	9.7
Yamato Kogyo Company	1051.0	1.2	n/a	6.5	n/a	8.6	7.7
Peer Average		1.5	**1.1**	8.7	**7.4**	15.8	**11.5**
Peer Median		1.2	**0.9**	7.8	**7.2**	10.4	**9.7**
Implied Mcap By Average, USD mln		48.6	**41.2**	34.6	**30.2**	27.9	**22.1**
Implied Mcap By Median, USD mln		39.8	**36.0**	31.2	**29.1**	18.4	**18.6**
Implied Target Price By Average, USD		191.1	**162.0**	136.0	**118.5**	109.6	**86.8**
Implied Target Price By Median, USD		156.5	**141.6**	122.6	**114.3**	72.4	**73.1**

Source: IBES, Concorde Capital estimates

DniproSwitch: Railroad Switch Leader

Profile Of A Switch Maker

A Main-Line Railroad Switch

The Dnipropetrovsky Switch Plant is a major manufacturer of railway switching systems and junctions in Ukraine. The company's core product is railway switches.

A railway switch is a 20 tonne steel mechanism. Its main function is redirecting the rails to change the direction of the train. Depending on the switch's function it my be constructed on wood or concrete ties.

Railroad Switch

The company includes a micro-foundry (annually smelting up to 10 ths mt of steel at current production levels). The foundry fully covers internal production needs for switch and junction components.

DniproSwitch produces equipment suitable for underground, industrial and main-line transport.

Railway Switches By Application

Application	Switch Types Produced
Main line	33
Industrial	8
Metro	1

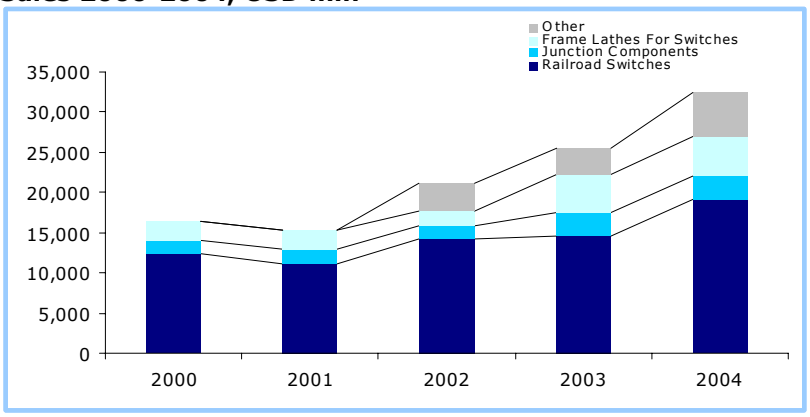
Source: Company Data

The company produces all the necessary support equipment for switches including junctions and frame lathes. It also offers maintenance services. DniproSwitch's total product line includes more than 60 items. In 2004, the company developed four types of new switches.

Backed by strong demand, the Dnipropetrovsky Switch Plant doubled its net revenue from USD 16.3 mln in 2000 to USD 32.5 mln in 2004 – a 19% CAGR.

Railway switches accounted for 59% of total sales in 2004, followed by switch junctions (9%) and frame lathes (15%). Spare parts and repair services made up the company's remaining output in 2004. DniproSwitch has been providing repair services since 2002. Currently they account for almost 17% of total sales.

Sales 2000-2004, USD mln



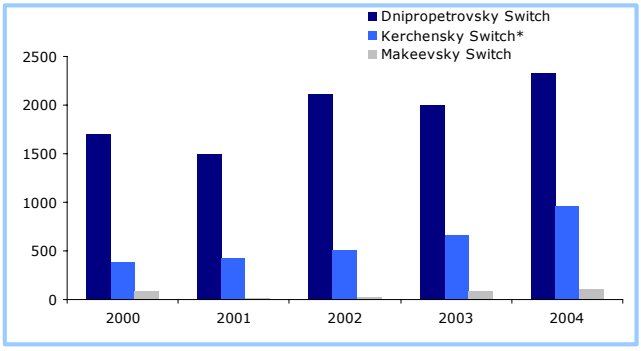
Source: Company data

The growth of other sources of revenue has had no ill effects on the company's core product. In 2000–2004 DniproSwitch's output of railway switching systems increased from 1700 to 2330 units.

Domestic Competition: No Contest?

Since 2000, the total quantity of railway switches produced in Ukraine has increased by 56%: from 2180 to ~3400 units in 2004. DniproSwitch controls 70% of the market.

Railroad Switch Output, units

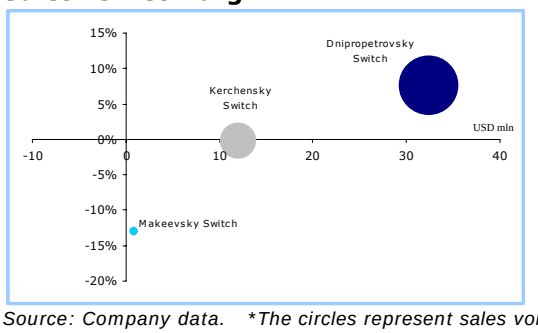


*Source: Company data. *The Kerchensky Switch Plant was created in 2002, during the reorganization of the Kerchensky Metallurgical Plant.*

Ukraine's three domestic producers meet the country's demand for railway switching systems. In addition, the domestic market for railroad equipment is protected by the government. In 2002, an antidumping duty for imported switches was set for five years. The duty equals 59.4% of the switch's value. Thus, Ukrzaliznitsia, the largest consumer, will continue to buy from domestic producers until at least mid 2007. Moreover, we believe these protectionist regulations will be prolonged: Ukraine is unenthusiastic about developing a common economic area with Russia, and Russian producers cannot satisfy domestic demand.

In fact Dnipropetrovsky Switch's only competitor for the last four years was the Kerchensky Switch Plant. However, in June 2005, the management of Kerchensky announced that it had not received a single order since the beginning of the year. Kerchensky has appealed to President Yushchenko for support, however, the President has yet to make any official comment.

Sales vs Net Margin*



*Source: Company data. *The circles represent sales volume in 2004*

In 2004, DniproSwitch posted net margins of ~5%, the highest among its domestic competitors.

The Only Game In Town

With no major competitors left on the market DniproSwitch assumed a leading role and will individually participate in Ukrzaliznitsa's industry development plans. The installation of new switching systems is an especially important component in upgrading the railways as they represent a moving element in the system that must be fail-safe at high speeds. A typical switch costs ~USD 10 thousand. We assume there are roughly 1200 stations in Ukrazaliznitsa's system. Between 50-100 railway

switches are in use at one railway station. A liberal estimate of the market size for mainline railway switches is about USD 1 bln. We assume that not less than 20% to roughly half the Ukrainian switching systems will be replaced. **Thus, the target mainline segment for DniproSwtich is USD 200-500 mln.**

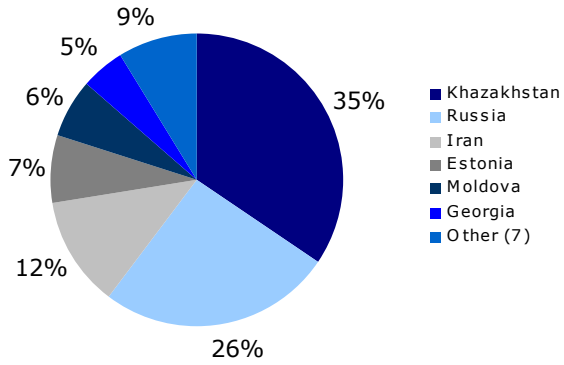
DniproSwtich also supplies switches for industrial enterprises, mostly iron ore and metal producers. There are about 3000 enterprises with railway connections to Donetsk Railways alone.

External Markets

CIS markets have the potential to support a vast amount of cargo traffic due to their geographic location. Two major CIS countries, Russia and Kazakhstan, are already improving their railway infrastructure, in an effort to make up for years of underinvestment following the collapse of the USSR. Russia, the owner of Europe's largest railway system, plans to invest USD 51 bln until 2010.

The growing traffic from Asia-Europe and the development of railroads in CIS countries, have placed DniproSwitch in a good position to expand exports. The company exported ~25% of its total sales in 2004, mainly to Kazakhstan and Russia, who together account for 2/3 of DniproSwitch's exports.

Export Breakdown By Country, 2004



Source: Company Data, Concorde Capital calculations

DniproSwitch is one of three major switch producers in the CIS. On CIS markets it faces competition from Russia's Novosibirsky (owned by Russian Railways) and Muromsky switch plants.

Major CIS Producers

Plant	Country	Transportation*		
		Industrial	Main-line	Other
Dnipropetrovsky Switch	Ukraine	✓	✓	✓
Kerchensky Switch	Ukraine	√	√	√
Novosibirsky Switch	Russia	√	√	√
Muromsky Switch	Russia	√	√	√
Kuvshinsky Transport Machinery	Russia	√		

** Industrial – switches for industrial enterprises*
Main Line – switches for high-speed railways
Other – switches for railway turning-points, individual line sections

In 2004, capacities of DniproSwtich were only loaded to 20%. The company was designed as part of the USSR system to the satisfy demand for the whole country's railroad infrastructure. **As investment into fixed assets is on the agenda in all CIS countries and no other switch producers have appeared since the fall of the Soviet Union, we believe DniproSwtich will be able to substantially increase the load at its facilities in the mid term.**

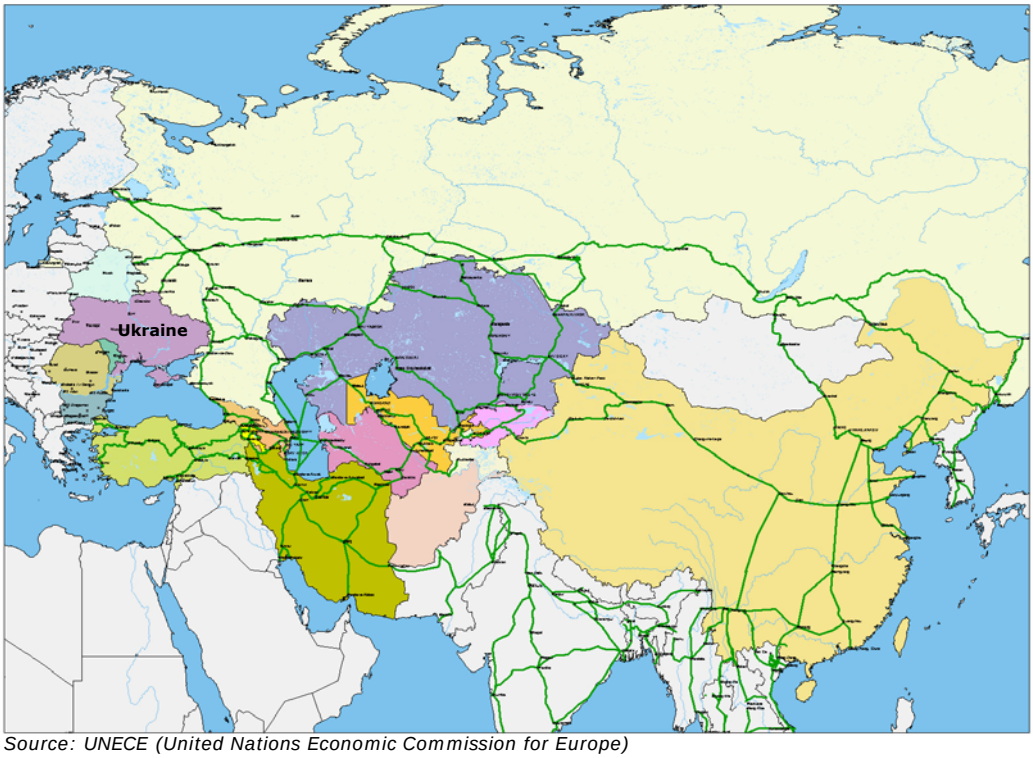
RAILROADS…

The Ukrainian economy is dependant on exports. The majority of these exports are big-volume products including steel products, mineral resources and heavy machinery. Additionally, some Ukrainian enterprises are located a significant distance from their main suppliers and consumers. **The only practical way to transport this type of cargo is by rail.**

CIS Railroads – Connecting People

Following the implementation of an integration program, the CIS railway system has been gaining importance. Many former Soviet countries have significant potential for railroad transportation. The size of the railway system in the 4 European CIS countries (Ukraine, Belarus, Moldova and Russia) equals almost 40% of all the track in Europe. In a broader context, the CIS is a major hub between Asia and Europe, and competes with sea traffic.

The Trans-Asian Railway Network



Source: UNECE (United Nations Economic Commission for Europe)

A major percentage of the railway traffic in the CIS is taken up by cargo transport. In the larger CIS countries railways account for ~75-85% of all cargo transported (excluding pipelines) and this is expected to grow. The volume of cargo in the CIS is increasing by 4-10% yoy depending on the country. To support sustainable traffic growth, large-scale repairs are necessary.

CIS Cargo Transportation. Key Statistics, 2001-1H05

	Country	2001	2002	2003	2004	1H05
Cargo Carried, mln mt	**Ukraine**	**370.2**	**392.6**	**445.5**	**462.4**	**216.0**
	Belarus	84.6	93.6	105.9	111.2	n/a
	Khazakhstan	10,386.3	10,449.0	10,666.0	11,818.0	n/a
	Russia	157,792.8	152,900.0	157,100.0	n/a	77,300.0
Cargo Turnover, mln mt/km	**Ukraine**	**177,465.0**	**193,140.5**	**225,286.9**	**233,987.1**	**109,096.3**
	Belarus	29,727.0	34,169.0	38,402.0	40,331.0	n/a
	Khazakhstan	135,616.7	133,088.0	148,370.0	163,420.0	n/a
	Russia	1,430,159.4	1,510,200.0	1,664,300.0	n/a	905,500.0

Source: UIC (International Union of Railways), RZD

The Heart Of Europe's Railway Transport System

Ukrainian Rails – Inherited Wealth

Ukraine is an important part of the European transportation system. With a total length of about 22 thousand km, it is on par with Europe's largest railways.

The European Railroad Network

Source: UECE

Among former Soviet countries, Ukraine is second only to Russia in length. Moreover, the Ukrainian and Russian railroads are the most advanced in the post-Soviet area.

Ukrainian Railroads In Europe

Country	Area, km²	Popul-n density, inhab/km²	Length of lines 2004, km								
			Total	%, E	%, W	**Double Track**	%, E	%, W	**Electrified**	%, E	%, W
European Countries											
Germany	357	230	34,729	10%	4%	17,957	15%	9%	19,340	11%	8%
France	552	110	29,246	8%	3%	16,167	13%	8%	14,645	9%	6%
Great Britain	245	250	16,514	5%	2%	n/a	n/a	n/a	5,258	3%	2%
Italy	302	190	16,325	5%	2%	6,466	5%	3%	11,240	7%	5%
Latvia	65	40	2,270	1%	0%	303	0%	0%	258	0%	0%
Estonia	45	30	959	0%	0%	110	0%	0%	131	0%	0%
Czech	79	130	1,866	1%	0%	2,982	2%	1%	2,303	1%	1%
Poland	324	120	8,744	2%	1%	11,910	10%	6%	3,709	2%	2%
Other			**210,547**	**60%**	**23%**	**57,845**	**47%**	**28%**	**103,618**	**61%**	**43%**
Former CIS Included To Europe											
Belarus	208	50	5,498	2%	1%	1,623	1%	1%	898	1%	0%
Moldova	34	120	1,075	0%	0%	116	0%	0%	-	0%	0%
Ukraine	**604**	**80**	**22,011**	**6%**	**2%**	**7,185**	**6%**	**3%**	**9,391**	**3%**	**4%**
Europe			**349,784**		38%	**122,664**		59%	**170,791**		71%
Former CIS Not Included To Europe											
Russia	17,095	10	85,542	24%	9%	36,327	30%	17%	42,335	25%	17%
Kazakhstan	2,720	10	13,770	4%	2%	4,802	4%	2%	3,865	2%	2%
World			**917,400**		100%	**209,669**			**242,253**		

Source: UIC

A Bridge Between Asia And Europe

Due to its geographical position, Ukraine, logistically speaking connects Asia to Western Europe. Six international transport corridors (**ITC**) criss-cross Ukraine:

Corridor #3 – (Poland, Germany, Ukraine). Total length 1640 km, **694 km of rail** and 611.7 km of highways passing through Ukraine.

Corridor #5 – (Italy, Slovenia, Hungary, Slovakia, Ukraine). Total length 1595 km, **266 km of rail** and 338.7 km of highways passing through Ukraine.

Corridor #7 – (Austria, Hungary, Yugoslavia, Bulgaria, Romania, Moldova, Ukraine). Total length 1600 km, 70 km by water passing through Ukraine.

Corridor #9 – (Finland, Russia, Ukraine, Belarus, Moldova, Romania). Total length 3400 km, **1496 km of rail** and 996.1 km of highways passing through Ukraine.

Corridor Gdansk-Odessa (Poland, Ukraine). Total length 1816 km, **918 km of rail** and 1208.4 km of highways passing through Ukraine.

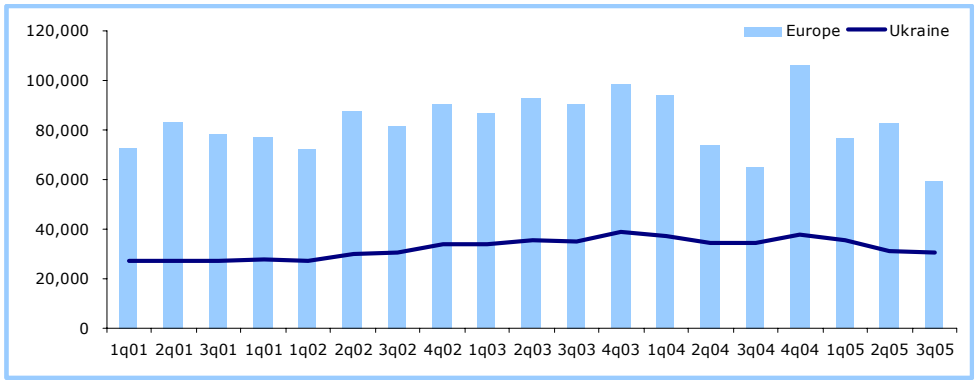
Corridor TRACECA (Europe, Kavkaz, Asia). Reopened in 1998. In 2001 the corridor was extended to **Gdansk-Odessa.**

Euro-Asian Land Transport Corridors

Source: UNECE

Ukraine's goal is European integration. Part of the country's integration plan is providing a reliable transport corridor between Europe and Asia. More than 38% of Europe's international rail cargo passes through Ukraine, which is 190-200 mln mt of cargo per annum. Moreover it looks as though this amount will grow. We believe Ukrzaliznitsa's plans to crowd out sea cargo traffic between Asia and Europe by taking advantage of favorable tariff policies is likely to be effective.

International Rail Traffic: Ukraine vs Europe, mln mt/km



Source: UIC, Concorde Capital calculations

The European Bank for Restructuring and Development (EBRD) has supported Ukraine's ambitions in developing international transportation services:

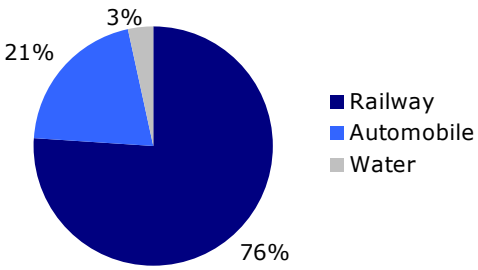
> In August 2004, Ukraine signed an agreement with the EBRD to construct high speed railroads. The EBRD provided Ukraine USD 120 mln for this project.
>
> In June 2005, the modernization of the Lviv-Zhmerinka-Kyiv line (part of ITC #3 and #9) was finished. The total amount invested was USD 92.1 mln, with USD 51.9 mln financed by the EBRD.

To the East, Ukraine, Russia and Kazakhstan are working to unify railway transit tariffs. This will allow increased traffic between these countries. According to Russian Railways (RZD), railroads from neighboring countries rejected almost 8 mln mt of its export cargo during 10M05, due to bottlenecks in their railway infrastructure. Russia is insisting that Ukraine and Kazakhstan, who are currently spending 0.005 USD/km on improving railway infrastructure, raise their level of expenditures to match Russia's 0.008 USD/km. **We believe Ukraine's railway investments could be increased by 60% in the near future – which would be a definite boost for Dniproswitch's books as well.**

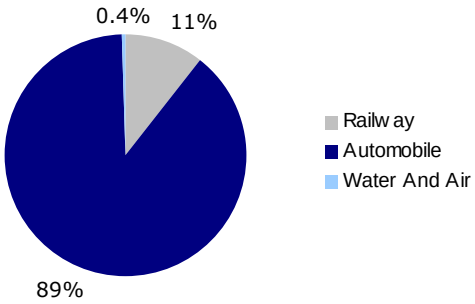
Railways – Transporting Ukraine

More than 76% of all cargo shipped in Ukraine travels by rail (as of 2004; pipelines excluded). The growth of this form of transportation (3.4% yoy) is less than those posted by automobile and water as railway growth has been hindered by a lack of carriages and the state of the rail system.

Ukrainian Cargo Traffic, 2004*



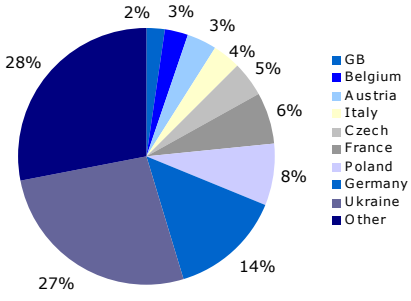
Ukrainian Passenger Traffic, 2004*



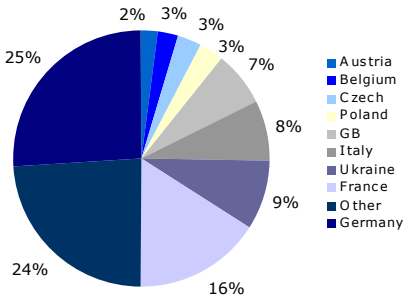
*Source: State Statistic Committee. **Excludes pipeline transportation*

The internal importance of the Ukrainian railway system as a cargo transporter is much greater that in European countries. The volume of passengers and cargo (excluding international traffic) transported in Ukraine is impressive:

European Cargo Carried, 9M05**



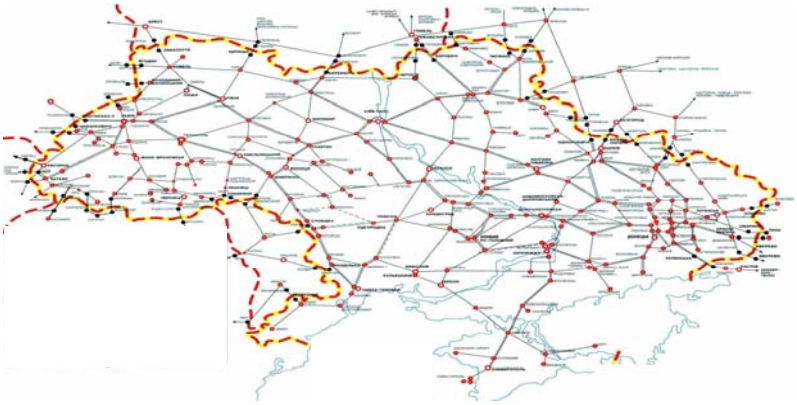
European Passengers Carried, 9M05**



*Source: UIC, w/o international traffic
**Data for Austria – 6Mm05; Belgium, Germany, Italy, Poland – 8M05*

Source: UIC

Ukrainian Railroad Map (major lines and stations)

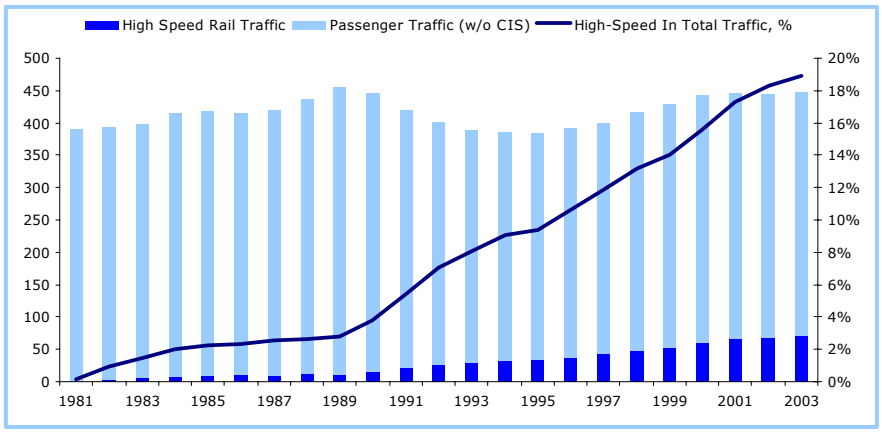


° International Stations
● Regional Stations
• Border Check Points
— Railroad

The Future Of Passenger Transportation In Ukraine

A trend in the development of European railways outlines Ukraine's long-term potential. Since the beginning of the 1990's, traditional passenger traffic in Europe has been rapidly replaced by high-speed transportation. The share of high-speed passenger transportation has grown from 0.1% to 20% over the past twenty years:

European Passengers vs High Speed Traffic, bln passengers/km



Source: UIC

By early 2000, in Ukraine most passenger carriages and lines were either outdated or in need of repair. As result, passenger traffic stagnated. In 2001-2002 Ukrzaliznitsa launched a program to revive its passenger transportation segment. In order to save money, the company decided to squeeze the maximum from traditional lines by upgrading their existing transportation infrastructure. Therefore, high-speed rail transport in Ukraine is, in fact simply an upgraded version of the traditional railway system, and bares little resemblance to its European counterparts.

An immediate priority for Ukrzaliznitsa is making these upgraded systems the standard nation-wide. Once the company has improved its rolling and fixed stock, travel time between the capital and Ukraine's major cities will be from four to seven hours. Currently travel time from the capital to Lviv (a major city close to the Western border of the country) is about 11 hours.

As of today, there are four domestic modernized connections (*quasi* high-speed), all connecting the capital to Eastern regions:

- Kyiv-Donetsk
- Kyiv-Kharkiv
- Kyiv-Dnipropetrovsk
- Kyiv-Sumy

In August 2005, a modernized Kyiv-Moscow rail line was opened. Previously travel time between the two capitals was 13.5 hours. After being upgraded, the 900 km journey takes only 9 hours. The average speed the train travels at is 100 km/h and its maximum speed is 140 km/h.

Dniproswitch has the ability to supply equipment for both immediate and long-term infrastructural projects, as the company produces switches which function at speeds up to 200 km/h.

Ukrzaliznitsa – The Industry Mover

Ukrzaliznitsa is the only domestic railroad operator in Ukraine. The company is state-owned and will not be privatized in the foreseeable future.

Ukrzaliznitsa has:

- Six regional railways
- Seven repair shops and reinforced concrete plants
- Several servicing companies

In 1H05 Ukrzaliznitsa posted strong financials. Net revenue grew 16% yoy to USD 1.5 bln. Even more important, a greater portion of that amount reached the bottom line – the 1H05 net income was USD 128.3 mln, compared to USD 16.8 mln in 1H04.

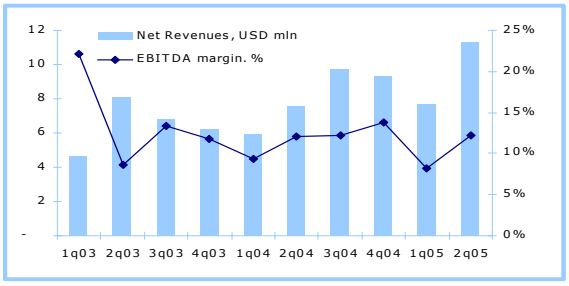
Logically, the main domestic railroad manager is the industry's main investor. In 1H05 CapEx for rail development amounted to USD 237 mln, with 59.7% financed from Ukrzaliznitsa's own funds and the rest from the budget. Over 44% was used to overhaul the railroad. Almost 6 ths km of lines have been modernized since 2004-9M05. CapEx in ITC development during this period amounted to USD 0.3 bln.

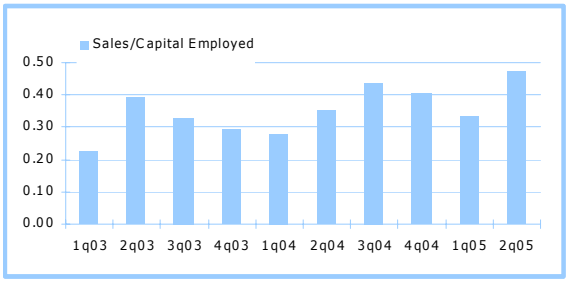
Ukrzaliznitsa's Strategic plan includes:

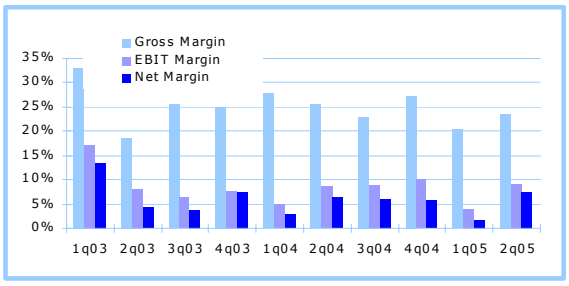
- Increasing domestic and international cargo traffic
- The implementation of high-speed train connections

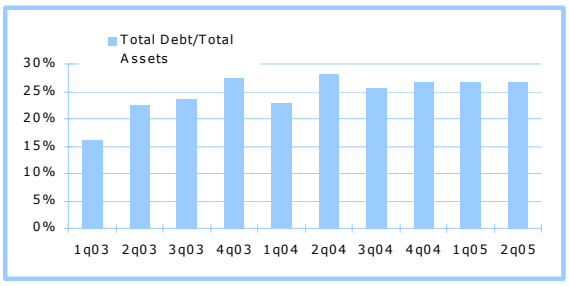
Most lines were built in Soviet times and after the USSR's disintegration, were in mediocre condition. The current railroad allows cargo to be transported at a speed of 80-90 km/h. To introduce European standards in Ukraine the speed needs to be 100-120 km/h. Thus an enormous CapEx program is needed and Ukrzaliznitsa will have to modify both carriages and rails.

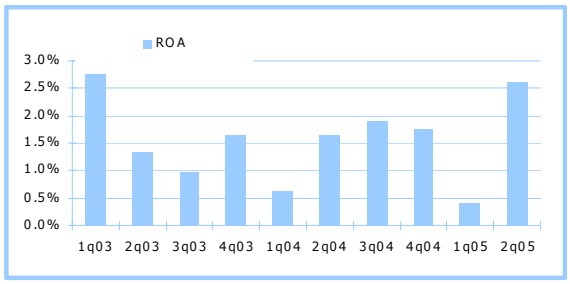
Dnipropetrovsky Switch Plant - Quarterly Analysis

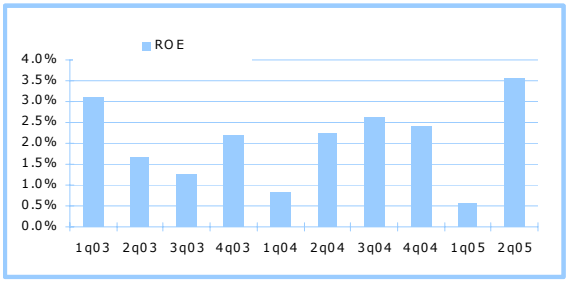












Financials according to Ukrainian Accounting Standards; qauarterly ROA and ROE are not annulaized.

Financial Statements, According To UAS

Income Statement Summary, USD mln

	2003	2004	1H05
Net Revenues	**25.7**	**32.5**	**19.0**
Cost Of Sales	(19.4)	(24.2)	(14.7)
Gross Profit	6.3	8.4	4.2
SG&A	(2.5)	(4.0)	(1.8)
EBITDA	**3.4**	**3.9**	**2.0**
EBITDA margin	13%	12%	11%
Depreciation	(1.0)	(1.2)	(0.7)
EBIT	**2.4**	**2.7**	**1.4**
EBIT margin	9%	8%	7%
Interest Expense	(0.0)	(0.0)	(0.0)
Financial income	0.0	0.0	0.0
Other income/(expense)	(0.1)	(0.3)	(0.2)
PBT	**2.3**	**2.5**	**1.2**
Tax	(0.6)	(0.7)	(0.2)
Effective tax rate	*27%*	*29%*	*20%*
Net Income	**1.7**	**1.8**	**1.0**
Net Margin	*7%*	*5%*	*5%*

Balance Sheet Summary, USD mln

	2003	2004	1H05
Current Assets	**13.1**	**13.6**	**12.9**
Cash & Equivalents	0.2	0.4	0.3
Trade Receivables	1.2	2.6	1.7
Inventories	9.4	8.6	10.0
Other current assets	2.3	2.0	0.9
Fixed Assets	**16.0**	**17.5**	**19.4**
PP&E, net	14.5	15.9	16.2
Other Fixed Assets	1.5	1.6	3.2
Total Assets	**29.1**	**31.1**	**32.3**
Shareholders' Equity	**21.1**	**22.8**	**23.7**
Share Capital	0.5	0.5	0.5
Reserves and Other	9.6	9.6	9.6
Retained Earnings	11.0	12.7	13.6
Current Liabilities	**8.0**	**8.2**	**8.5**
Trade Payables	7.6	7.8	7.9
Accruals	0.1	0.3	0.4
Other Current Liabilities	0.2	0.1	0.3
LT Liabilities	**0.1**	**0.1**	**0.1**
LT Interest Bearing Debt	-	-	-
Other LT	0.1	0.1	0.1
Total Liabilities & Equity	**29.1**	**31.1**	**32.3**

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