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	Price USD	12M target USD	12M Upside	Rec.
MZVM	8.9	12.1	36%	BUY
AZGM	2.5	2.1	-14%	HOLD

We believe that Mariupol Heavy Machinery (MZVM), Ukraine's largest producer of railcars, is valued too pessimistically by the market at EV/Sales x0.4. Ukraine's current government has not been exerting pressure on MZVM to improve its financial reporting, which makes us believe that full transparency and disclosure of true profitability will be postponed. Nevertheless, at the current market price we see a potential upside of 36% to our revised target of USD 12.1 (BUY). We also note that Azovzahalmarsh's (AZGM) price is close to our revised target of USD 2.1 and downgrade this stock to HOLD.

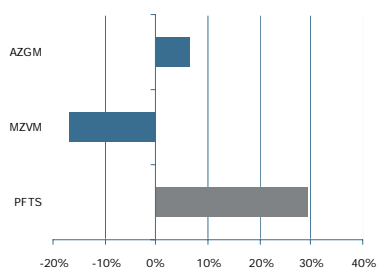
#### Key 9M06 Results:

- MZVM and AZGM's sales grew by 15% and 30% respectively
- Focus switched from gondola cars to presumably higher margined railway tank-cars and boxcars
- Reported decreases in profitability, with net margins approaching zero for both companies

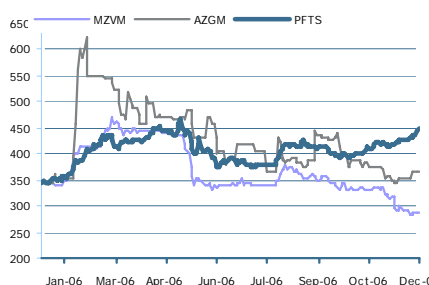
**Profits Will Show Up Later.** The real profitability of MZVM and AZGM's business remains hidden by creative accounting practices. We estimate real EBITDA margin of the companies at ~13% in 2006. After the new government came to power in August 2006, the pressure for improved financial reporting vanished. In the short-term, we expect SCM, which exerts operational control over MZVM and AZGM, to lower their value in order to buy the state-owned 11% stake of MZVM cheap. Afterward (around 2008), SCM is likely to follow the path it is blazing now with its steel-making and financial assets – disclosure of true financials with the intention to go for either Eurobonds or an IPO on external financial markets.

**Liquidity King.** MZVM remains one of the most liquid Ukrainian machine-building stocks and is among the top-3 in terms of the amount of PFTS deals in 10M06 (355 deals for a total of USD 11 mln). No railway machinery stocks are traded in Russia. Taking into account MZVM's active targeting of the Russian market, we view this stock as an opportunity to reap the benefits of peaking demand for railway cars in both countries.

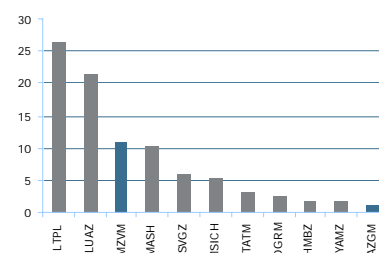
Performance ytd



Market



PFTS trading volumes, m-building, Jan-Nov 2006, USD mln



#### Price Ratios

	MCAp USD mln	Restated						Reported					
		EV/S		EV/EBITDA		P/E		EV/S		EV/EBITDA		P/E	
		2006E	2007E	2006E	2007E	2006E	2007E	2006E	2007E	2006E	2007E	2006E	2007E
MZVM	137.6	0.4	0.4	3.1	3.4	4.0	4.1	0.4	0.4	22.1	20.4	671.9	38.2
AZGM	123.9	0.7	0.6	5.3	5.5	6.3	6.3	0.7	0.6	27.3	23.7	582.2	56.2

## Sales Speeding Up

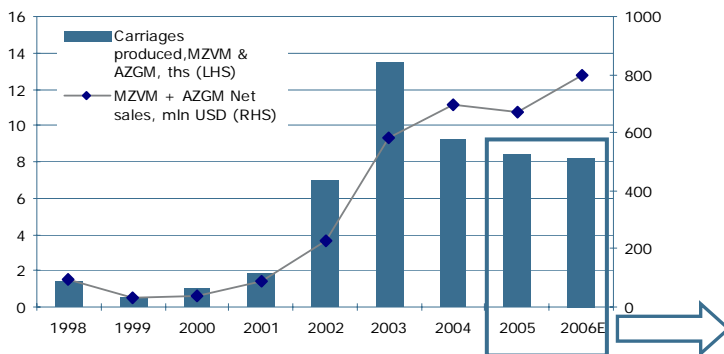
The company's 9M06 financial results point to positive trends in both MZVM and AZGM's top lines. During the period, MZVM and AZGM posted net revenue growth of 15% and 30% yoy, respectively.

Their 10M production figures reveal a 1.3% decrease in the number of railway cars produced and significant changes in their product mix, which, we believe, was one of the major reasons for rising sales figures.

### From Gondola Cars to Tank-cars

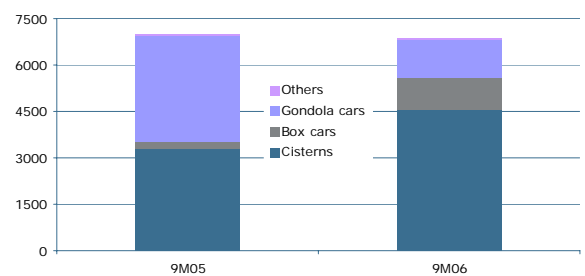
The companies decreased their production share of gondola cars to 18% in 10M06 from 49% in 10M05. As the most demanded type of railcar in Ukraine and Russia (especially by mining industry), gondola cars are produced extensively by every railcar maker in Ukraine and Russia. MZVM and AZGM, expecting market saturation, in 2006 switched their focusing on their competitive specialty, railway tank-cars. The two companies are the only makers of railway tank-cars in Ukraine (they are used for transportation of oil, petroleum products, liquefied gas, acids, etc.). Railway cars are 12-50% more expensive than gondola carriages, and we believe MZVM and AZGM will enjoy better margins on tank-cars than they did on gondola cars.

Sales and output dynamics

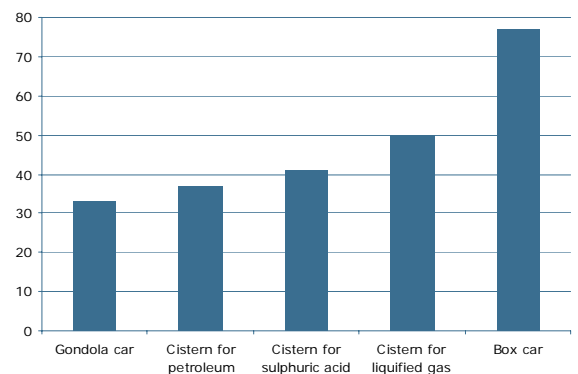


Source: Company data, Concorde Capital estimates

Change in product mix, ths cars



Product prices in 9M06, USD ths\*



\*Prices estimated based on export contracts

### Steel Sector Spill-over

Equipment production for steel mills posted growth of 27% yoy in January-August in Ukraine, compared to 12% growth in overall machine building over the period. Orders were placed by Ukraine's metallurgical companies, which were introducing energy saving technologies, and Russian steel makers.

#### Major orders of metallurgical machinery in 2006

Equipment	Customer	Value, USD mln	Timing
Machine for continuous casting of slabs	Azovstal (Ukraine)	52	Delivered in October jointly with Daniely (Italy)
Equipment for converter workshop	Alchevsk Metal (Ukraine)	8.6	Delivered by end of 2006
Converter, 350 mt capacity	Magnitogorsk Metal (Russia)	n/a	Delivered by end of 2006

Source: Company data, Concorde Capital estimates

### New Orders from Rolling Stock Renovations

MZVM and AZGM's railcar production capacity, estimated at ~10,000-15,000 cars, depending on the type, are now close to being fully loaded. This was confirmed by Ukrzaliznytsya. In November, it voiced its intention to buy railcars in Russia, because local producers were only able to offer 2,500 freight cars out of the 5,000 it required by the end of 2006.

We expect increases in the companies' loads and a gradual expansion of their capacities to meet demand coming from Ukraine and Russia, both of which plan to renovate their freight railcar fleets. An estimated 80% of railcars in these countries is worn out.

#### Ukraine

Ukrzaliznytsya started purchasing new railcars in 2006. Before that, it had not made any new purchases since 1992. In the last five years, about 16 ths of its freight cars have been out of service, and 45 ths more will be retired by 2010.

Ukrzaliznytsya announced plans to buy 10 ths cars in 2007. Taking into account potential purchases of freight cars by private companies, we estimate **average annual purchases for 12 ths cars over 2006-10.**

The appointment of Volodymyr Kozak, friendly to System Capital Management (SCM) as head of Ukrzaliznytsya is likely to result in a stable flow of orders for MZVM and AZGM-made cars in future. Previously, Ukrzaliznytsya seemed to favor Kryukivsky Wagon.

#### Russia

Russia is likely to rely mostly on private companies for freight car purchases. These expenditures are estimated at USD 1.5 bln annually until 2010.

Russian Railways said in November that it plans to buy 18.6 ths freight cars in the next two years, which leads us expect Russian **annual purchases of 45 ths freight cars until 2010.**

Taking into account that production capacities of Russia's three largest railcar-makers (Uralvagonzavod, Altayvagonzavod, Ruzkhimmash) are estimated at 35 ths cars, we still see room for imports from Ukraine.

We also believe that MZVM and AZGM are likely to benefit from growing Russian demand more than any other Ukrainian producers of freight cars, because their shareholders also control Armavir Heavy Machinery Plant in Russia, which assembles cars out of spare parts from MZVM and AZGM.

## 2007 Order Book & New Products

MZVM and AZGM's output is very interdependent, and sales between the companies account for ~20% of each of company's revenues. In general, MZVM is more oriented toward railcar-building, while heavy machinery products account for a larger share of AZGM's revenues. For this reason, orders announced publicly are not usually assigned to any of the two companies in particular, but to Azovmash, MZVM and AZGM's holding company, which markets products from both companies.

### Key 2007 Orders

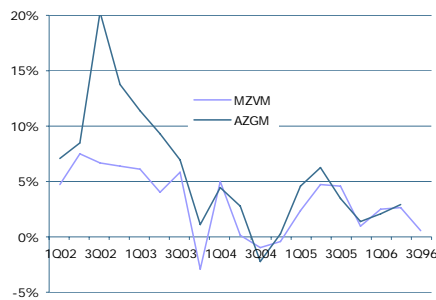
- Converter with a 350 mt capacity for Azovstal will be delivered by the end of 2007.
- In October 2006, construction started on a ship-loading terminal for an undisclosed agricultural company. It will be completed in 1H07.
- The Association of CIS Civil Airports plans to order tank-cars for aviation refuelling trucks from AZGM. In 2006, the company started designing these tank-cars with a 10 cubic meter body; next year it will work out designs for tank-cars that can handle volumes of 20, 55 and 60 cubic meters.
- A pre-production model of a new food transportation car will be made by the end of 2006. The car will be certified and marketed beginning in 2007.
- Jointly with Poznan Wagon Works, by the end of 2006 a pre-production railway tank-car unit with expanding wheel pairs to avoid replacing carts due to different rail standards. Orders will come from the EU. It will be marketed beginning in 2007.

## Expectations for Higher Margins Not Realized

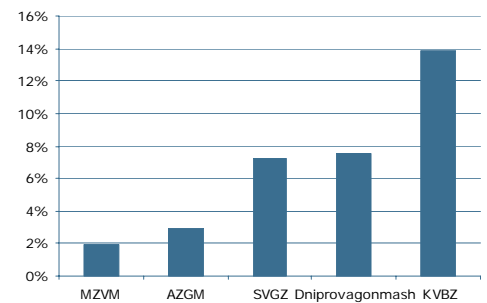
We expected that pressure from the State Property Fund (SPF), which began in 2005 when it took back its 25% stake in Azovmash from the SCM-related company Ukrainian Industrial-Transport Company (UITC), will result in more financial transparency. The SPF said its move to take back the shares was related to inefficient management by UITC, and we hoped the companies' management would respond by disclosing higher profitability margins.

Nevertheless, the new government that came to power after parliamentary elections in March 2006, made our hopes for increased transparency due to government pressure disappear. Thus, in our valuation we shift the peak in probability where the companies' disclose their true profitability to 2008, in line with expectations for improved financial standards from SCM.

**MZVM and AZGM's EBITDA Margins compared to Ukr. Peers**



**EBITDA Margins of Ukraine's carriage-makers in 9M06**



Source: Company Data

## Valuation

Our valuation of the companies is based on the assumption that real profitability margins for MZVM and AZGM are close to Kryukivsky Wagon, which we believe is the most financially transparent Ukrainian railcar-maker. We also believe that MZVM and AZGM will start disclosing their true financials sometime in future, and assign the probability of this happening in each of the subsequent ten years.

In anticipation of improved financial reporting, the market will put a premium on the valuations, based on currently disclosed profitability margins. We assume that if the market expects disclosure to happen next year, it would value the companies based on real profitability. If it believes that the disclosure will take place after 2009, it will not pay any premium now and value the companies under current profitability margins – i.e. close to zero.

We believe that until an 11% stake of MZVM (the last one directly controlled by government) is sold to private investors, SCM will not make any steps to increase transparency in MZVM and AZGM. SCM is interested in increasing its ownership of MZVM and would want to buy the stake cheap. MZVM is not on the most recent preliminary list of privatizations for 2007, but we believe that given a lack of attractive companies on the list, the SPF might change its mind.

Afterward, in line with SCM's overall policy to increase transparency of its assets and to attract funds for further development, we expect disclosure of real profitability margins. We move the peak of the probability distribution for this happening further into the future (see our research on the Azovmash group from September 2005).

Our target prices are **USD 12.1 for MZVM** and **USD 2.1 for AZGM**.

	Country	Market Cap	EV/Sales		EV/EBITDA		P/E	
			2005E	2006E	2005	2006E	2005	2006E
<b>Reported</b>								
MZVM	Ukraine	137.6	0.4	0.4	22.1	13.5	671.9	38.2
AZGM	Ukraine	116.3	0.7	0.6	27.3	17.8	546.1	52.7
<b>Restated</b>								
MZVM	Ukraine	137.6	0.4	0.4	3.1	3.3	3.9	4.0
AZGM	Ukraine	123.9	0.7	0.6	5.3	5.5	5.9	5.9
<b>Peer group</b>								
Trinity Industries	USA	2,775.5	0.9	0.7	8.0	6.1	15.8	12.7
Greenbrier Companies	USA	497.9	1.0	0.9	n/a	n/a	16.7	12.3
Freightcar America	USA	664.2	0.3	0.3	2.3	2.2	5.2	7.6
Const Y Auxiliar	SPAIN	449.3	0.7	0.5	5.1	3.9	11.5	8.2
Iochp-Maxion	BRAZIL	385.9	0.7	0.8	n/a	10.9	29.9	23.3
American Railcar	USA	614.4	0.7	0.8	5.2	5.1	11.3	8.5
Kinki Sharyo	JAPAN	296.0	0.4	0.4	7.1	6.4	17.9	15.1
Portec Rail	USA	97.0	1.0	0.9	7.8	6.5	14.3	11.4
<b>Average</b>			0.7	0.7	5.9	5.9	15.3	12.4
<b>Median</b>			0.7	0.7	6.2	6.1	15.1	11.8

**MZVM implied share price USD**

 based on **reported** financials

by mean	18.85	<b>19.6</b>	0.0	<b>1.3</b>	0.2	<b>2.9</b>
by median	19.60	<b>21.6</b>	0.0	<b>1.5</b>	0.2	<b>2.8</b>

 based on **restated** financials

by mean	18.85	<b>19.6</b>	20.8	<b>19.0</b>	34.6	<b>27.3</b>
by median	19.60	<b>21.6</b>	21.9	<b>19.8</b>	34.0	<b>26.0</b>

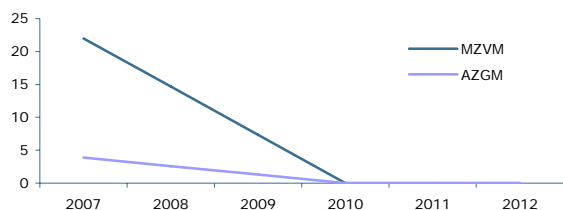
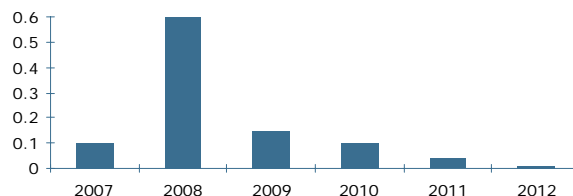
**AZGM implied share price**

 based on **reported** financials

by mean	3.0	<b>3.4</b>	0.0	<b>0.0</b>	0.07	<b>0.6</b>
by median	3.2	<b>3.8</b>	0.0	<b>0.1</b>	0.07	<b>0.6</b>

 based on **restated** financials

by mean	3.0	<b>3.4</b>	3.4	<b>3.3</b>	6.5	<b>5.3</b>
by median	3.2	<b>3.8</b>	3.6	<b>3.4</b>	6.4	<b>5.0</b>

**USD target accepted by the market depending on when transparency starts**

**Probability of becoming transparent in a given year**


Source: Concorde Capital estimates

**MZVM**
**Income Statement Summary, USD mln**

	1Q04	2Q04	3Q04	2004	1Q05	2Q05	3Q05	2005	1Q06	2Q06	3Q06
<b>Net Revenues</b>	<b>89.4</b>	<b>174.2</b>	<b>258.3</b>	<b>344.3</b>	<b>99.7</b>	<b>202.4</b>	<b>318.3</b>	<b>436.3</b>	<b>119.5</b>	<b>248.0</b>	<b>373.2</b>
Gross Profit	10.9	15.3	19.6	24.2	7.8	17.4	27.7	35.9	7.9	18.1	25.5
<b>EBITDA</b>	<b>4.4</b>	<b>4.6</b>	<b>3.8</b>	<b>3.4</b>	<b>2.4</b>	<b>7.3</b>	<b>12.6</b>	<b>13.8</b>	<b>2.9</b>	<b>6.3</b>	<b>6.9</b>
<i>EBITDA margin, %</i>	5%	3%	1%	1%	2%	4%	4%	3%	2%	3%	2%
Depreciation	(0)	(1)	(2)	(2)	(1)	(1)	(2)	(3)	(1)	(2)	(3)
<b>EBIT</b>	<b>4.0</b>	<b>3.6</b>	<b>2.2</b>	<b>1.3</b>	<b>1.8</b>	<b>5.9</b>	<b>10.3</b>	<b>10.8</b>	<b>2.1</b>	<b>4.6</b>	<b>4.2</b>
<i>EBIT margin, %</i>	4%	2%	1%	0%	2%	3%	3%	2%	2%	2%	1%
Interest Expense	(0.1)	(0.4)	(0.8)	(1.6)	(0.6)	(1.5)	(2.8)	(4.6)	(1.9)	(3.4)	(5.8)
Other income/(expense)	(0.1)	(1.7)	(0.9)	(0.7)	0.3	(0.9)	(1.4)	(1.5)	(0.1)	(0.3)	2.3
<b>PBT</b>	<b>3.8</b>	<b>1.6</b>	<b>0.6</b>	<b>0.6</b>	<b>1.5</b>	<b>3.4</b>	<b>6.2</b>	<b>4.8</b>	<b>0.1</b>	<b>1.0</b>	<b>0.9</b>
Tax	(0.1)	(0.1)	(0.5)	(0.5)	(1.4)	(2.2)	(2.3)	(2.5)	-	(0.9)	(0.9)
<i>Effective tax rate</i>	4%	9%	82%	88%	95%	64%	37%	52%	0%	90%	95%
<b>Net Income</b>	<b>3.7</b>	<b>1.4</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>1.2</b>	<b>3.9</b>	<b>2.3</b>	<b>0.1</b>	<b>0.1</b>	<b>1.0</b>
<i>Net Margin, %</i>	4%	1%	0%	0%	0%	1%	1%	1%	0%	0%	0%

**Balance Sheet Summary, USD mln**

	1Q04	2Q04	3Q04	2004	1Q05	2Q05	3Q05	2005	1Q06	2Q06	3Q06
<b>Current Assets</b>	<b>113.8</b>	<b>146.7</b>	<b>146.8</b>	<b>137.5</b>	<b>130.7</b>	<b>163.6</b>	<b>153.7</b>	<b>158.1</b>	<b>176.3</b>	<b>172.6</b>	<b>200.9</b>
Cash & Equivalents	0.3	0.5	1.2	0.3	0.7	0.6	0.3	0.6	0.5	0.5	0.9
Trade Receivables	22.8	18.1	23.3	26.2	33.5	42.7	52.0	56.5	59.0	43.9	72.9
Inventories	46.8	52.4	66.9	58.6	53.7	63.6	61.5	63.1	74.0	89.0	83.4
Other	43.9	75.6	55.4	52.5	42.8	56.8	39.8	38.0	42.8	39.2	43.7
<b>Fixed Assets</b>	<b>67.0</b>	<b>67.1</b>	<b>68.3</b>	<b>69.4</b>	<b>69.8</b>	<b>72.9</b>	<b>73.5</b>	<b>71.0</b>	<b>71.5</b>	<b>73.0</b>	<b>70.1</b>
PP&E, net	48.6	50.7	51.7	52.3	53.9	55.9	56.8	57.1	57.0	58.5	55.2
Other Fixed Assets	18.4	16.4	16.6	17.0	15.9	17.0	16.6	13.9	14.5	14.5	14.9
<b>Total Assets</b>	<b>180.8</b>	<b>213.8</b>	<b>215.1</b>	<b>206.9</b>	<b>200.5</b>	<b>236.5</b>	<b>227.1</b>	<b>229.2</b>	<b>247.8</b>	<b>245.6</b>	<b>271.0</b>
<b>Shareholders' Equity</b>	<b>74.3</b>	<b>71.7</b>	<b>69.0</b>	<b>66.0</b>	<b>66.4</b>	<b>70.5</b>	<b>73.1</b>	<b>70.4</b>	<b>70.1</b>	<b>70.0</b>	<b>69.7</b>
Share Capital	0.7	0.7	0.7	0.7	0.7	0.8	0.8	0.8	0.8	0.8	0.8
Retained Earnings	20.8	18.1	26.6	24.0	24.1	26.3	29.0	26.6	26.2	26.1	28.2
Other	52.8	52.9	41.7	41.3	41.5	43.4	43.4	43.0	43.1	43.1	40.8
<b>Current Liabilities</b>	<b>103.4</b>	<b>139.1</b>	<b>144.0</b>	<b>139.1</b>	<b>132.3</b>	<b>164.2</b>	<b>152.1</b>	<b>156.8</b>	<b>175.5</b>	<b>158.1</b>	<b>185.0</b>
ST Interest Bearing Debt	5.0	6.6	20.0	19.2	25.4	43.1	48.0	53.2	51.8	47.1	39.9
Trade Payables	47.0	52.7	54.4	34.4	38.7	47.1	53.0	49.6	65.7	60.4	85.6
Other	51.4	79.7	69.6	85.5	68.2	74.0	51.1	54.1	57.9	50.6	59.4
<b>LT Liabilities</b>	<b>3.1</b>	<b>3.0</b>	<b>2.1</b>	<b>1.7</b>	<b>1.8</b>	<b>1.9</b>	<b>1.9</b>	<b>2.0</b>	<b>2.3</b>	<b>17.5</b>	<b>16.4</b>
LT Interest Bearing Debt	-	-	-	-	-	-	-	-	-	15.1	14.5
Other LT	3.1	3.0	2.1	1.7	1.8	1.9	1.9	2.0	2.3	2.4	1.9
<b>Total Liabilities &amp; Equity</b>	<b>180.8</b>	<b>213.8</b>	<b>215.1</b>	<b>206.9</b>	<b>200.5</b>	<b>236.5</b>	<b>227.1</b>	<b>229.2</b>	<b>247.8</b>	<b>245.6</b>	<b>271.0</b>

**AZGM**
**Income Statement Summary, USD mln**

	1Q04	2Q04	3Q04	2004	1Q05	2Q05	3Q05	2005	1Q06	2Q06	3Q06
<b>Net Revenues</b>	<b>79.2</b>	<b>150.4</b>	<b>198.9</b>	<b>258.2</b>	<b>55.8</b>	<b>106.2</b>	<b>169.6</b>	<b>238.1</b>	<b>66.9</b>	<b>141.2</b>	<b>224.4</b>
Gross Profit	9.7	15.0	17.6	21.8	5.5	10.5	16.3	20.8	3.8	9.3	15.5
<b>EBITDA</b>	<b>3.5</b>	<b>5.5</b>	<b>4.4</b>	<b>4.6</b>	<b>2.6</b>	<b>5.7</b>	<b>7.9</b>	<b>8.9</b>	<b>1.4</b>	<b>3.6</b>	<b>6.8</b>
<i>EBITDA margin, %</i>	4%	4%	2%	2%	5%	5%	5%	4%	2%	3%	3%
Depreciation	(0.3)	(0.7)	(1.0)	(1.4)	(0.4)	(0.7)	(1.1)	(1.5)	(0.4)	(0.8)	(1.2)
<b>EBIT</b>	<b>3.2</b>	<b>4.8</b>	<b>3.4</b>	<b>3.2</b>	<b>2.2</b>	<b>5.0</b>	<b>6.8</b>	<b>7.3</b>	<b>1.0</b>	<b>2.8</b>	<b>5.6</b>
<i>EBIT margin, %</i>	4%	3%	2%	1%	4%	5%	4%	3%	2%	2%	2%
Interest Expense	(0.2)	(0.4)	(0.7)	(1.3)	(0.6)	(1.3)	(1.9)	(3.0)	(1.0)	(2.4)	(4.8)
Other income/(expense)	(0.0)	(0.0)	(0.0)	0.0	-	(0.0)	0.0	0.0	(0.0)	(0.0)	0.0
<b>PBT</b>	<b>3.0</b>	<b>4.4</b>	<b>2.7</b>	<b>2.0</b>	<b>1.6</b>	<b>3.7</b>	<b>4.9</b>	<b>4.4</b>	<b>0.1</b>	<b>0.4</b>	<b>0.8</b>
Tax	(0.9)	(0.9)	(2.9)	(1.9)	(1.6)	(1.7)	(1.8)	(3.3)	-	(0.3)	(0.6)
<i>Effective tax rate</i>	29%	20%	107%	97%	96%	45%	37%	74%	0%	74%	78%
<b>Net Income</b>	<b>2.1</b>	<b>3.5</b>	<b>(0.2)</b>	<b>0.1</b>	<b>0.1</b>	<b>2.0</b>	<b>3.1</b>	<b>1.1</b>	<b>0.1</b>	<b>0.1</b>	<b>1.2</b>
<i>Net Margin, %</i>	3%	2%	0%	0%	0%	2%	2%	0%	0%	0%	1%

**Balance Sheet Summary, USD mln**

	1Q04	2Q04	3Q04	2004	1Q05	2Q05	3Q05	2005	1Q06	2Q06	3Q06
<b>Current Assets</b>	<b>68.2</b>	<b>75.2</b>	<b>70.9</b>	<b>64.5</b>	<b>84.8</b>	<b>100.9</b>	<b>98.4</b>	<b>87.8</b>	<b>96.3</b>	<b>102.6</b>	<b>121.9</b>
Cash & Equivalents	0.2	0.2	0.3	0.3	0.3	0.2	0.2	8.8	0.3	0.2	2.3
Trade Receivables	28.2	26.8	35.1	22.1	23.6	27.2	38.6	23.2	30.9	34.1	46.7
Inventories	13.1	9.9	13.7	15.9	20.7	24.2	33.6	28.8	32.3	42.7	49.7
Other	26.7	38.3	21.8	26.2	40.1	49.3	26.0	27.0	32.8	25.6	23.2
<b>Fixed Assets</b>	<b>21.7</b>	<b>21.5</b>	<b>21.3</b>	<b>22.5</b>	<b>23.3</b>	<b>27.4</b>	<b>27.4</b>	<b>27.3</b>	<b>27.2</b>	<b>27.4</b>	<b>33.6</b>
PP&E, net	18.3	18.1	17.9	17.8	18.6	22.5	22.5	22.5	22.1	22.2	28.5
Other	3.4	3.4	3.4	4.7	4.7	4.9	4.9	4.8	5.1	5.2	5.2
<b>Total Assets</b>	<b>89.8</b>	<b>96.7</b>	<b>92.2</b>	<b>87.0</b>	<b>108.1</b>	<b>128.4</b>	<b>125.8</b>	<b>115.1</b>	<b>123.5</b>	<b>130.0</b>	<b>155.5</b>
<b>Shareholders' Equity</b>	<b>26.0</b>	<b>27.4</b>	<b>23.8</b>	<b>24.0</b>	<b>24.2</b>	<b>27.3</b>	<b>28.3</b>	<b>26.4</b>	<b>26.5</b>	<b>26.5</b>	<b>26.6</b>
Share Capital	2.2	2.2	2.2	2.2	2.2	2.3	2.3	2.3	2.3	2.3	2.3
Retained Earnings	15.6	17.0	13.4	13.6	13.7	16.3	17.4	15.5	15.5	15.6	15.6
Other	8.2	8.2	8.2	8.2	8.3	8.7	8.7	8.6	8.6	8.6	8.6
<b>Current Liabilities</b>	<b>63.8</b>	<b>69.3</b>	<b>68.4</b>	<b>63.0</b>	<b>83.9</b>	<b>101.1</b>	<b>97.4</b>	<b>88.7</b>	<b>97.1</b>	<b>103.5</b>	<b>128.9</b>
ST Interest Bearing Debt	20.3	17.9	16.6	24.7	20.7	38.7	48.9	35.9	58.4	58.7	74.1
Trade Payables	14.8	6.3	16.8	8.9	17.5	17.2	31.2	25.0	7.9	14.5	27.5
Other	28.7	45.1	34.9	29.3	45.7	45.2	17.4	27.8	30.8	30.2	27.4
<b>LT Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LT Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-	-
Other LT	0.0	0.0	0.0	0.0	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>89.8</b>	<b>96.7</b>	<b>92.2</b>	<b>87.0</b>	<b>108.1</b>	<b>128.4</b>	<b>125.8</b>	<b>115.1</b>	<b>123.5</b>	<b>130.0</b>	<b>155.5</b>



### Analyst Certification

I, Olha Pankiv, hereby certify that the views expressed in this research report accurately reflect our 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

Date	MZVM price, USD		AZGM price, USD	
	Closing	Target	Closing	Target
15-Sep-05	10.0	20.7	3.3	5.4
6-Dec-06	8.90	12.1	2.5	2.1

### AZGM



### MZVM



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