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Automobile Plant Bogdan (LUAZ)



April 24-25, 2008
Kyiv, Ukraine

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Executive summary

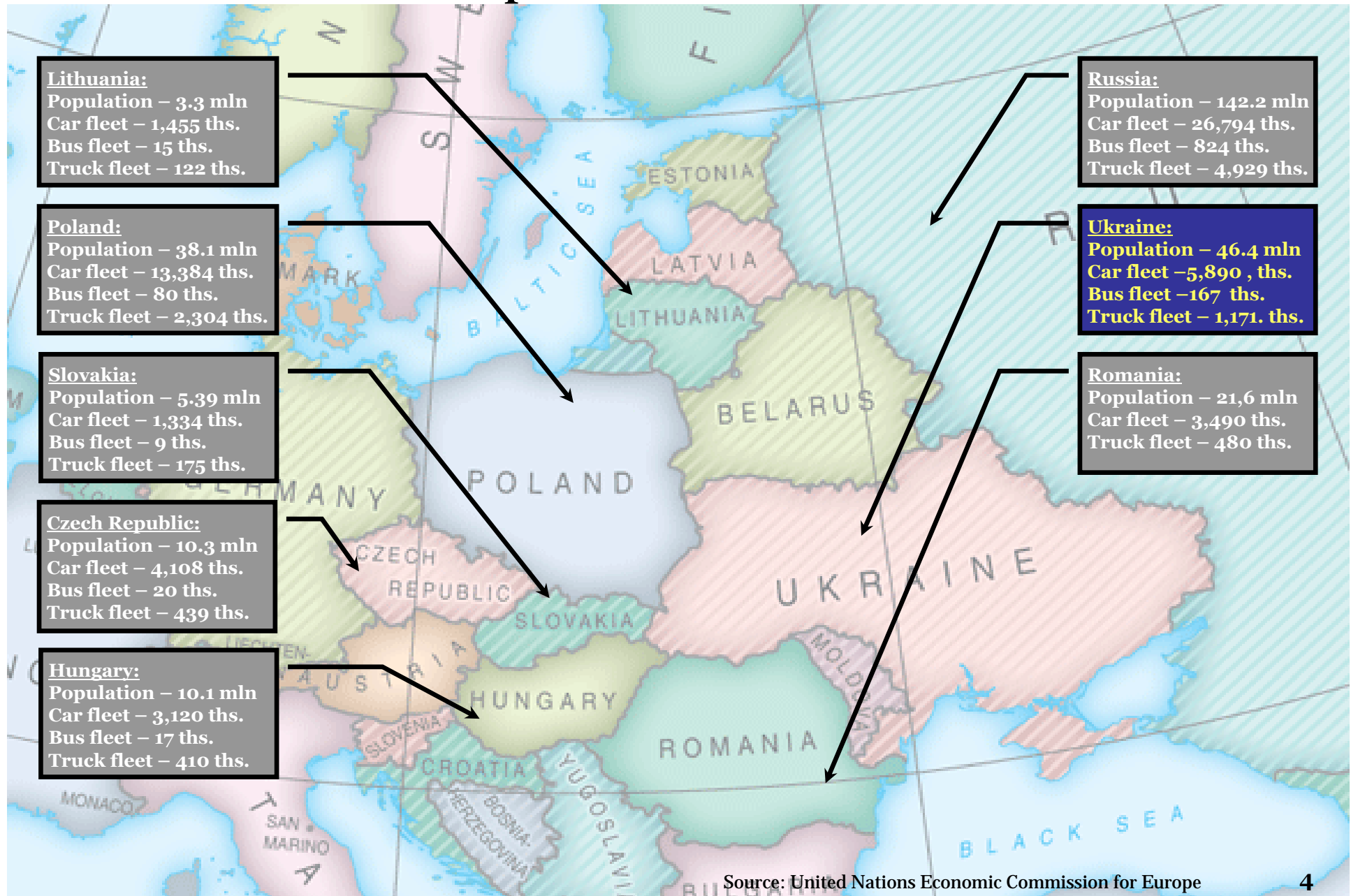
- The history of **Automobile Plant Bogdan (LUAZ)** is that of the revival of the Ukrainian automotive industry, which in time coincided with Ukraine entering a new stage of economic development
- The company was established in **1955, more than 50 years successful experience**
- **Automobile Plant Bogdan (LUAZ) is focused on production and assembly of cars, trucks, buses, and trolleybuses**
- The company has established strategic relationships with several leading partners such as: **Hyundai, Kia, Isuzu, and AvtoVaz**
- **Automobile Plant Bogdan (LUAZ) has successfully finished the development program of new universal production facilities worth \$ 400 million, having the capacity to produce 6,000 buses and 120,000 cars per annum**
- Over the last year, the market capitalization of **Automobile Plant Bogdan (LUAZ) has increased by 80%**
- **Bogdan Corporation, the Strategic Investor of Automobile Plant Bogdan (LUAZ) is beginning to prepare for an IPO**
- In a move to expand its presence in the foreign market, the **Bogdan Corporation is going to build a New and/or acquire the Existing Automobile Plant in Russia** with annual capacity of more than 220,000 cars and buses



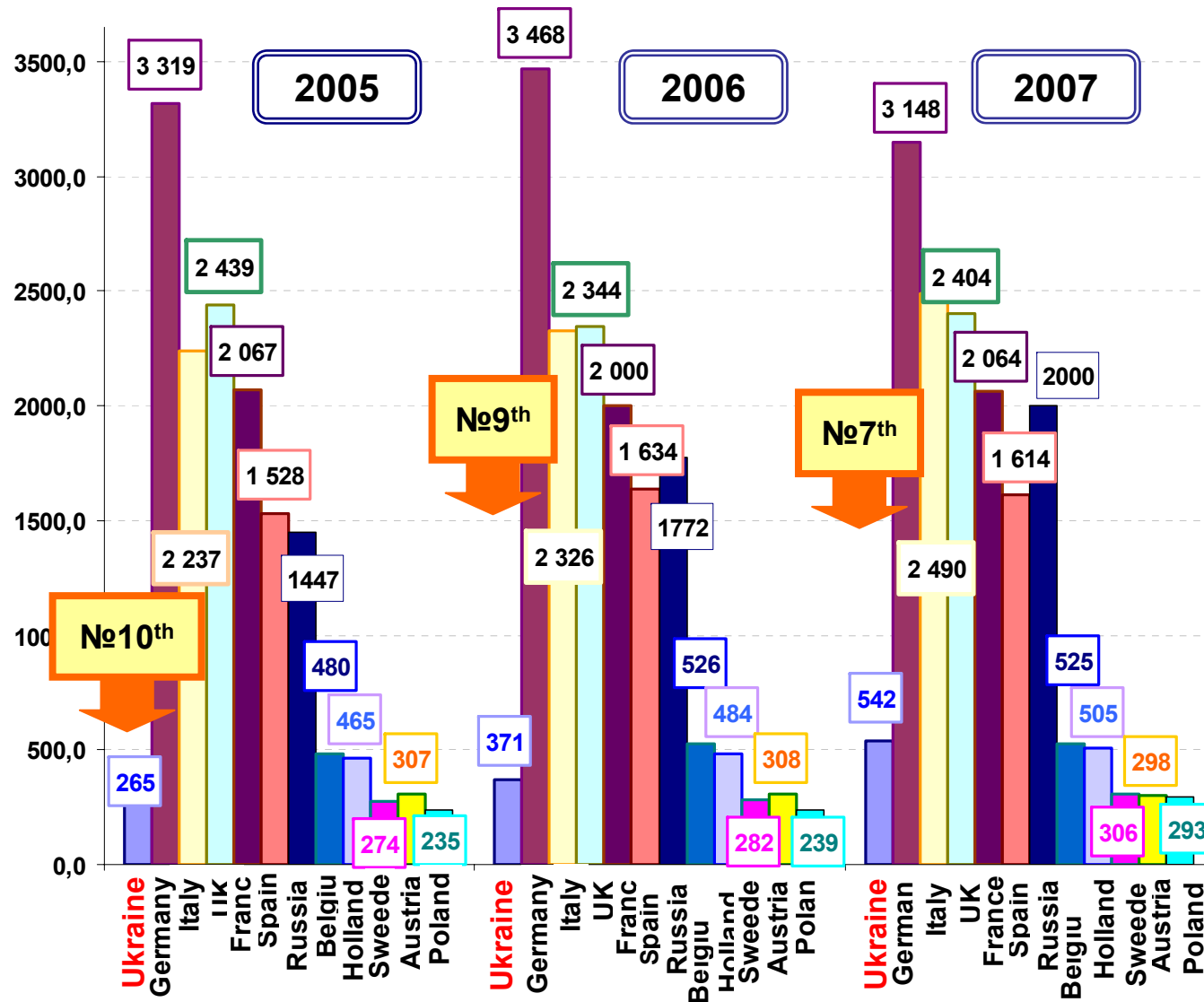
Market Overview



Eastern European main markets in 2006



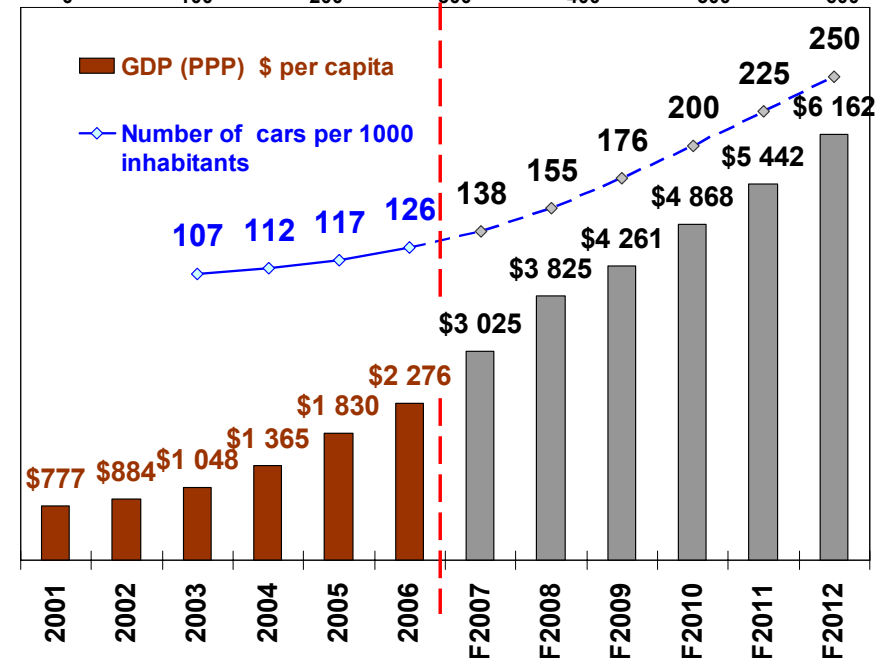
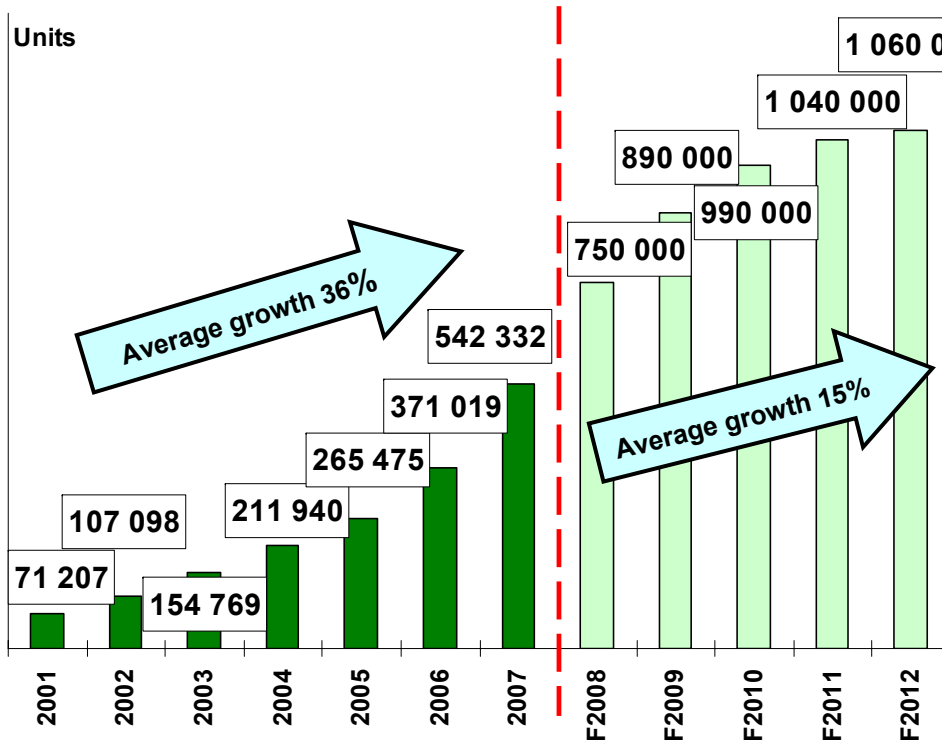
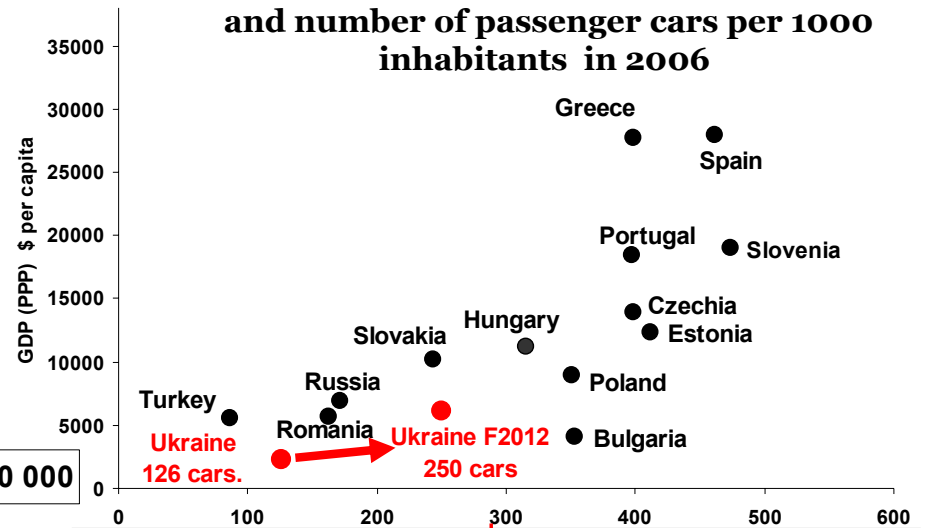
Car sales tendency in Europe, 2005-2007



Car market in Ukraine

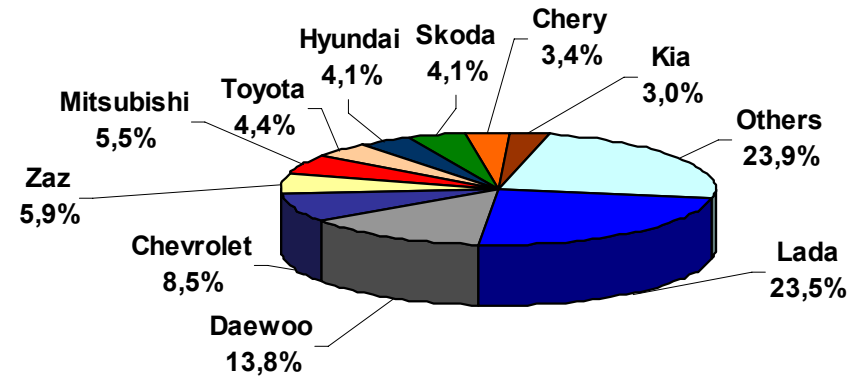
- Ukrainian car market is underpenetrated with 126 vehicles per 1,000 people vs. more than 300 in most of the European states
- Expected to double reaching 250 vehicles per 1,000 people by 2012
- The growth is supported by strong economic recovery of Ukraine with 7% CAGR of real GDP by 2012

Correlation between GDP (PPP) \$ per capita and number of passenger cars per 1000 inhabitants in 2006

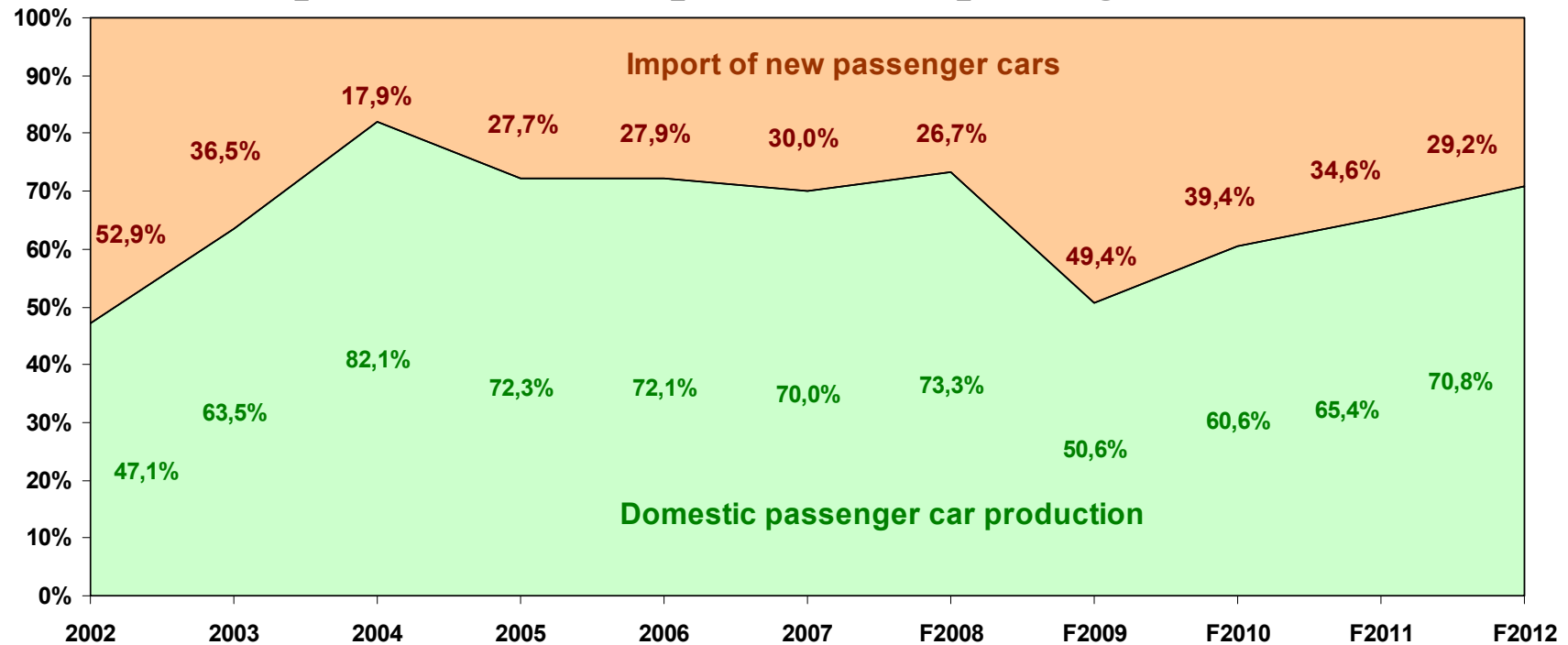


Sources: Ministry of Economics of Ukraine, European automobile manufactures association, International Monetary Fund CJSC Autoconsulting, Bogdan Corp., State Statistics Committee of Ukraine

New passenger car market by brand in 2007



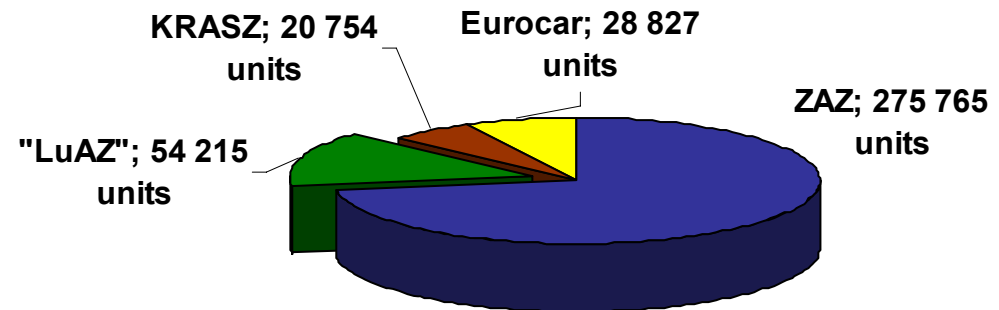
Structure of import and domestic production of passenger cars in 2002-F2012



Sources: CJSC Autoconsulting, State Statistics Committee of Ukraine, Bogdan Corp.

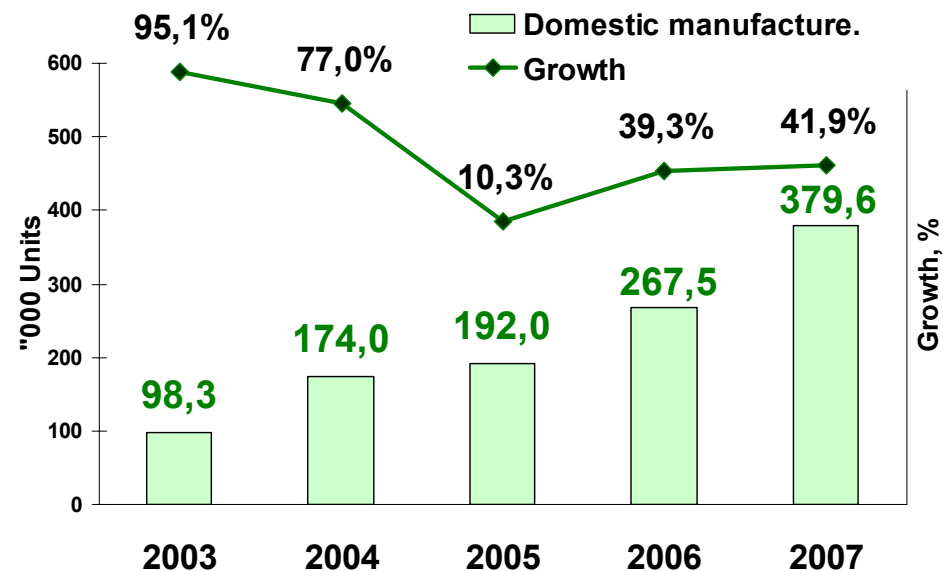
Key car producers in Ukraine

Ukrainian car production, 2007



- The Ukrainian car production is dominated by 4 key players assembling international brands in Ukraine
- Car production in Ukraine grew by c40% y/y in 2006-2007
- In 2008 the growth is expected at 45% y/y
- Domestic production is expected to remain at 60-70% of the car sales in Ukraine in 2008-2012

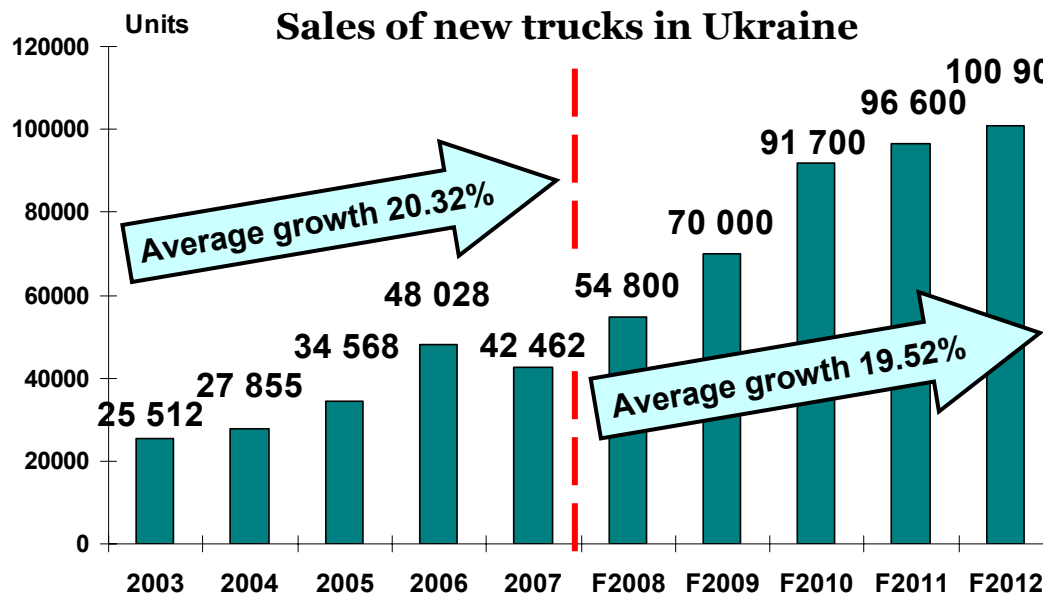
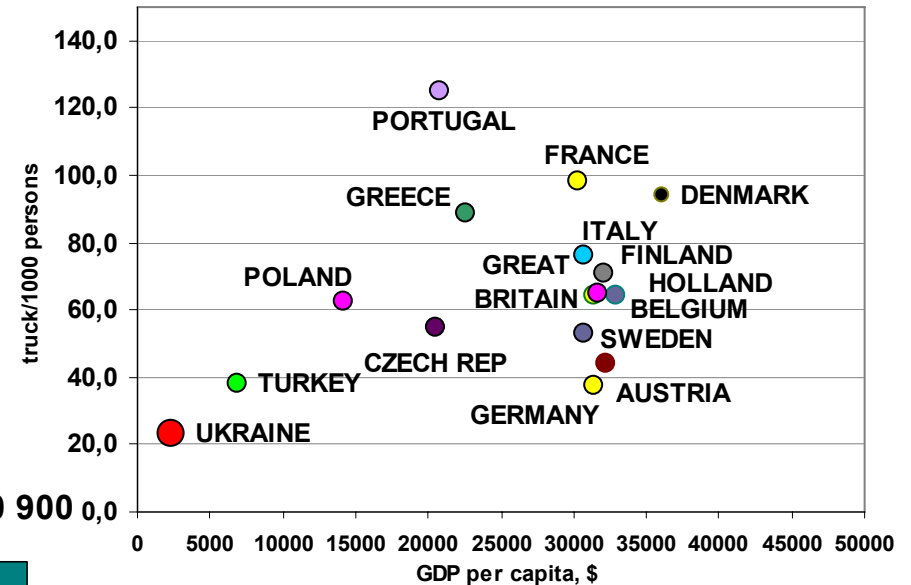
Domestic production of passenger cars in 2003-2007



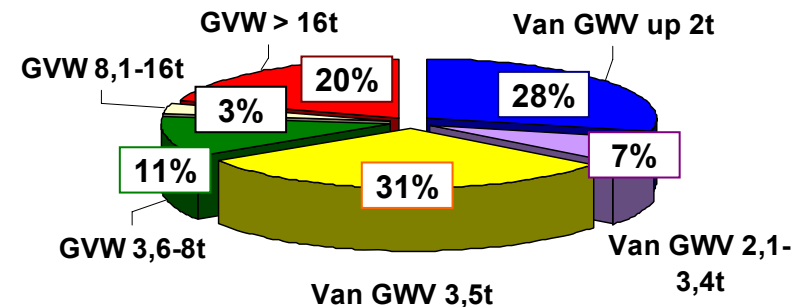
New trucks market in Ukraine

- Ukrainian truck market is underpenetrated with 22 vehicles per 1,000 people, which is twice below the European level
- The market has a stable tendency of 20% CAGR in 2003-2007
- The 20% y/y sales growth tendency is expected to continue till 2012 to reach annual sales volume of 100,900 vehicles from 42,462 in 2007

Correlation between GDP (PPP) \$ per capita and number of trucks per 1000 inhabitants in 2006

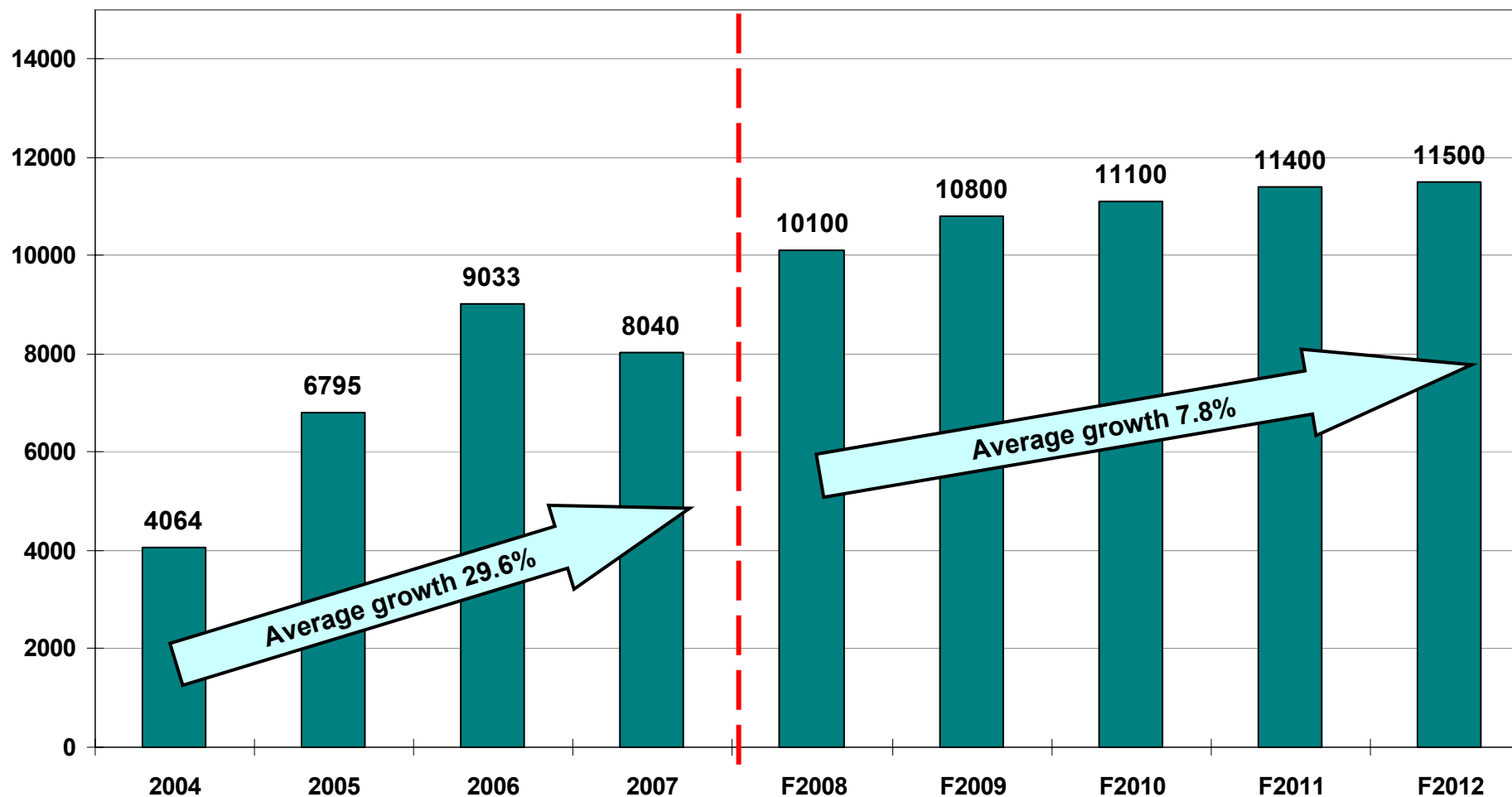


Breakdown of load carrying capacity, 2007



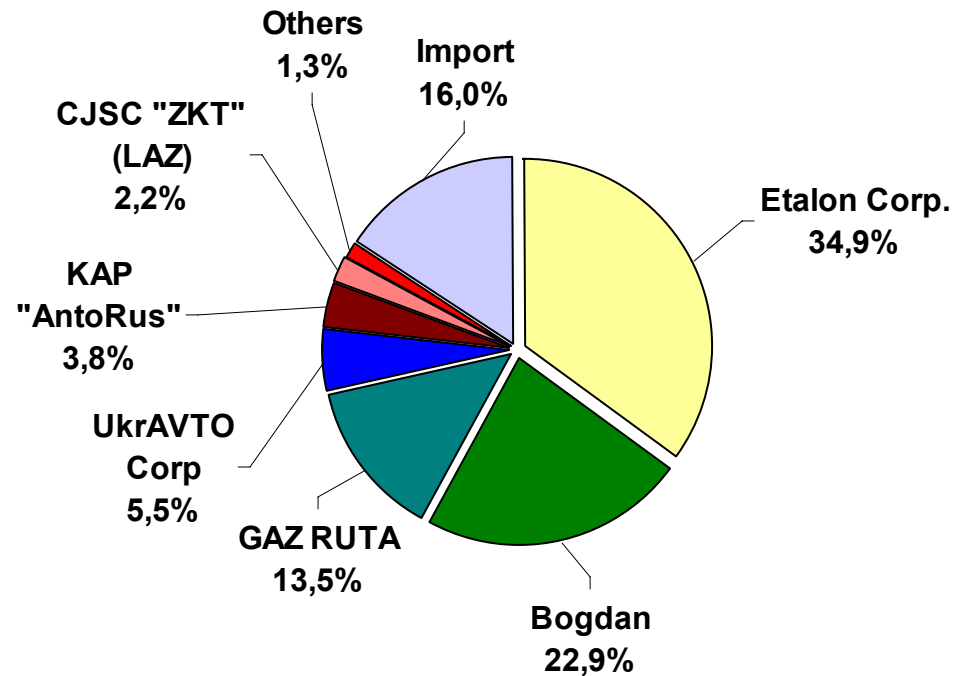
Sources: Ministry of Economics of Ukraine, European automobile manufacturers association, International Monetary Fund, CJSC Autoconsulting, Bogdan Corp.

Bus sales in Ukraine (in vehicles)

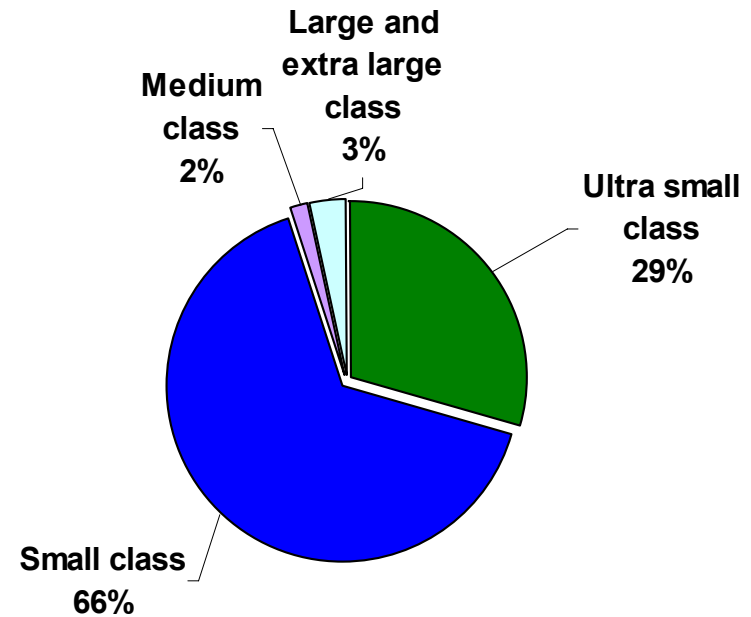


Bus market structure in Ukraine

Main players, 2007



Class breakdown, 2007

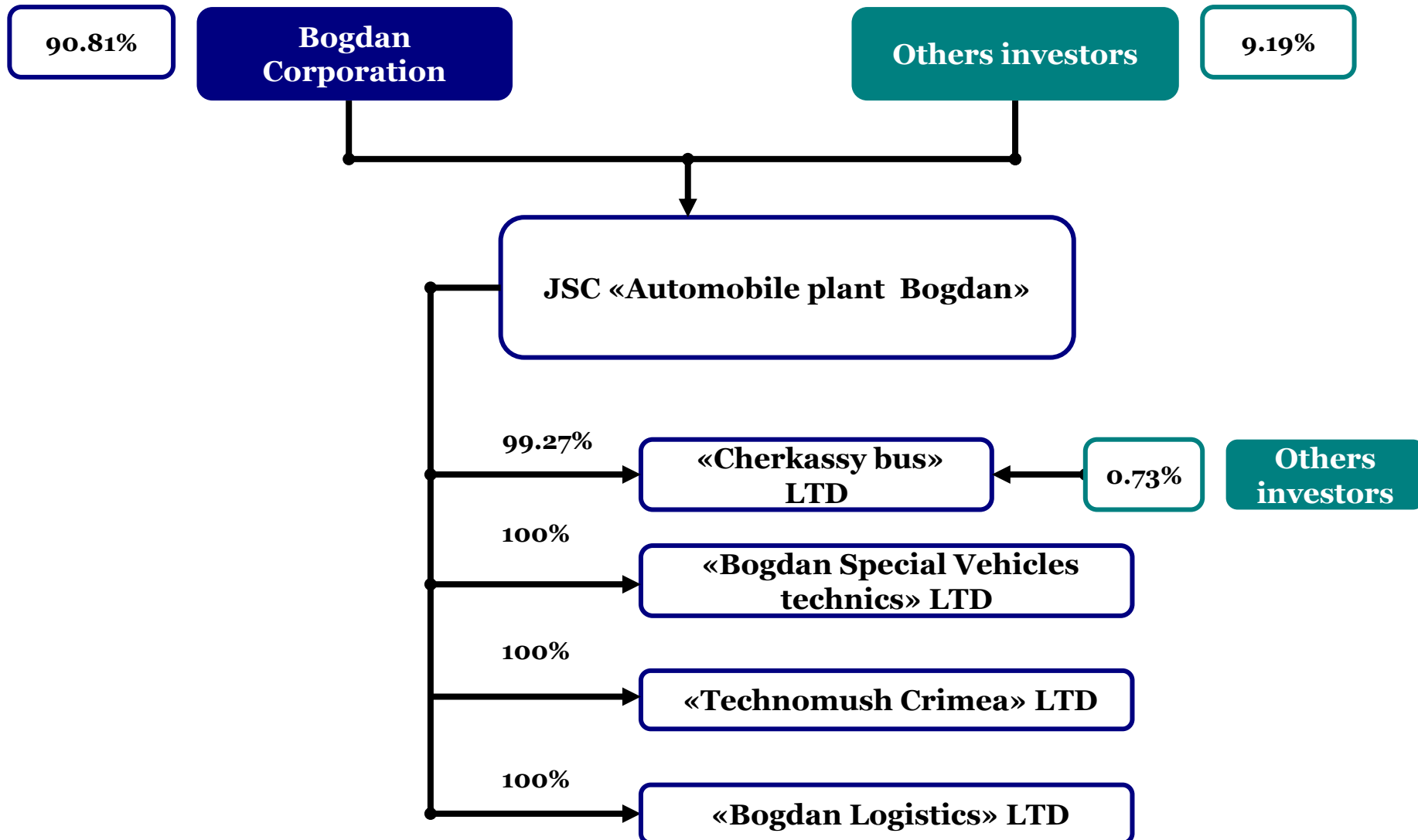




Company Overview

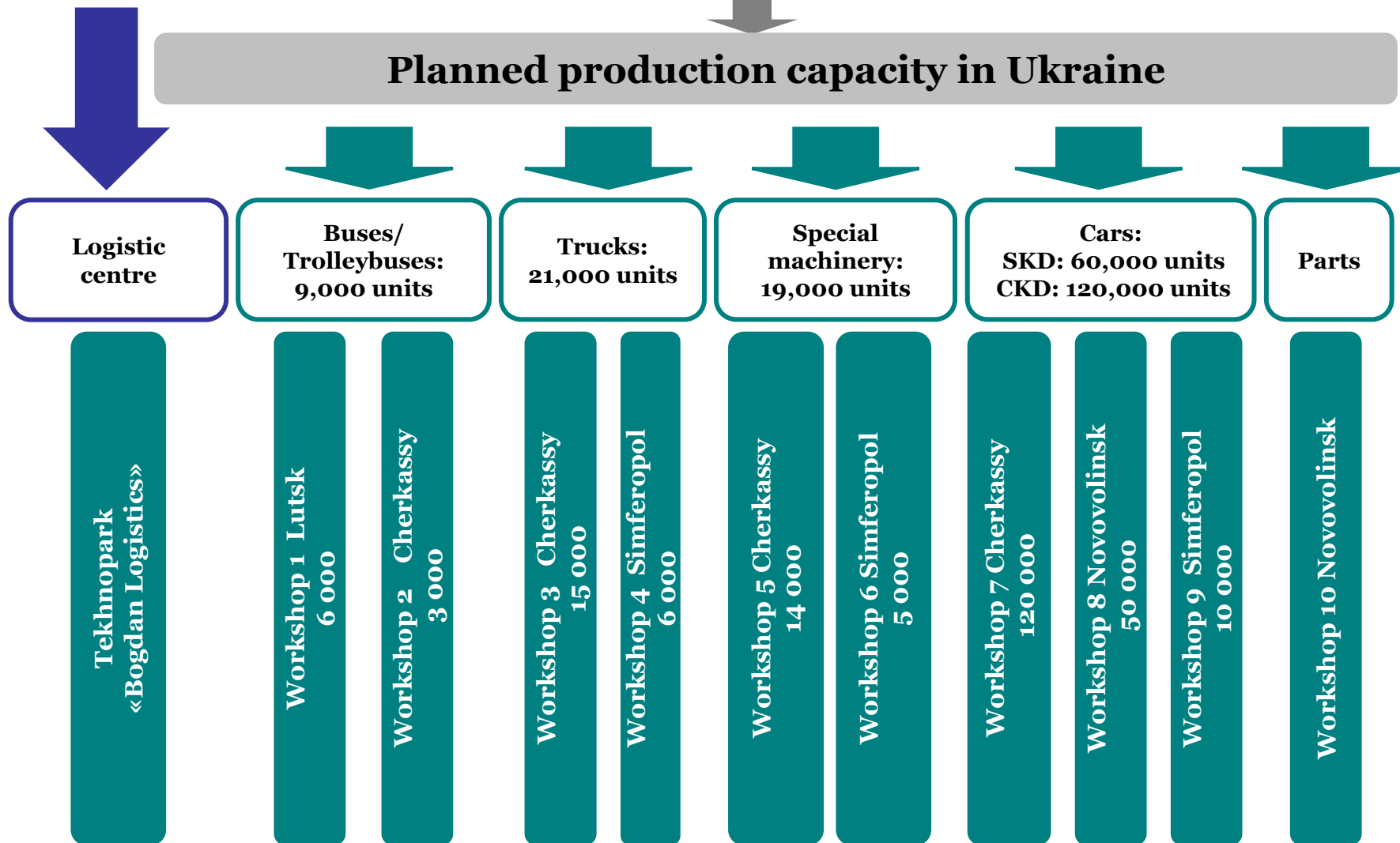


Planned Corporate Structure of Automobile Plant Bogdan (LUAZ)



JSC Automobile Plant Bogdan (LUAZ)

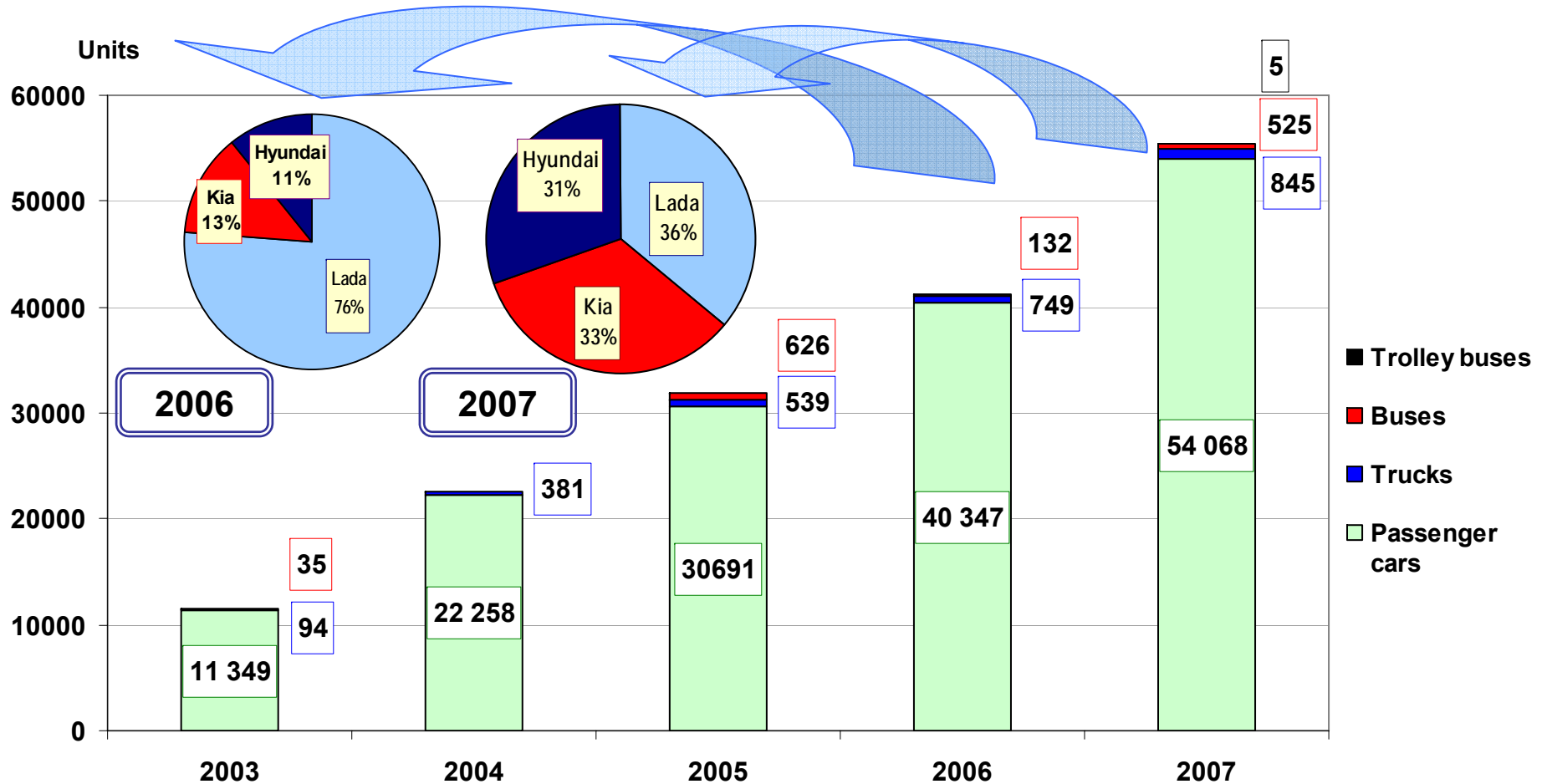
Planned production capacity in Ukraine



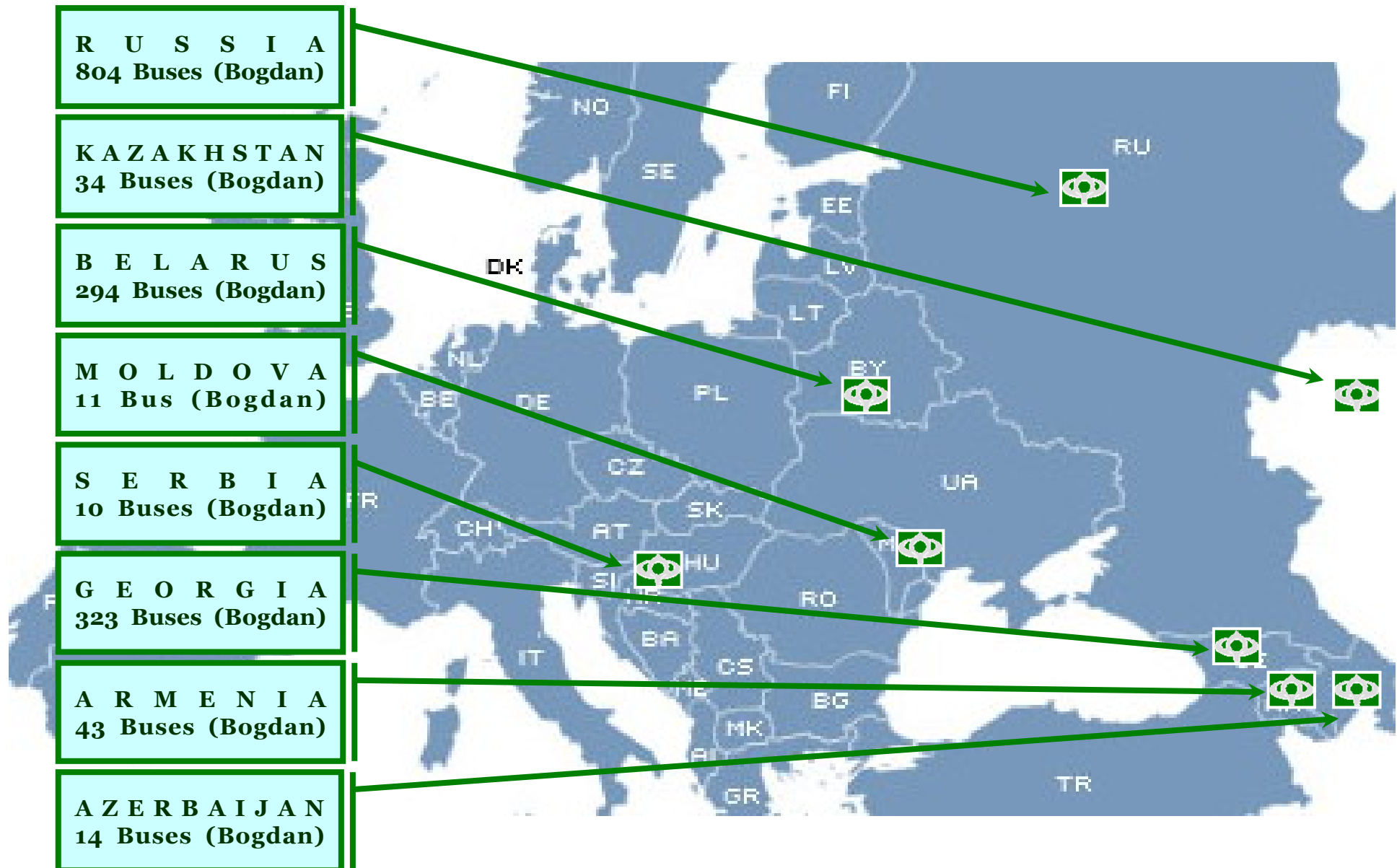
Capacity location



Production volume of Automobile Plant Bogdan (LUAZ) in 2003 – 2007 (in units)

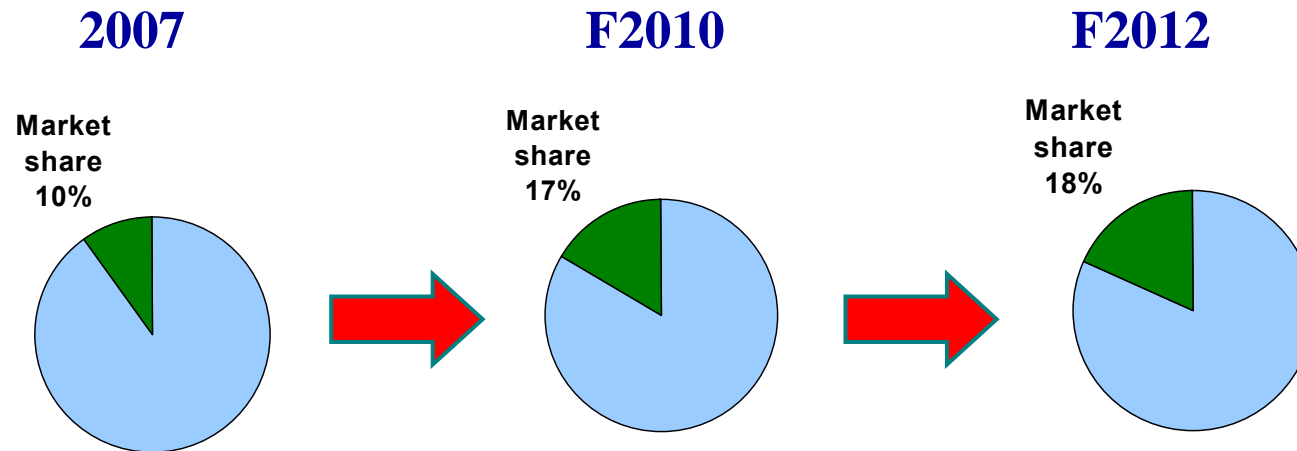


Export of Bogdan buses. Main markets in 2007

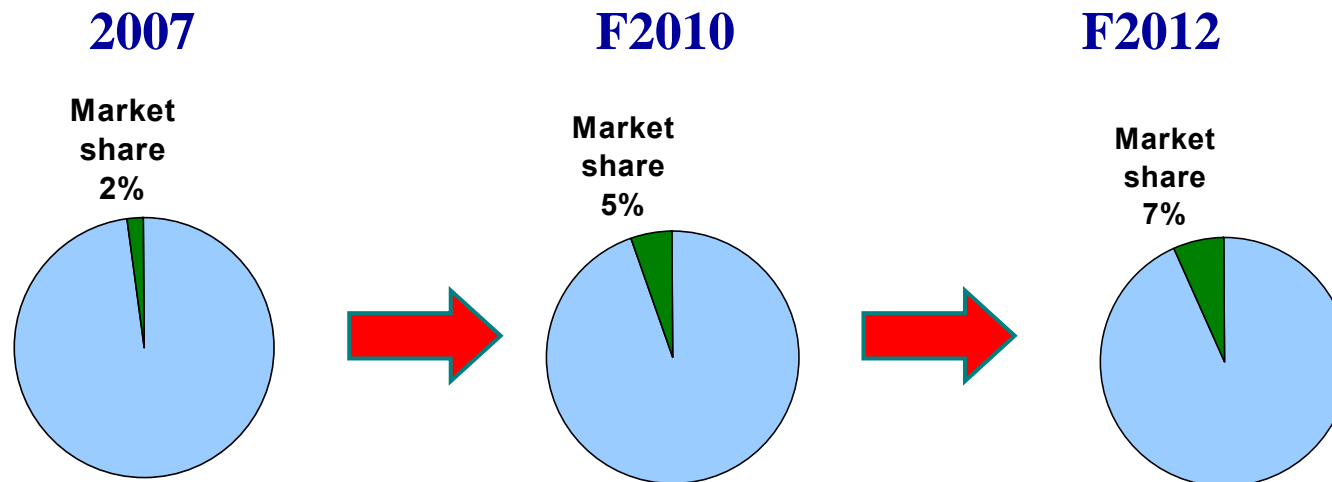


Bogdan market share forecast

Cars

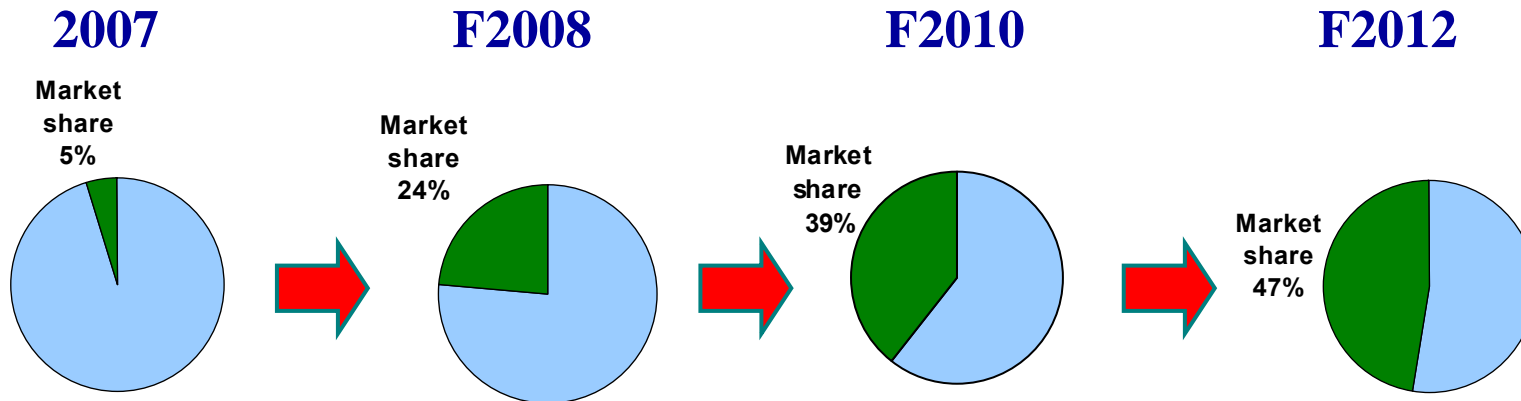


Trucks

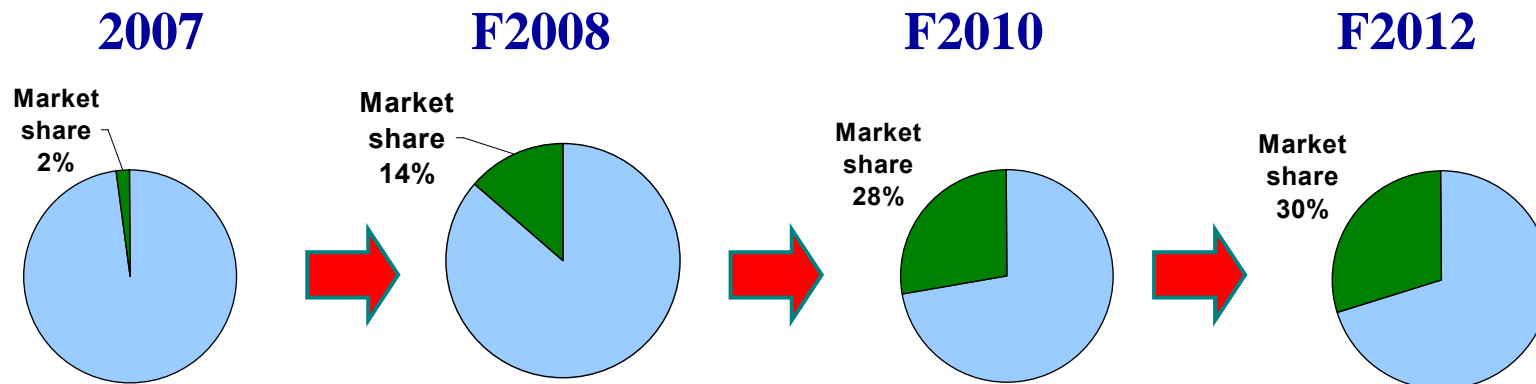


Bogdan market share forecast

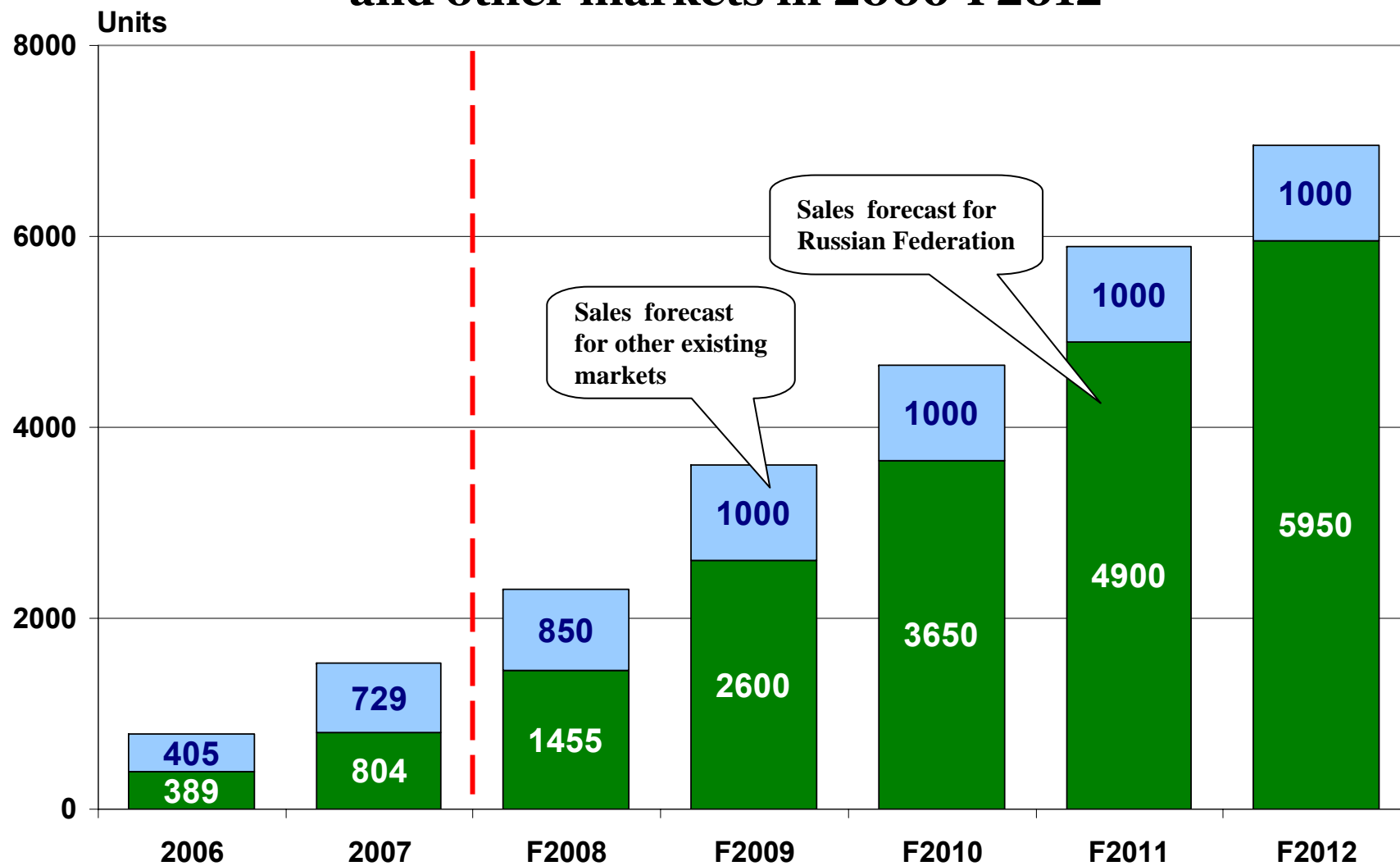
Buses



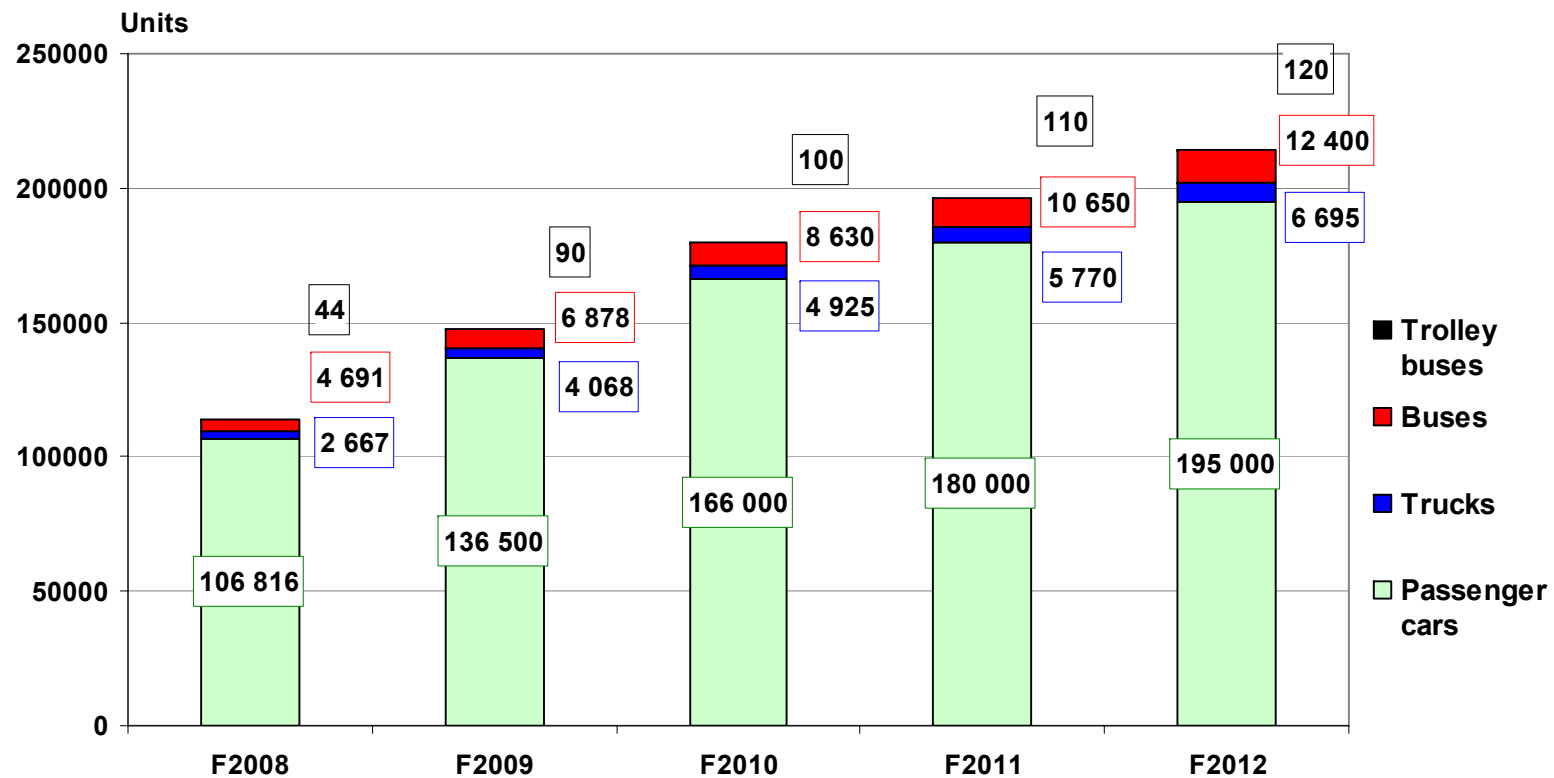
Trolleybuses



Export expansion of Bogdan buses in Russia and other markets in 2006-F2012



Production volume of Automobile Plant Bogdan (LUAZ) Forecast for 2008 - 2012 (in units)



Automobile Plant Bogdan (LUAZ) Financials

\$ mln	2005 IFRS	2006 IFRS	2007 UAS	2008e	2009e
Revenue	161.7	345.2	818.0	1 601.0	2 266.0
EBITDA	25.7	39.9	104.4	131,0	204,0
EBITDA margin, %	15.9	11.6	12,8	8.2	9.0
Net income	19.2	24.7	73.8	76.0	123.0
Net income margin, %	11.9	7.2	9.0	4.7	5.4

Source: Company Data, C0mpany Estimate

Recently implemented projects

Workshop 7 (Cherkassy, Ukraine)

Investment: over \$300 mln
Implementation: 2006-2008

Capacity of 120,000 vehicles per year
Total area: 20 ha, 100,000 sq. m

Facilities for:

- welding
- painting
- assembly
- testing



Suppliers of equipment:

EISENMANN 

Recently implemented projects

Workshop 1 (Lutsk, Ukraine)

Investment: over \$90 mln

Implementation: 2006-2008

Capacity of 6,000 buses per year

Total area: 20 ha, 100,000 sq. m

Facilities for:

- welding
- painting
- assembly
- testing




Suppliers of equipment:

EISENMANN 


2005-2008 Automobile Plant Bogdan (LUAZ) credentials



Financing of investment programs

UAH 130 million
 Domestic bond
 2005-2010
 14%
Ukrsotsbank,
 Lead-Manager Sole Bookrunner





Private placement of common shares and
 rights subscription
 2006
\$26 millions
Dragon-Capital
 Lead manager and Sole Bookrunner


Capital increase,
 2006
\$118 millions


ECA “Hermes” covered financing
 2006
€42.2 millions
HVB AG
 Term 10 years


ECA “Hermes” covered financing
 2007
€15.0 millions
Alfa Bank, Deutsche Bank
 Term 7 years



Project financing
 2007
\$20.5 millions
Alfa Bank
 Term 7 years.


Syndicated Loan
 2008
€62.5 millions
Unicredit, DEG, FMO,
Cordiant
 Term 8 years




Planned CAPEX & Financing of Automobile Plant Bogdan (LUAZ) in Ukraine 2009-2011

Debt

- ❖ **Corporate Bond**
- a 5-year USD 40 mln. Domestic bond (B-series) will be placed in 2008
- ❖ **Bank Loans**
- EUR 65 mln. Project financing from international banks

Equity

- ❖ **Share Capital Increase**
- Share capital increase in 2H08
- ❖ **Profit Reinvestment**
- Net income reinvestment in 2008-2010

200,000 m Logistic Center in Cherkassy

- ❖ *EUR 65 mln*
- ❖ Organization of customs terminal for incoming flows
- ❖ Modernization of loading, unloading and transshipment terminals
- ❖ Modernization of storage terminals and warehouses

Truck Production in Cherkassy

- ❖ *USD 7 mln*
- ❖ Projected 2010F capacity of 15,000 vehicles

New Car Parts Manufacturing Plant in Novo-Volinsk

- ❖ *USD 80 mln*
- ❖ Plastic
- ❖ Seats
- ❖ Wiring
- ❖ Projected 2009F capacity of 50,000 vehicles (SKD assembly)

The New Russian project of Bogdan Corporation



Technische Systeme Lösungen

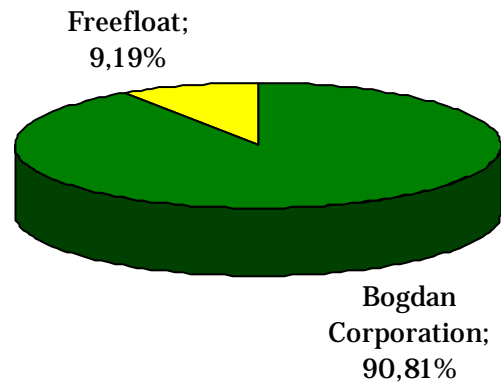
Kohlbecker | Architekten & Ingenieure

- The Bogdan Corporation is going to build a New and/or acquire the Existing Automobile Plant in Russia
- The annual capacity's would be more then 220,000 cars and 10,000 buses
- The total amount of investments would be more then \$ 300 millions
- Implementation: 2009-2011

Automobile Plant Bogdan (LUAZ) share performance

- ❖ Listing on PFTS (Kiev, Ukraine)
- ❖ Listing on Berlin Stock Exchange (Germany)
- ❖ Listing on Frankfurt Stock Exchange (Germany)
- ❖ Ticker LUAZ UZ
- ❖ GDR Reg. S programme
- ❖ Ratio (ORD : GDRs) 100 : 1

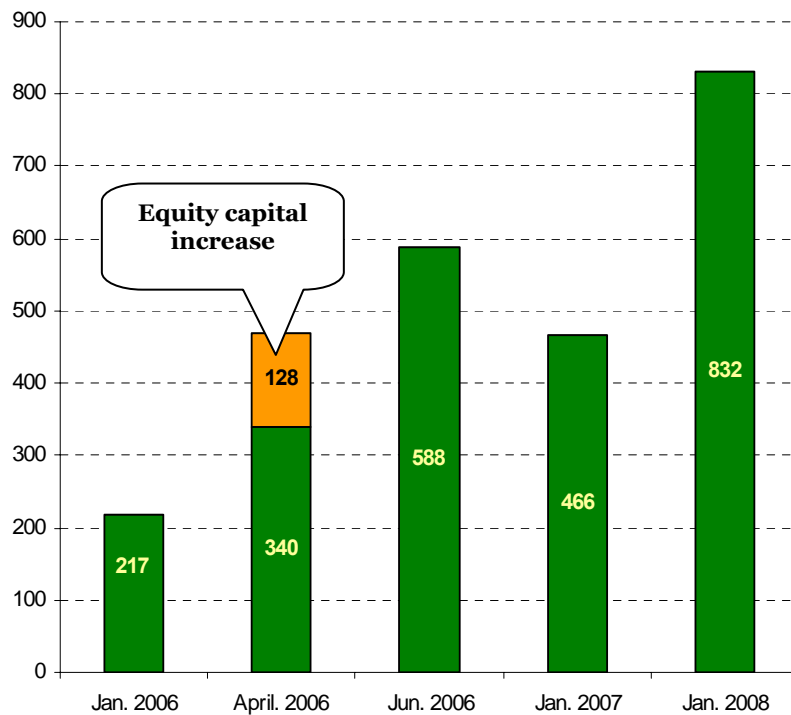
Shareholder breakdown



Source: Company Data

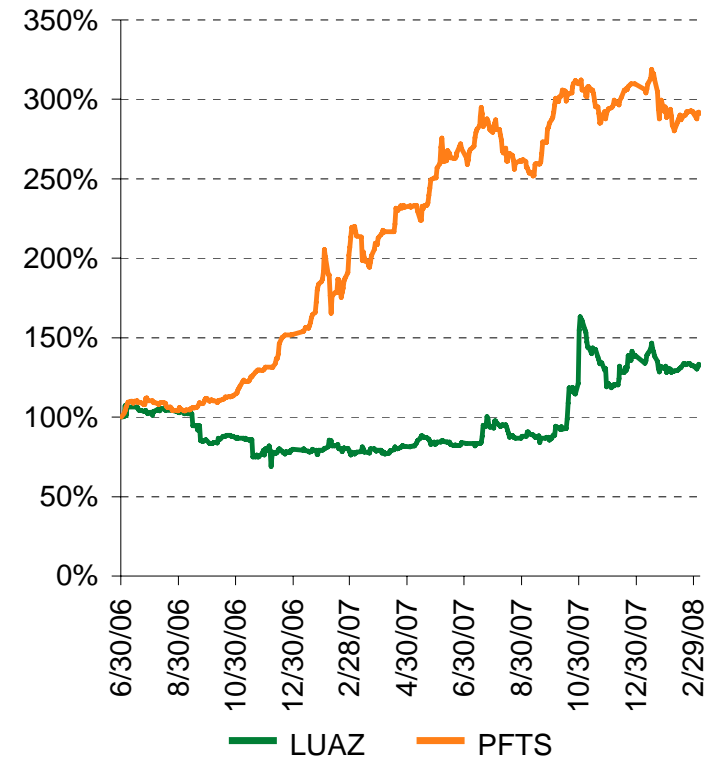
Automobile Plant Bogdan (LUAZ) share performance

LUAZ market capitalization, \$ mln



Source: PFTS

Trading history: LUAZ vs PFTS



Source: PFTS

Bogdan Corporation Activities

❖ Production



❖ Distribution



Hyundai Motors
Ukraine Ltd.



KIA Motors
Ukraine Ltd.



Subaru
Ukraine Ltd.



Automobile company
Isuzu Ukraine JSC



Autotechnology
Ltd.

❖ Own Dealers Network



Ukrainian Bus Ltd.



National Automobile
Company Ltd.



Ukrainian Automobile
Holding Ltd

❖ Real Estate



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