

17 November 2011

# Astarta

## 3Q11: Record growth in all segments

- We upgrade our recommendation on Astarta shares from HOLD to BUY, following the release of 3Q11 results which showed record growth in all segments. We raise our 12M target price from USD 26.4 per share to USD 29.8, which implies upside potential of 56%
- We revise upward our projections for the company's EBITDA by 26% to USD 174 mln in 2011 and by 21% to USD 139 mln in 2012, thanks to higher-than-expected sugar beet yields and stronger beet to sugar conversion
- We increase our forecast for Ukraine's sugar output this year from 2.1 mln mt to 2.4 mln mt. We believe oversupply on the domestic market will force producers to store record high inventories at the end of the season
- We expect domestic sugar prices to trade at parity with LIFFE sugar this season, eliminating the historical premium of USD 100 per mt
- We see another wave of industry consolidation in 2012 as smaller players will not be able to lock up larger inventories, which they will have to keep following this year's high sugar production

### Key forecast revisions

	2011 old	2011 new	Difference	2012 old	2012 new	Difference
Revenue, USD mln	346	388	12%	364	385	6%
EBITDA, USD mln	137	174	26%	115	139	21%
EBITDA Margin	39.7%	44.7%	5.0pp	31.7%	36.1%	4.4 pp
Net Income, USD mln	99	135	36%	71	96	35%
Net Margin	28.7%	34.8%	6.1pp	19.6%	24.9%	5.3 pp

Source: Concorde Capital

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Bloomberg	AST PW
Reuters	AST=PW
<b>Recommendation</b>	<b>BUY</b>
Price, USD	19.2
12M target, USD	29.8
Price, PLN	63.4
12M target, PLN	98.6
Upside	56%
No of shares, mln	25.0
Market Cap, USD mln	479.1
52-week performance	-30%
52-week range, USD	19.2/35.8
ADT, 12M, USD mln	0.47
Free float, %	37%
Free float, USD mln	177.2

Prices as of Nov.16, 2011

### Price performance, PLN per share



Source: Bloomberg

## Sugar market update

### We raise our forecast for Ukraine's sugar output to 2.4 mln mt

Following higher-than-expected average sugar beet yields this season and strong beet to sugar conversion ratios that producers have started to report, we update our estimates for domestic sugar production this year from 2.1 mln mt to 2.4 mln mt.

#### Key sugar market data

	2006	2007	2008	2009	2010	2011E	y-o-y
Acreage under sugar beets, ths ha	789	580	386	320	492	553	13%
Sugar beet yield, mt per ha	28.3	29.4	35.5	31.5	27.8	36.5	31%
Sugar beets harvested, ths mt	22,340	17,065	13,700	10,068	13,691	20,201	48%
% Sugar beets processed	95%	n/a	89%	91%	95%	94%	
Sugar beet to sugar conversion ratio	11.6%	10.9%	11.5%	12.6%	11.2%	12.5%	1.3pp
Stocks at season start		518	380	176	90	267	
<b>Sugar output, ths mt</b>	<b>2,591</b>	<b>1,862</b>	<b>1,574</b>	<b>1,267</b>	<b>1,540</b>	<b>2,374</b>	<b>54%</b>
Stocks at season end		518	380	176	90	267	741
<b>Stocks to use ratio at season end</b>	<b>26%</b>	<b>19%</b>	<b>9%</b>	<b>5%</b>	<b>13%</b>	<b>37%</b>	<b>24pp</b>

Note: The season starts on September 1

Source: AAA, Concorde Capital estimates

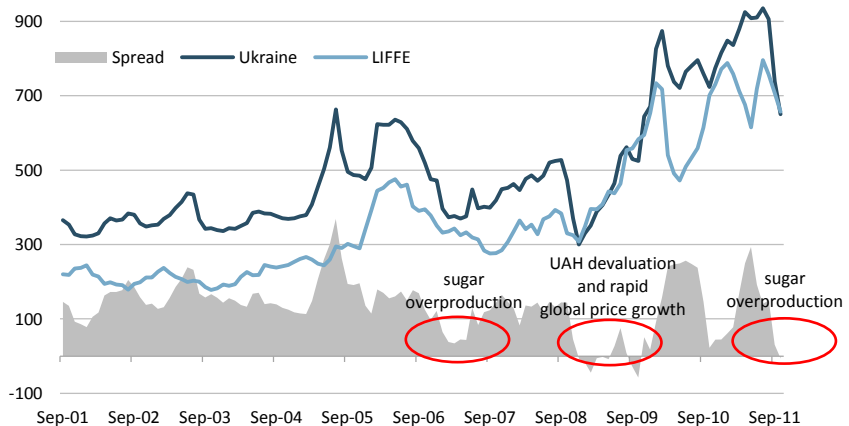
This season Ukraine will produce its second highest sugar output after 2006, when it made 2.6 mln mt. We believe this will force sugar producers to keep large inventories, as (1) annual consumption is flat at 1.9-2.1 mln mt and price-inelastic, and (2) Ukraine has historically had very tiny export volumes. We estimate sugar stocks at the end of the 2011/12 season in August 2012 will be a record high of 741 ths mt or 37% of annual consumption.

### Sugar oversupply to push down prices in the short-term

Anticipation of record sugar stocks at the end of this season has eliminated the spread between Ukrainian domestic and LIFFE sugar prices, which historically stood at USD 100 per mt. In 2006/07, when Ukraine produced a record 2.6 mln mt of sugar and ended the season with a 26% stock-to-use ratio, Ukraine's sugar premium to LIFFE decreased to ~USD 50 per mt. This season we expect sugar prices to be on par with LIFFE and not fall lower due to the theoretical availability of export opportunities.

We also note that sugar overproduction will push producers to keep higher-than-average inventories, which requires additional financing.

#### White sugar price, USD per mt



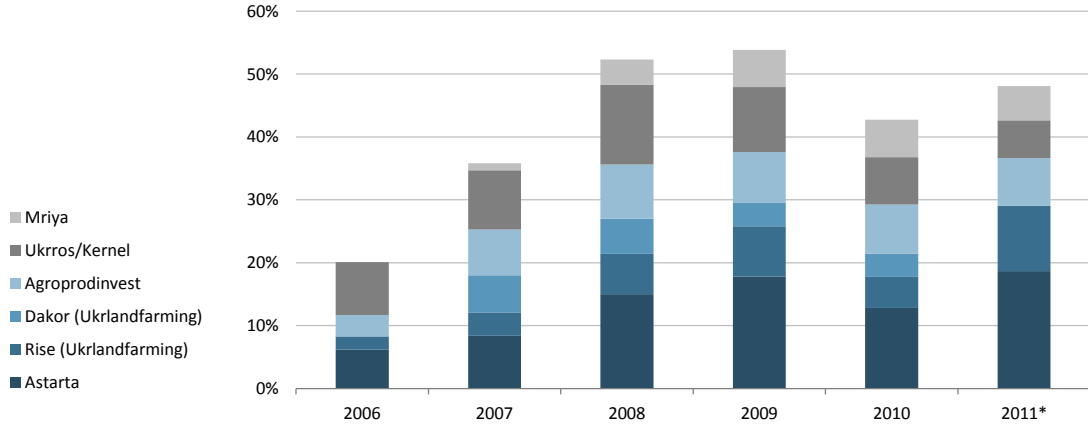
Source: Astarta, Bloomberg

**New consolidation wave could result from increased capital demands**

We expect consolidation in the domestic sugar industry in 2012 as smaller and less efficient producers will not be able to maintain high working capital.

We anticipate market leaders, namely Astarta, Kernel, Agroproinvest, Ukrlandfarming and Mriya to consolidate up to 75% of the market in 2012 from 40% in 2010.

**Market shares of top producers**



\* Note: 2011 figures based on quotas distributed to producers  
 Source: Ukrtsukor, Agriculture Ministry, Concorde Capital estimates

## Key takeaways from Astarta's 9M11 results

### **Sugar: record sugar beet yields will push costs down**

- Better than expected sugar beet yields (50 mt per ha vs. 40 as we expected) and sugar extraction ratio (14.2% vs. 13.3%). This prompted us to revise our estimate for the company's sugar segment margin for this season upward, which was a key factor in upgrading our EBITDA forecast by 26% in 2011 and 21% in 2012.
- Domestic sugar prices fell to USD 616 per mt, close to USD 600 we expected in our last company update in August.

### **Farming: record corn yields push harvest up 69% y-o-y**

- Better than expected yields for corn (9.5 mt per ha vs. 7.0 as we expected) and soybean (2.3 vs. 1.8). This prompted us to review our projections for Astarta's total crop harvest from 550 ths mt to 620 ths mt (69% up y-o-y).
- Wheat and corn prices are roughly 10% higher than we anticipated, following cancellation of domestic export duties on October 19.

### **Cattle farming: 47% revenue growth - well above the expected 20%**

- Revenue from cattle farming jumped up 47% y-o-y, well above our expectations of 20% growth, thanks to higher-than-expected raw milk price growth.

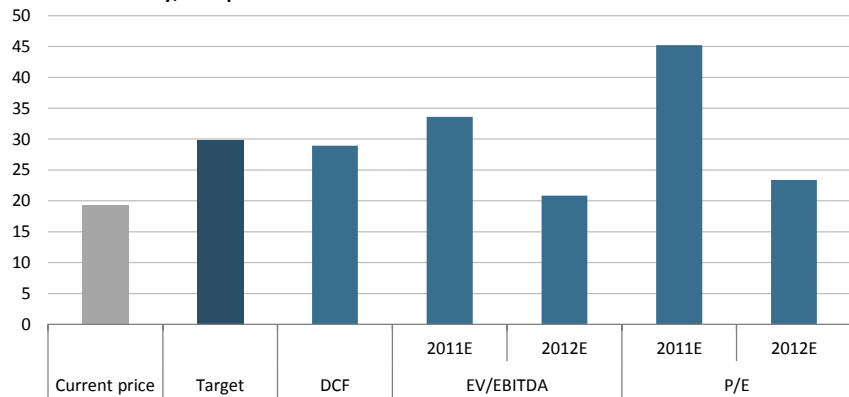
### **High sugar output creates inventories bearing risk**

Record sugar production (which we now expect to be 370 ths mt this season), strong carry-on inventories and 30 ths mt cane sugar produced will force Astarta to keep its highest-ever inventory of sugar at the end of 2011 calendar year, which will be close to annual sales in USD terms. Though we see holding the inventory as logical to managing selling prices on the closed domestic market, this increases Astarta's commodity price risk.

## Valuation

We average of DCF and relative valuation metrics (EV/EBITDA '11E, EV/EBITDA '12E, P/E '11E, P/E '12E) to arrive at a target price of USD 29.8 per share (PLN 98.6); upside of 56%. BUY.

Valuation summary, USD per share



Source: Bloomberg, Concorde Capital estimates

### Peer valuation

Company	Ticker	Country	Share price		EV/Sales			EV/EBITDA			P/E		
			USD	USD mln	2010	2011E	2012E	2010	2011E	2012E	2010	2011E	2012E
Astarta	AST PW	Ukraine	19.2	479	2.4	1.8	1.8	5.9	4.0	5.0	5.3	3.5	5.0
Suedzucker	SZU GR	Germany	27.3	5,162	0.9	0.8	0.7	8.4	6.3	5.5	19.9	14.5	11.6
Tate & Lyle	TATE LN	Britain	10.9	5,087	1.1	1.4	1.3	9.9	8.8	8.3	21.7	16.0	12.6
KWS Saat	KWS GR	Germany	205.1	1,353	1.2	1.1	1.0	8.9	6.6	6.9	19.4	13.4	14.5
UkrRos	UROS UK	Ukraine	0.3	33	1.1	1.3	0.7	6.8	6.0	3.4	neg.	neg.	1.7
Razgulyay	GRAZ RX	Russia	1.0	156	0.9	1.1	1.0	8.2	7.2	5.7	neg.	neg.	9.3
Shree Ren. Sugars	SHRS IN	India	0.6	432	1.1	0.9	0.9	7.3	5.0	4.4	3.1	4.8	4.8
Xiwang Sugar	2088 HK	China	0.2	201	1.1	0.8	0.7	35.5	6.7	5.3	24.6	6.8	5.4
Delta Sugar	SUGR EY	Egypt	3.3	413	1.7	1.5	1.4	7.5	4.2	4.4	19.3	6.3	7.4
Viro Tvornica Sec.	VIRORA CZ	Croatia	75.4	105	1.0	0.6	0.6	11.2	5.9	4.4	neg.	14.0	8.0
Associated Br.Food	ABF LN	Britain	17.8	14,114	1.0	0.9	0.8	8.0	8.0	7.1	15.6	15.4	13.1
Rosagro	AGRO LI	Russia	6.9	822	n/a	1.2	1.1	n/a	4.8	6.2	neg.	4.6	6.7
<b>Harmonic mean</b>					<b>1.1</b>	<b>1.0</b>	<b>0.9</b>	<b>9.0</b>	<b>6.1</b>	<b>5.3</b>	<b>11.2</b>	<b>8.4</b>	<b>6.1</b>
Implied Astarta price, USD per share					4.6	7.3	4.4	7.0	5.1	33.8	33.6	20.8	40.7
Implied upside/downside					-77%	-63%	-74%	76%	75%	9%	113%	136%	22%

Source: Bloomberg, Concorde Capital estimates

**DCF output, UAH mln**

	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>EBITDA</b>	<b>1,390</b>	<b>1,110</b>	<b>1,160</b>	<b>1,284</b>	<b>1,435</b>	<b>1,566</b>	<b>1,669</b>	<b>1,748</b>	<b>1,837</b>	<b>1,931</b>
EBIT	1,221	911	934	1,036	1,163	1,283	1,378	1,449	1,529	1,615
Effective Tax Rate	2%	2%	3%	5%	7%	10%	10%	10%	10%	10%
Taxed EBIT	1,197	893	906	984	1,082	1,155	1,240	1,304	1,376	1,453
Plus D&A	169	199	226	248	271	283	291	299	308	317
Less CapEx	(684)	(751)	(673)	(592)	(603)	(370)	(303)	(308)	(313)	(318)
Less change in OWC	(1,051)	(109)	(351)	(408)	(424)	(333)	(253)	(266)	(284)	(301)
<b>FCFF</b>	<b>-</b>	<b>231</b>	<b>108</b>	<b>233</b>	<b>327</b>	<b>734</b>	<b>975</b>	<b>1,029</b>	<b>1,087</b>	<b>1,150</b>
<b>WACC</b>	<b>12%</b>	<b>12%</b>	<b>12%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>	<b>13%</b>
Sum of disc't'd CF's		2,905								
Terminal Value										<b>11,770</b>
Disc't'd TV		4,447								
<b>Firm value</b>		<b>7,352</b>					<b>Portion due to TV</b>			<b>60.5%</b>
Less Net Debt		(1,568)								
<b>Equity Value as of 14 November 2012</b>		<b>5,784</b>					<b>Implied exit EBITDA Multiple</b>			<b>6.1 x</b>
<b>Perpetuity Growth Rate</b>										<b>3%</b>
<b>Fair price of ord. share</b>		UAH 231								
		USD 28.9								
		PLN 95.6*								

\* At current PLN/USD rate of 3.31

Source: Concorde Capital estimates

**Sensitivity analysis, USD per share**

	Perpetuity Growth Rate					WACC	Exit Multiple (EBITDA)				
	2.0%	2.5%	3.0%	3.5%	4.0%		4.1 x	5.1 x	6.1 x	7.1 x	8.1 x
<b>WACC</b>											
<b>-3.0%</b>	33.9	35.2	36.6	38.2	40.0	<b>-3.0%</b>	27.6	32.1	36.6	41.2	45.7
<b>-2.0%</b>	31.3	32.5	33.9	35.3	37.0	<b>-2.0%</b>	25.4	29.6	33.9	38.1	42.3
<b>-1.0%</b>	28.9	30.1	31.3	32.7	34.2	<b>-1.0%</b>	23.5	27.4	31.3	35.2	39.1
<b>+0.0%</b>	26.7	27.8	<b>28.9</b>	30.2	31.6	<b>+0.0%</b>	21.6	25.3	<b>28.9</b>	32.6	36.2
<b>+1.0%</b>	24.7	25.6	26.7	27.9	29.2	<b>+1.0%</b>	19.9	23.3	26.7	30.1	33.5
<b>+2.0%</b>	22.8	23.7	24.7	25.8	27.0	<b>+2.0%</b>	18.3	21.5	24.7	27.8	31.0
<b>+3.0%</b>	21.0	21.8	22.8	23.8	24.9	<b>+3.0%</b>	16.9	19.8	22.8	25.7	28.7

Source: Concorde Capital estimates

**WACC decomposition**

	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Debt-to-Equity	0.51	0.39	0.34	0.27	0.22	0.18	0.16	0.14	0.14	0.13
<b>Avg. Interest Rate</b>	<b>8.6%</b>	<b>7.5%</b>	<b>7.5%</b>	<b>7.4%</b>	<b>7.2%</b>	<b>6.9%</b>	<b>6.7%</b>	<b>6.5%</b>	<b>6.4%</b>	<b>6.3%</b>
Ukr. Eurobonds YTM	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Equity premium	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Comp.-specif. prem.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cost of Equity</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>
<b>WACC</b>	<b>12.1%</b>	<b>12.1%</b>	<b>12.3%</b>	<b>12.5%</b>	<b>12.7%</b>	<b>12.8%</b>	<b>12.9%</b>	<b>13.0%</b>	<b>13.0%</b>	<b>13.1%</b>
<b>WACC to Perpetuity</b>	<b>13.1%</b>									

Source: Company data, Concorde Capital estimates

## Financial statements, IFRS

### Income statement summary, USD mln

	2009	2010	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Net Revenues</b>	<b>190</b>	<b>293</b>	<b>388</b>	<b>385</b>	<b>432</b>	<b>490</b>	<b>556</b>	<b>618</b>	<b>667</b>	<b>709</b>	<b>753</b>	<b>801</b>
Change y-o-y	3.2%	54.4%	32.3%	-0.9%	12.4%	13.4%	13.5%	11.1%	7.9%	6.2%	6.3%	6.3%
Cost Of Sales	(112)	(156)	(190.9)	(217)	(253)	(290)	(332)	(372)	(405)	(433)	(463)	(496)
Gross Profit	75	137	197	168	179	200	224	246	262	276	290	305
Other Operating Income/Costs. net	(18)	(21)	(25)	(29)	(33)	(37)	(42)	(46)	(48)	(51)	(54)	(57)
SG&A	(3)	1	1	0	(1)	(2)	(3)	(5)	(5)	(6)	(6)	(7)
<b>EBITDA</b>	<b>54</b>	<b>118</b>	<b>174</b>	<b>139</b>	<b>145</b>	<b>161</b>	<b>179</b>	<b>196</b>	<b>209</b>	<b>219</b>	<b>230</b>	<b>241</b>
EBITDA Margin, %	28.3%	40.1%	44.7%	36.1%	33.5%	32.8%	32.2%	31.7%	31.3%	30.8%	30.5%	30.2%
Depreciation	(12)	(17)	(21)	(25)	(28)	(31)	(34)	(35)	(36)	(37)	(38)	(40)
<b>EBIT</b>	<b>42</b>	<b>101</b>	<b>153</b>	<b>114</b>	<b>117</b>	<b>130</b>	<b>145</b>	<b>160</b>	<b>172</b>	<b>181</b>	<b>191</b>	<b>202</b>
EBIT Margin, %	22.1%	34.3%	39.3%	29.6%	27.0%	26.4%	26.1%	25.9%	25.8%	25.5%	25.4%	25.2%
Interest Expense	(18)	(16)	(15)	(17)	(15)	(15)	(13)	(12)	(11)	(10)	(9)	(9)
Financial Income	0	0	-	-	-	-	-	-	-	-	-	-
Other Income/(expense)	1	6	-	-	-	-	-	-	-	-	-	-
<b>PBT</b>	<b>26</b>	<b>90</b>	<b>138</b>	<b>97</b>	<b>102</b>	<b>115</b>	<b>132</b>	<b>148</b>	<b>162</b>	<b>171</b>	<b>182</b>	<b>193</b>
Tax	(1)	1	(3)	(2)	(3)	(6)	(9)	(15)	(16)	(17)	(18)	(19)
Effective Tax Rate, %	3%	-1%	2%	2%	3%	5%	7%	10%	10%	10%	10%	10%
<b>Net Income</b>	<b>25</b>	<b>91</b>	<b>135</b>	<b>95</b>	<b>99</b>	<b>109</b>	<b>123</b>	<b>134</b>	<b>145</b>	<b>154</b>	<b>164</b>	<b>174</b>
Net Margin, %	13.2%	31.0%	34.8%	24.8%	22.8%	22.3%	22.1%	21.6%	21.8%	21.8%	21.8%	21.7%
Dividend Declared	-	-	-	-	-	-	12	67	102	108	123	130

Source: Company data, Concorde Capital estimates

### Balance sheet summary, USD mln

	2009	2010	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
<b>Current Assets</b>	<b>156</b>	<b>253</b>	<b>388</b>	<b>407</b>	<b>456</b>	<b>513</b>	<b>573</b>	<b>621</b>	<b>658</b>	<b>695</b>	<b>735</b>	<b>778</b>
Cash & Equivalents	3	3	0	5	6	6	7	8	9	9	10	10
Trade Receivables	11	17	23	23	26	29	33	37	40	43	45	48
Inventories	130	211	335	350	392	440	490	529	559	590	624	659
Other current assets	12	22	29	29	33	37	42	47	50	53	57	60
<b>Fixed Assets</b>	<b>179</b>	<b>216</b>	<b>290</b>	<b>355</b>	<b>415</b>	<b>463</b>	<b>511</b>	<b>521</b>	<b>527</b>	<b>531</b>	<b>536</b>	<b>540</b>
PP&E. net	153	187	250	319	375	418	459	470	472	473	474	474
Other Fixed Assets	27	30	40	36	40	45	51	51	55	58	62	66
<b>Total Assets</b>	<b>335</b>	<b>469</b>	<b>678</b>	<b>762</b>	<b>871</b>	<b>976</b>	<b>1,084</b>	<b>1,142</b>	<b>1,185</b>	<b>1,227</b>	<b>1,271</b>	<b>1,318</b>
<b>Shareholders' Equity</b>	<b>172</b>	<b>278</b>	<b>412</b>	<b>507</b>	<b>606</b>	<b>715</b>	<b>825</b>	<b>892</b>	<b>936</b>	<b>982</b>	<b>1,023</b>	<b>1,067</b>
Share Capital	0	0	0	0	0	0	0	0	0	0	0	0
Reserves and Other	171	278	412	507	606	715	825	892	936	982	1,023	1,066
<b>Current Liabilities</b>	<b>70</b>	<b>100</b>	<b>169</b>	<b>108</b>	<b>116</b>	<b>109</b>	<b>102</b>	<b>90</b>	<b>86</b>	<b>79</b>	<b>80</b>	<b>81</b>
ST Interest Bearing Debt	47	76	137	74	78	66	53	35	27	16	13	10
Trade Payables	6	7	10	11	13	15	17	19	20	22	23	25
Other Current Liabilities	18	17	23	22	25	29	32	36	39	41	44	47
<b>LT Liabilities</b>	<b>93</b>	<b>91</b>	<b>97</b>	<b>147</b>	<b>149</b>	<b>153</b>	<b>156</b>	<b>160</b>	<b>163</b>	<b>165</b>	<b>167</b>	<b>170</b>
LT Interest Bearing Debt	76	74	75	125	125	125	125	125	125	125	125	125
Other LT	17	16	22	22	24	28	31	35	38	40	42	45
<b>Total Liabilities &amp; Equity</b>	<b>335</b>	<b>469</b>	<b>678</b>	<b>762</b>	<b>871</b>	<b>976</b>	<b>1,084</b>	<b>1,142</b>	<b>1,185</b>	<b>1,227</b>	<b>1,271</b>	<b>1,318</b>

Source: Company data, Concorde Capital estimates

### Cash flow statement summary, USD mln

	2009	2010	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net Income	42	105	135	95	99	109	123	134	145	154	164	174
Depreciation	12	18	21	25	28	31	34	35	36	37	38	40
Non-operating and non-cash items	9	(3)	(3)	4	(2)	(2)	(2)	4	(1)	(1)	(1)	(1)
Less Changes in working capital	(43)	(92)	(131)	(14)	(44)	(51)	(53)	(42)	(32)	(33)	(36)	(38)
<b>Operating Cash Flow</b>	<b>20</b>	<b>28</b>	<b>22</b>	<b>111</b>	<b>81</b>	<b>87</b>	<b>101</b>	<b>131</b>	<b>149</b>	<b>157</b>	<b>166</b>	<b>175</b>
Capital Expenditures. Net	(15)	(45)	(86)	(94)	(84)	(74)	(75)	(46)	(38)	(38)	(39)	(40)
Other Investments. net	7	(9)	(0)	-	-	-	-	-	-	-	-	-
<b>Investing Cash Flow</b>	<b>(7)</b>	<b>(53)</b>	<b>(86)</b>	<b>(94)</b>	<b>(84)</b>	<b>(74)</b>	<b>(75)</b>	<b>(46)</b>	<b>(38)</b>	<b>(38)</b>	<b>(39)</b>	<b>(40)</b>
Net Borrowings/(repayments)	(10)	29	63	(12)	3	(12)	(13)	(17)	(9)	(10)	(3)	(4)
Dividends Paid	-	-	-	-	-	-	(12)	(67)	(102)	(108)	(123)	(130)
Other	(1)	(5)	-	-	-	-	-	-	-	-	-	-
<b>Financing Cash Flow</b>	<b>(11)</b>	<b>23</b>	<b>63</b>	<b>(12)</b>	<b>3</b>	<b>(12)</b>	<b>(25)</b>	<b>(84)</b>	<b>(110)</b>	<b>(118)</b>	<b>(126)</b>	<b>(134)</b>
Beginning Cash Balance	1	3	1	0	5	6	6	7	8	9	9	10
Ending Cash Balance	3	1	0	5	6	6	7	8	9	9	10	10
<b>Net Cash Inflows/Outflows</b>	<b>1</b>	<b>(1)</b>	<b>(1)</b>	<b>5</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>

Source: Company data, Concorde Capital estimates

### Selected ratios

	2009	2010	2011E	2012E	2013E	2014E	2015E	2016E	2017E	2018E	2019E	2020E
Net Debt, USD mln	120.0	146.5	211.2	194.5	197.4	184.2	170.5	152.3	143.0	132.2	128.5	124.1
Net Debt/EBITDA	2.2	1.2	1.2	1.4	1.4	1.1	1.0	0.8	0.7	0.6	0.6	0.5
ROIC	26%	22%	17%	15%	15%	15%	14%	14%	14%	14%	14%	26%
ROE	15%	33%	39%	21%	18%	17%	16%	16%	16%	16%	16%	17%
EPS, USD	1.7	4.2	5.4	3.8	3.9	4.4	4.9	5.3	5.8	6.2	6.6	7.0

Source: Company data, Concorde Capital estimates

## Appendices

### Analyst certification

I, Yegor Samusenko, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

#### AST ratings history

Date	12M target price, USD	Market price, USD	Rating	Action
22-Feb-08	16.9	13.1	BUY	Initiate
03-Jul-08	23.0	17.2	BUY	Maintain
24-Nov-08	17.0	4.7	BUY	Maintain
15-Jun-10	29.1	18.4	BUY	Maintain
09-Aug-11*	26.4	25.4	HOLD	Downgrade
17-Nov-11	29.8	19.2	BUY	Upgrade

\*In August 2011, Yegor Samusenko took over coverage; prior to that point, it was covered by other Concorde analysts.

Source: Concorde Capital

#### Astarta's share and target price history, USD per share



Source: Bloomberg, Concorde Capital

### Investment ratings

The time horizon for target prices in Concorde Capital's research is 12 months unless otherwise stated. Concorde Capital employs three basic investment ratings: Buy, Hold and Sell. Typically, Buy recommendation is associated with an upside of 20% or more from the current market price; Sell is prompted by downside from the current market price (upside <0%); Hold recommendation is generally for limited upside within 20%. Though investment ratings are generally induced by the magnitude of upside, they are not derived on this basis alone. In certain cases, an analyst may have reasons to establish a recommendation where the associated range given above does not correspond. Temporary discrepancies between an investment rating and its upside at a specific point in time due to price movement and/or volatility will be permitted; Concorde Capital may revise an investment rating at its discretion. A recommendation and/or target price might be placed Under Review when impelled by corporate events, changes in finances or operations. Investors should base decisions to Buy, Hold or Sell a stock on the complete information regarding the analyst's views in the research report and on their individual investment objectives and circumstances.



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