



Eugene Cherviachenko
ec@concorde.com.ua
+380 44 207 5037

The Coal Industry

The Future

Companies Covered:

Komsomolets Donbassa

(SHKD: BUY)

Market Price: USD 0.18

Target Price: USD 0.30

Krasnoarmiyska-Zakhidna

(BUY)

Market Price: USD 0.41

Target Price: USD 0.60

Druzhkivka Machinery

(DRMZ: BUY)

Market Price: USD 0.22

Target Price: USD 0.48

Donetskgirmash

(DGRM: BUY)

Market Price: USD 0.30

Target Price: USD 0.77

Yasynuvatsky Machinery

(YAMZ: BUY)

Market Price: USD 1.75

Target Price: USD 3.10

Svitlo Shakhtarya

(HMBZ: BUY)

Market Price: USD 0.30

Target Price: USD 0.59

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Investment Summary

We initiate coverage of the coal mining industry focusing on two privately owned companies with free float available: Krasnoarmiyska-Zakhidna, Ukraine's biggest producer of coking coal, and Komsomolets Donbassa (**SHKD**), a major steam coal producer. These two companies are at the forefront of a revival of the coal industry that is being driven by sky-high prices for oil and gas. Both companies are part of larger industrial groups and are linked to their main customers, which shields them from state interference and global market swings. Both mines are poised to be major suppliers of the specific grades of coal used in pulverized coal injection (PCI), a technology that their owners and other industrial groups are planning to introduce at steel mills as a substitute for gas. We expect the introduction of PCI to increase domestic demand for coal by 25-35% in the next two to four years. Thus, we think coal stocks are set to be a hot story.

Krasnoarmiyska-Zakhidna, which is expected to be listed on the PFTS in the near future, is the country's biggest coking coal producer and also the most profitable mining company. Despite some transfer pricing within its parent group, which includes the steel maker Donetskstal and two coke plants, in 1Q06 Krasnoarmiyska reported EBITDA and net margins of 41% and 25%, respectively. We expect the company to retain its high margins in the near term and potentially to improve them in the longer term by reducing transfer pricing.

Komsomolets Donbassa (SHKD) produces about 6% of the country's steam coal and enjoys steadily growing demand thanks to its link with the thermal power generator Vostok Energo. Both are owned by System Capital Management, which also owns the Azovstal and Yenakievo steel mills. Komsomolets has been improving its transparency: in 1Q06 its net margin surged to 15% from -9% in 1Q05 on the back of a 41% yoy increase in its average sales price. We expect Komsomolets' average sales price in 2006 to increase by 17%-30% yoy to USD 35-40 per mt, due mainly to reduced transfer pricing. The upward trend in steam coal prices will drive continued price growth in 2007-2008. System Capital Management is in the process of consolidating its steam coal and energy assets under the banner of the Donetsk Fuel-Energy Company (DFEC), which is likely to launch an IPO in 2007-2008.

We also reiterate our BUY recommendations on all four coal machinery stocks that we cover: Druzhkivka Machinery (**DRMZ**), Donetskgirmash (**DGRM**), Yasynuvatsky Machinery (**YAMZ**) and Svitlo Shakhtarya (**HMBZ**). These companies are poised to benefit from an 8% increase in state spending on mine modernization this year and from the next round of mine privatization in 2007-2008, which we expect will result in ~ USD 200 mln of additional orders in the subsequent two to three years. After adjusting our target prices to take into account recent political developments and takeover maneuvers, we see upsides of 45%-157% on these stocks (see chart below).

	Ticker	FF,%	Mkt Price, USD	Target Price, USD	MCap, USD	Upside, %	Rec'
Coal mines							
Komsomolets Donbassa	SHKD	2.5%	0.18	0.30	72.9	68%	BUY
Krasnoarmiyska-Zakhidna*	n/a	2.1%	0.41	0.60	352.8	45%	BUY
Coal machinery							
Druzhkivka Machinery	DRMZ	12%	0.22	0.48	45.7	120%	BUY
Donetskgirmash	DGRM	20%	0.30	0.77	13.6	157%	BUY
Yasynuvatsky Machinery	YAMZ	24%	1.75	3.10	40.0	75%	BUY
Svitlo Shakhtarya**	HMBZ	25%	0.30	0.59	33.5	100%	BUY

Source: Concorde Capital estimates

*Krasnoarmiyska-Zakhidna shares are not listed on any exchange. The price used to calculate MCap is an indicative price for blocks of shares available on the OTC market.

**After the registration of an additional issue of 223.6 mln shares expected in Sep-Oct 2006, the adjusted target price will be USD 0.20

COAL MINING SECTOR

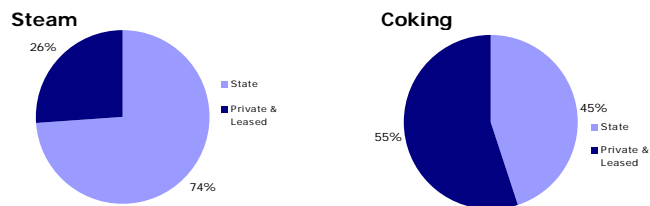
For more detail, see our research on Coal Machinery (March 14, 2006)

Sector Overview

A Coal Mining Heartland. The Ukrainian coal industry accounts for a modest 2% of global production, but probable coal reserves are the 8th largest in the world at 117.6 bln mt – enough to keep on mining at current rates for almost 1500 years. Proven reserves (those that can be mined economically) totaled 56.7 bln mt in 2005. About 70% of proven reserves are steam coal, used to produce electric power, and about 30% are coking coal, used in making steel. The industry's aggregate sales volume in 2005 came to some USD 4.5 bln.

Coking Coal Leads Restructuring, Steam Coal Lags. Privatization efforts have focused mainly on coking coal producers, which supply the fully privatized coke and steel industries. Steam coal producers supply the thermal power industry, which is still mostly state-owned except for one company, Vostok Energo, owned by System Capital Management. In the near- to mid-term, the government is likely to continue focusing on selling off coking coal producers, while privatization of large steam coal mines is likely to come later, in conjunction with privatization of thermal power plants. Privately owned and leased companies account for 54.5% of coking coal production, and that figure is set to reach about 77% after the next round of privatization (see page 9). On the other hand, private companies account for only 26% of steam coal production, and that share is set to grow only slowly. Of the 80 mln mt of coal extracted in 2005, 56.4% was steam coal and 43.5% was coking coal.

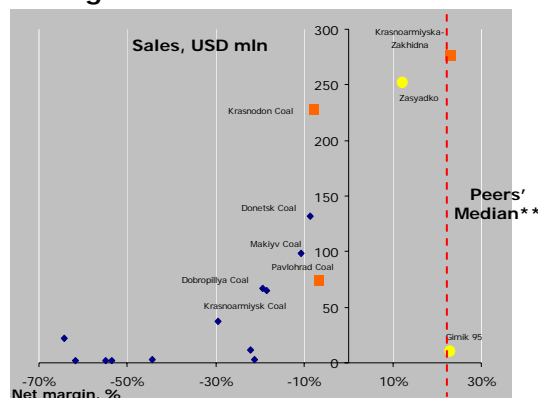
Private Sector Share of Coal Output, 2005



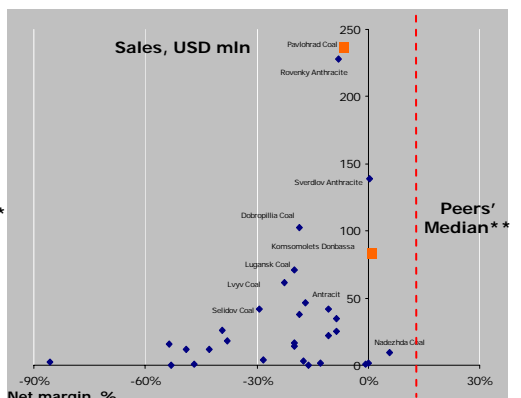
Source: *Energobusiness, Concorde Capital calculations*

Nine Companies Dominate. Many of Ukraine's 167 operating coal mines are being staffed for purely political reasons and hardly produce at all. State-owned mines are less efficient due largely to their outdated equipment. Nine mining companies, five of which are privately run, account for almost two-thirds of coal production. The coking coal market is dominated by Krasnoarmiyska-Zakhidna (19% of coking coal production); two companies owned by System Capital Management, Krasnodon Coal (16.6%) and Pavlohrad Coal (8.7%); the privately leased Zasyadko Mine (10.2%); and state-owned Donetsk Coal (11.6%). The big steam coal producers are SCM's Pavlohrad Coal (20% of steam coal production) and Komsomolets Donbassa (6%); and three state-owned companies: Rovenki Anthracite (18%), Sverdlov Anthracite (14%) and Lviv Coal (6%).

Coking Coal Mines 2005*



Steam Coal Mines 2005*



Source: *Energobusiness, Company Data, Concorde Capital estimates*

* Orange square – private/rented integrated producer; Yellow bubble – private/rented non-integrated producer

** please refer to appendix (p.21)

Rising Gas Price To Fuel Demand For Coal

Demand for Coal from Metallurgy to Surge ...

We estimate that demand for coal will increase by 25-35% in the mid-term as Ukrainian steel smelters reduce the use of gas in blast-furnace processes. Major domestic steel smelters have announced plans to replace gas with pulverized coal injection (PCI) technology, which requires specific types of coal that occur in both coking coal and steam coal mines. Although almost half of Ukraine's coal deposits are suitable for PCI, at present only a few Ukrainian mines are developing the necessary coal seams. Among them are the two privately owned producers we are introducing: Komsomolets Donbassa and Krasnoarmiyska-Zakhidna.

... While Demand from Coke Makers Stabilizes

We forecast domestic demand for coking coal to stabilize after its recent decline as the recovery of the steel industry supports demand for coke.

While overall coke production has been slipping, vertically integrated private coke producers are increasing output and rapidly increasing their market share. This is due to ensured demand from related coke makers, higher product quality and more competitive prices than their state-owned counterparts. This is illustrated by the fact that in 5M06, while total coking coal output decreased 8% yoy in response to weak demand from coke producers, private producers that are integrated with coke makers managed to increase their output by 5% yoy. At the same time, state-owned and non-integrated private producers decreased their output by 19% and 10% yoy, respectively.

Demand for Steam Coal to Grow Steadily in the Mid-Term...

Domestic steam coal consumption is on the rise as thermal power plants move away from increasingly expensive imported gas, and as Ukraine's economic growth accelerates. We forecast 3-5% annual growth in steam coal consumption in the near- to mid-term. Ukraine's only two private steam-coal mining companies, Pavlohrad Coal and Komsomolets Donbassa, both affiliated with SCM, are guaranteed steadily growing demand for steam coal in the mid-term by virtue of their integration with SCM's thermal power generating company (GenCo), Vostok Energo (VSEN). In 2005, SCM-related steam coal mines extracted ~26% of domestic steam coal, which closely corresponded to VSEN's share in domestic thermal electricity output (~26%). We expect VSEN's output to grow in pace with the thermal power sector's 3-5% growth rate.

An additional modest boost to steam coal consumption should come as neighboring countries, which are also feeling the pinch from high gas prices, import more Ukrainian steam coal. Bulgaria, Slovakia and Moldova are the main customers. Komsomets Donbassa exports about 20% of its output.

... And Accelerate in the Long-Term

In the long term, we expect the thermal power generators that are currently state-owned to significantly increase their coal consumption. State-owned GenCos have announced plans to sharply reduce the share of gas in their fuel mix from the current 15-17% to just 2%, by substituting coal for gas. Private mines are not likely to benefit from this project anytime soon, as the state encourages its GenCos to purchase coal exclusively from state-owned mines, despite the fact that privately owned coal mining companies are more price competitive. In the long term, as thermal power plants are privatized, they will be free to operate in a more liberalized coal market.

Coal Price: Mixed Prospects

Steam Coal Prices To Creep Upward ...

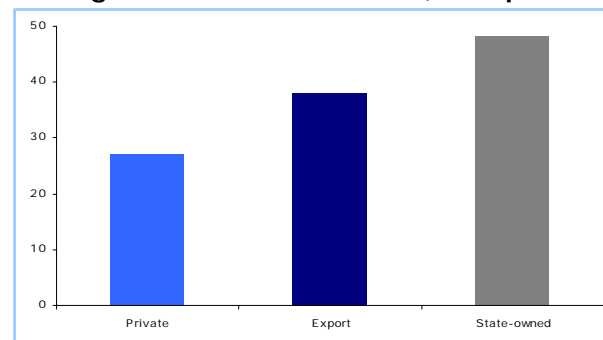
We expect world market prices for steam coal to creep upward at a rate of about 1-2%/year. However, the price of steam coal in Ukraine is not determined purely by market forces.

In the case of private companies, prices are distorted through sales at discounted prices to related companies. We expect private companies this year to report 17-30% yoy increases in their average sales price to 35-40 USD per mt, mainly as a result of improved transparency. In the long term, we expect Ukrainian steam coal prices to follow the global trend.

At state-owned mines the situation is different: their customers, state-owned power plants, are forced to pay artificially inflated prices. For example, the Coal Ministry on April 1 decreed a 5% increase in the steam coal price paid by state-owned mines from an average of 47 USD to 49 USD per mt. The ministry plans to increase the selling price quarterly so that by the end of the year it will average almost 52 USD per mt.

Due to these distortions, the average selling price for state coal mines was 22% higher than for private mines. We believe the average price of steam coal exported from Ukraine, which last year was about USD 38 per mt, is the best indicator of the real market price.

Average Steam Coal Prices '05, USD per mt



Source: *Energobusiness*

...While Coking Coal Price To Stabilize

In contrast to steam coal prices, the state has limited control over domestic coking coal prices. Global prices keep domestic coking coal prices in check as the major consumers, privately owned coke makers, have the option to import coal from Russia, Poland or Kazakhstan should the domestic price exceed the world price.

In March 2005 the government tried to inflate coking coal prices by ordering state-owned mines to sell at an above-market price. Then in August 2005 the government yielded to the market and started setting coking coal prices at the market level, but the state-controlled price still often lags behind the market. This gives an advantage to private coking coal producers, which set their prices at or below import prices.

As we expect world prices for coking coal to remain fairly stable in the mid-term, domestic coking coal prices will also be flat, unless the government introduces import duties or quotas, which we think is unlikely.

Related-Party Schemes Still A Problem

We see strong indications that the private coal mining sector is stricken with transfer pricing and cost inflation. The results reported by the more efficient privately owned coal mining companies predictably show much better performance than their state-owned counterparts. But in comparison to international peers, the reported unit sales and profitability of Ukraine's privately owned mining companies lag far behind. Despite strong markets in 2005, all big privately owned mines except Krasnoarmiyska-Zakhidna and Komsomolets Donbassa were in the red.

Given the broad vertical integration chains prevalent in domestic business groups, estimating the precise amount of transfer pricing is tricky. Below are our ballpark figures:

Krasnoarmiyska -Zakhidna

We believe Krasnoarmiyska-Zakhidna (the largest domestic producer of coking coal in 2005) participates in related-party transactions with its parent group, Donetskstal. According to our calculations, Krasnoarmiyska-Zakhidna under-reported around 17% in its top line last year. The mine has an in-house coal enrichment plant which can produce high-grade coal concentrate. We believe most of the mine's sales is made up of a value-added concentrate, the market price of which is two-three times higher than the raw coal price (USD 100-120 in 2005 as opposed to USD 44 per mt of coal). Despite this, the mine posted per unit sales close to the price of raw coal.

However, even with its non-market selling schemes, Krasnoarmiyska-Zakhidna's profitability margins were the best of any major coal mining company. Moreover, in 2005 the company boosted its EBITDA margin to 42% from 20% in 2004. The net margin in 2005 improved to 23% from 6% in 2004. In light of these improvements, we believe the company is phasing out its shadowy schemes and will continue posting increasingly reliable financials.

SCM-related Coking Coal Producers

We suspect SCM's coking coal division, represented by Krasnodon Coal (producer of high-grade coking coal) and Pavlohrad Coal (producer of low quality coking coal), participates in schemes akin to those of the Krasnoarmiyska-Zakhidna mine. Both SCM-related companies possess coal-enrichment facilities and both report selling prices close to that of un-enriched coal. Krasnodon Coal and Pavlohrad Coal likely participate in related-party transactions with affiliated Avdiyivka Coke, Donetsk Coke and Azovstal. According to our rough calculations, in 2005 Krasnodon Coal's and Pavlohrad Coal's true sales were 80% and 40% higher than posted, respectively.

SCM-related Steam Coal Producers

The steam coal division of SCM consists of Pavlohrad Coal and Komsomolets Donbassa. We believe these two producers sell their coal to SCM's energy generator, Vostok Energo, at below market prices. The prices implied by their sales were 20% lower than export prices. This discounted price is clearly favorable for the parent group, SCM, because energy market regulators allow Vostok Energo to sell more electricity when its production costs are lower.

We expect related-party transactions will diminish at SCM companies in line with the group's broad strategy to improve transparency. This will shape the financial performance of related coal companies in the mid-term. Komsomolets Donbassa has already shown its commitment to transparency improvement by increasing its net margin to 15% in 1Q06 from just 1% in 2005.

Privatization Will Bring More Names

We look forward to another round of privatization of coal mines in 2007-2008. The government began preparations in February 2006, with nine coal mining companies tentatively slated for sale: five coking coal producers, which together accounted for ~20.3% of coking coal production in 2005, and four small steam coal mining companies, which together accounted for less than 1% of last year's steam coal output.

Output of Mines Slated For Privatization

Company/Mine	# of Mines	Output, ths mt 2005	% of output 2005
Krasnolimanska	1	2 019.0	6.1%
Yuzhnodonbaska	1	1 266.2	3.9%
Makiyivka Coal	10	3 107.3	9.5%
Novodzerzhinska	1	65.0	0.2%
Gayevoho	1	220.5	0.7%
Total Coking		6 678.0	20.3%
Lysychansk Coal	4	272.9	0.60%
Pivnichna	1	n/a	n/a
Slovyanoserbska	1	16.8	0.04%
Postnikovska	1	21.5	0.05%
Total Steam		311.2	0.70%

Source: *Energobusiness*

After this round of privatization, the private share of the coking coal sector will increase from about 57% to about 77% (including leased mines), while the private share in the steam coal sector will remain virtually unchanged. Coking coal mines are sought after by strategic investors who already possess coke plants. Steam coal mines are not in demand at the moment because their primary customers are GenCos, which are not currently slated for privatization. Thus we do not expect large steam coal mines to be privatized in the near- to mid-term.

We expect privatization to spur growth in coal output and increase mines' profitability as private owners appoint more efficient management and modernize old equipment.

New Owners Will Spur Investment

Several major steel business groups have declared their interest in buying Ukrainian coking coal mines, among them Interpipe, Smart Group, the Industrial Union of the Donbass, the Privat group, Mittal Steel and Mariupol Illicha. We think that each of these groups plans to develop coal divisions to hedge against the risk of gas-price hikes. We expect the new owners to make large investments in modernizing outdated mining equipment.

We can not rule out the possibility of transfer pricing at the mines after their privatization. The probable investors, mostly domestic steel business groups, are likely to conduct related-party transactions within their vertically integrated production chains.

MINING COMPANY PROFILES

BUY

Komsomolets Donbassa

Current Price	USD 0.18
Target Price	USD 0.30
Target MCap, mln	USD 100.0

Komsomolets Donbassa is a leading domestic producer of steam coal. It enjoys stable demand from the related energy generating company Vostok Energy. In the mid-term the company will benefit from the implementation of new coal-intensive technologies by domestic steel smelters and the substitution of gas for coal by energy generators, both domestically and in neighboring countries.

Market Information

Bloomberg	SHKD UZ
No of Shares, mln	334.9
Market price, USD	0.18
MCap, USD mln	59.7
Free float	2.5%

Stock Ownership

Avdiyiva Coke (SCM)	61%
Ukrpodshipnyk	26%
Other	13%

Ratios, 2005

EBITDA Margin	17%
Net Margin	1%
Net Debt/ Equity	-0.02

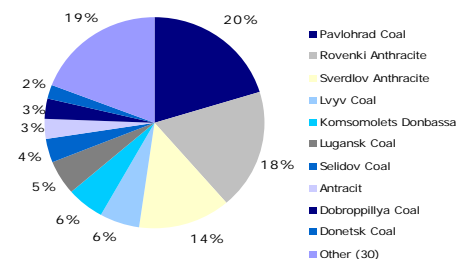
Leading domestic producer. In 2005 the company extracted almost 6% of domestic steam coal or 2.6 mln mt of coal, up 6% yoy. The company's economically recoverable reserves are estimated at 134 mln mt, implying 52 years of reserve life. Komsomolets utilizes only three of its nine coal seams. The additional six were put in reserve, leaving room for further output growth. The company is managed by the Donetsk Fuel-Energy Company (DFEC), which also manages the energy generator Vostok Energy, energy distributors and steam coal extractors. DFEC is part of the much larger group System Capital Management, owned by Regions party MP Rinat Akhmetov.

Market Outlook Is Positive. Due to its integration in SCM, Komsomolets enjoys ensured demand for its coal in the mid-term. We expect production volumes this year will grow by 15% thanks to the harsh winter and increased exports to neighboring countries, which are also wary of high gas prices. Exports accounted for ~20% of 2005 sales. In the mid-term, the company is poised to take advantage of demand for the types of coal used in pulverized coal injection.

Financial Performance. Last year Komsomolets' revenues rose by 39% yoy to USD 84 mln on the back of higher output and higher selling prices. The selling price increased by 30% yoy to 32 USD per mt on average in 2005. We forecast a selling price of 35-38 USD per mt this year, up 9-19% yoy. We estimate revenues of USD 103 mln in 2006, up 24% yoy.

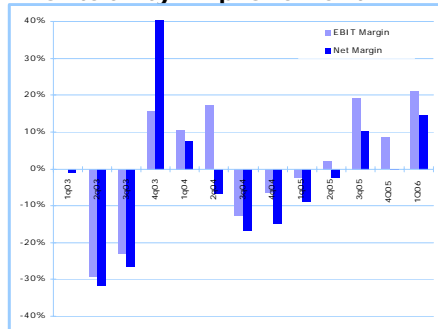
Transparency To Improve. We think SCM's plan to launch an IPO of DFEC in 2007-2008 has led Komsomolets to improve its transparency. 1Q06 results reflect a surge in the net margin to 15%, whereas in 1Q05 the mine's bottom line was in the red.

Steam Coal Output Breakdown, '05



Source: Energobusiness

Profitability Improvement



Source: Company Data

KEY FINANCIAL DATA, USD mln

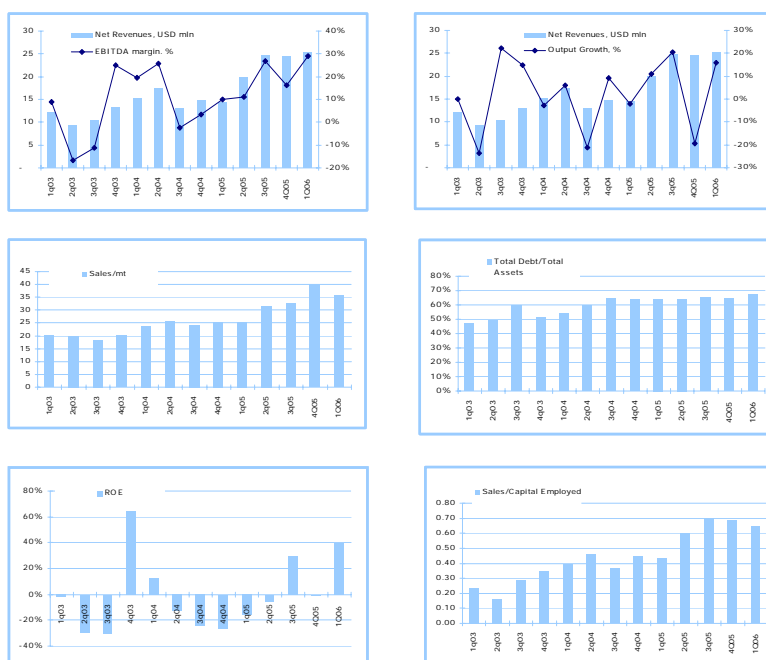
	Net Revenue	EBITDA	Net Income
2005	83.7	14.3	0.7
2006E	103.6	17.7	5.2
2007E	119.2	23.8	9.5

Spot Exchange Rate 5.05

KEY RATIOS

	EV/S	EV/EBITDA	P/E
2005	0.7	4.1	85.0
2006E	0.6	3.3	11.5
2007E	0.5	2.5	6.3

Quarterly Analysis



Source: Company Data, Concorde Capital calculations
 Note: ROE is annualized

Reported Financials, According To UAS

Income Statement Summary, USD mln

	2003	2004	2005	1Q06
Net Revenues	45	60	84	25
Cost Of Sales	(37)	(44)	(59)	(16)
Gross Profit	8	16	25	10
Other Operating Income/Costs, net	(3)	(4)	(5)	(0.6)
SG&A	(3)	(4)	(6)	(2)
EBITDA	2	8	14	7
EBITDA margin, %	4%	13%	17%	29%
Depreciation	(5)	(6)	(7)	(2)
EBIT	(3)	2	7	5
EBIT margin, %	-7%	3%	8%	21%
Interest Expense	(0)	(0)	(0)	(0)
Financial income/(expense)	-	-	0.0	-
Other income/(expense)	3	(5)	(1)	(0)
PBT	0	(4)	6	5
Tax	(0)	(1)	(5)	(2)
Net Income	(0)	(5)	1	4
Net Margin, %	0%	-7%	1%	15%

Balance Sheet Summary, USD mln

	2003	2004	2005	1Q06
Current Assets	13	17	20	39
Cash & Equivalents	0	0	1	0
Trade Receivables	8	10	10	19
Inventories	3	4	4	5
Other current assets	3	2	5	15
Fixed Assets	63	72	80	80
PP&E, net	60	64	71	70
Other Fixed Assets	3	8	9	10
Total Assets	76	89	100	119
Shareholders' Equity	37	33	35	39
Share Capital	16	16	17	17
Reserves and Other	23	23	25	25
Retained Earnings	(2)	(6)	(6)	(3)
Current Liabilities	38	56	65	79
ST Interest Bearing Debt	2	0	-	-
Trade Payables	34	38	46	48
Accrued Wages	1	1	2	2
Accrued Taxes	0	2	3	3
Other Current Liabilities	1	15	14	26
LT Liabilities	0	0	0	0
Total Liabilities & Equity	76	89	100	119

Source: Company Data

BUY

Krasnoarmiyska-Zakhidna

Current Price	USD 0.41
Target Price	USD 0.60
Target MCap, mln	USD 511.0

Krasnoarmiyska-Zakhidna is Ukraine's biggest producer of coking coal. The mine also produces value-added coking concentrate in an in-house enrichment plant. Its major consumers are the related Yasinivsky and Makiyiv coke plants. We expect the company to increase output to meet growing demand for high-grade coking coal from steel smelters. In the mid-term, demand for its coal will grow further as steel smelters introduce pulverized coal injection as a substitute for gas.

Market Information*

No of Shares, mn	848.5
Market price, USD	0.41
MCap, USD mln	352.8
Free float	2.1%

Stock Ownership

Donetskstal	46%
Investrozytok LTD	41%
Other	13%

Ratios, 2005

EBITDA Margin	42%
Net Margin	23%
Net Debt/ Equity	-0.004

* The price used to calculate MCap is indicative price for blocks of shares available on the OTC market.

Largest Coking Coal Producer.

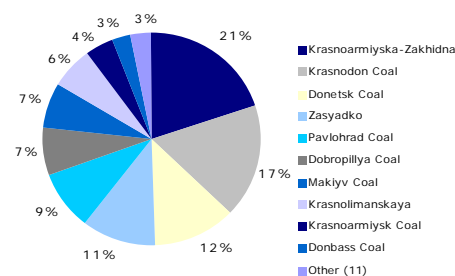
Krasnoarmiyska-Zakhidna was the largest domestic extractor of coking coal last year with output of 6.2 mln mt, up 2% yoy. Economically recoverable reserves are estimated at 88 mln mt, implying 10–12 years of reserve life. The company produces value-added coking coal concentrate at its own enrichment plant. It is owned by the Donetskstal group, owned by Viktor Nusenkis, who is not directly involved in politics but is loosely allied with the Regions party. The Donetskstal group also owns the Yasynivka and Makiyivka coke plants. Donetskstal is the only steel mill in Ukraine already using pulverized coal injection, with coal supplied by Krasnoarmiyska-Zakhidna.

Positive Market Prospects. We expect output will grow by 9% yoy to 6.8 mln mt in 2006 on the back of reviving domestic demand for high-grade coking coal. In the mid-term, the company is poised to take advantage of broader demand for the specific types of coal used in pulverized coal injection.

Financial Performance. The company boosted its sales by 103% yoy in 2005 due to a doubling of its average selling price from 20 to 40 USD per mt. We estimate sales will increase this year to USD 302 mln, up 9% yoy, thanks primarily to increasing output. Last year the company posted a positive EBITDA margin of 43%, up from 20% in 2004. Net margin significantly improved to 23% in 2005 from 6% in 2004. 1Q06 results (EBITDA and net margins of 41% and 25%, respectively) suggest the high margins will be maintained in 2006.

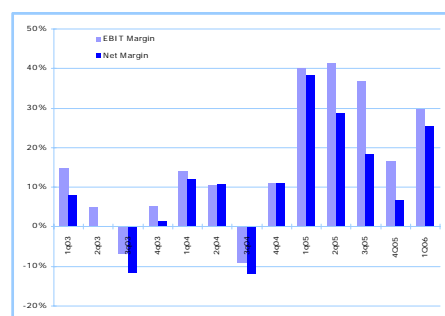
Transfer Pricing Being Phased Out. In our opinion, the mine engages in transfer pricing by selling its concentrate through the related Donetskstal steel mill. However, over the last two years Krasnoarmiyska-Zakhidna has made substantial progress in cutting transfer pricing, as demonstrated by its improved financial performance.

Coking Coal Output Breakdown, '05



Source: Energobusiness

Profitability Improvement

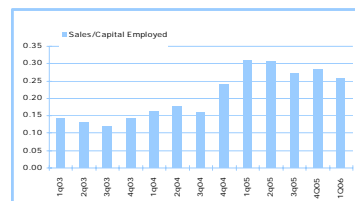
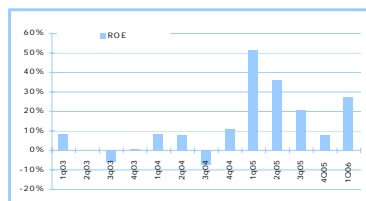
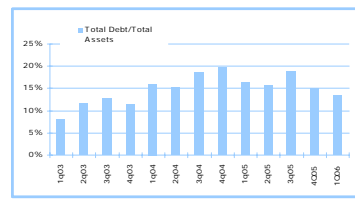
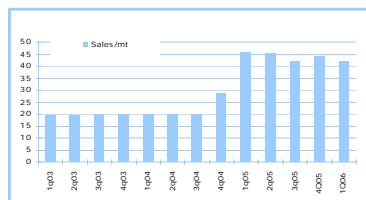
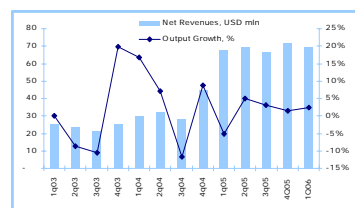
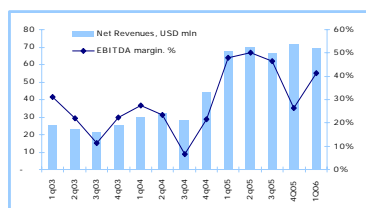


Source: Company Data

KEY FINANCIAL DATA, USD mln

	Net Revenue	EBITDA	Net Income	EBITDA mgn, %	Net mgn, %
2005	276.7	117.5	63.6	42%	23%
2006E	302.1	120.8	60.4	40%	20%
2007E	332.3	132.9	66.5	40%	20%
Spot Exchange Rate		5.05			

Quarterly Analysis



Source: Company Data, Concorde Capital calculations
 Note: ROE is annualized

Reported Financials, According To UAS

Income Statement Summary, USD mln

	2003	2004	2005	1Q06
Net Revenues	96	135	277	70
Cost Of Sales	(66)	(98)	(144)	(36)
Gross Profit	29	37	133	33
Other Operating Income/Costs, net	(5)	(5)	(7)	(1)
SG&A	(3)	(4)	(8)	(3)
EBITDA	21	27	118	29
EBITDA margin, %	22%	20%	43%	41%
Depreciation	(16)	(17)	(25)	(8)
EBIT	5	10	93	21
EBIT margin, %	5%	8%	34%	30%
Interest Expense	(1)	(1)	(0)	(0)
Financial income/(expense)	0	0	0	0
Other income/(expense)	(4)	(1)	(1)	(1)
PBT	(0)	9	91	20
Tax	-	-	(28)	(2)
Net Income	(0)	9	64	18
Net Margin, %	0%	6%	23%	25%

Balance Sheet Summary, USD mln

	2003	2004	2005	1Q06
Current Assets	47	35	26	38
Cash & Equivalents	0	0	0	0
Trade Receivables	26	6	5	12
Inventories	7	14	17	20
Other current assets	13	15	4	5
Fixed Assets	153	196	271	273
PP&E, net	130	160	210	206
Other Fixed Assets	23	35	61	67
Total Assets	199	231	297	311
Shareholders' Equity	177	185	252	270
Share Capital	40	39	42	42
Reserves and Other	90	92	101	101
Retained Earnings	47	55	109	126
Current Liabilities	20	45	45	42
ST Interest Bearing Debt	6	0	-	-
Trade Payables	9	37	30	28
Accrued Wages	2	2	4	4
Accrued Taxes	0	1	3	2
Other Current Liabilities	3	4	8	7
LT Liabilities	3	0	0	0
LT Interest Bearing Debt	3	-	-	-
Total Liabilities & Equity	199	231	297	311

Source: Company Data

Valuation: Coal Mining

Implications For Multiples Valuation

We assess the values of the two mines using an international peer comparison. Based on EV/S, EV/EBITDA and P/E multiples for 2006, fair value of Krasnoarmiyska-Zakhidna's equity lies in the range of USD 511 mln to USD 788 mln. We conservatively judge the target MCap for the company to be USD 511 mln, as suggested by the EV/S metric. The implied upside is 45% and our recommendation is **BUY**.

In Komsomolets Donbassa's case, the spread in values implied by forward-looking EV/S, EV/EBITDA and P/E multiples is much wider, from USD 55 mln to USD 176 mln. We argue that the most appropriate metric in this situation is EV/EBITDA, as EV/S does not take into account the company's low margins and P/E is most subject to accounting manipulations. Our target MCap for Komsomolets Donbassa is USD 100 mln, which implies a 68% upside. Our recommendation is **BUY**.

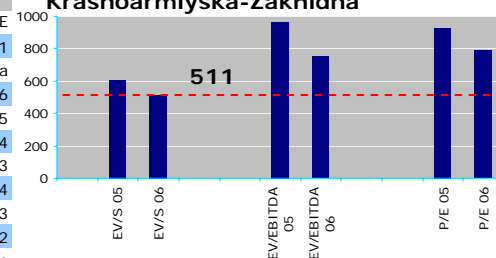
Valuation, USD mln

Company	MCap	EV/S		EV/EBITDA		P/E	
		2005	2006E	2005	2006E	2005	2006E
Alliance Resource Partners Limited	1 350.3	1.7	1.5	6.1	5.6	9.1	8.1
ATH Resources PLC	153.8	2.6	1.8	8.9	5.4	22.9	n/a
Banpu Public PCL	1 047.4	2.0	1.6	4.4	6.6	7.7	10.6
Centennial Coal Company Limited	766.1	2.4	1.8	10.4	6.7	28.0	14.5
Excel Coal	1 232.0	5.4	3.6	12.1	9.1	17.0	16.4
Gloucester Coal Limited	194.7	2.7	1.8	8.2	4.6	15.0	6.3
ICG Inc	741.3	1.2	1.0	7.4	5.5	23.3	10.4
James River Coal Company	533.9	1.5	1.0	17.7	5.8	neg	38.3
Macarthur Coal	687.0	2.3	1.5	7.5	4.1	14.7	7.2
New Hope Corp. Limited	781.2	1.9	2.9	0.8	8.5	2.2	n/a
Semirara Mining Corp.	150.7	1.7	0.8	2.7	1.7	5.0	6.4
Shanxi Xishan 'A'	1 323.9	2.0	1.7	6.1	6.2	11.0	10.5
Tambang Batubara Bukit	891.6	2.6	1.8	11.2	8.0	18.8	12.4
UK Coal PLC	469.5	0.8	0.8	neg	3.8	neg	n/a
Average		2.2	1.7	8.0	5.8	14.6	12.8
Median		2.0	1.6	7.5	5.7	14.9	10.5
Komsomolets MCap by mean		185	176	118	110	10	68
Komsomolets MCap by median		168	176	113	103	11	55
Zakhidna MCap by mean		608	511	964	751	931	788
Zakhidna MCap by median		553	511	924	697	956	637
Komsomolets price by mean, USD		0.55	0.53	0.35	0.33	0.03	0.20
Komsomolets price by median, USD		0.50	0.52	0.34	0.31	0.03	0.16
Zakhidna price by mean, USD		0.72	0.60	1.14	0.88	1.10	0.93
Zakhidna price by median, USD		0.65	0.60	1.09	0.82	1.13	0.75

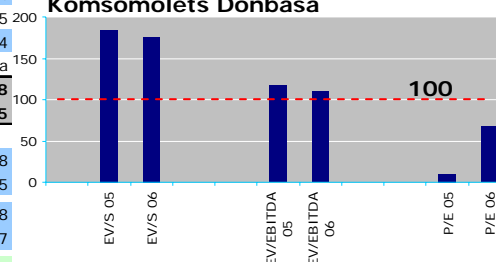
Source: Company Data, Thomson Financials, Concorde Capital estimates

Implied MCap, USD mln*

Krasnoarmiyska-Zakhidna



Komsomolets Donbassa



* based on mean multiples

COAL MACHINERY SECTOR

New Equipment Needed For Mine Modernization

Government Orders Still Key

The state is the largest consumer of coal mining machinery as it holds a 60% share in the domestic coal market. This year the government plans to increase budget financing of the coal industry by 8% yoy to USD 297 mln. We expect almost all this amount to be spent on domestic coal mining machinery.

Mine Privatization To Boost Demand

After the next round of coal mine privatization in 2007-2008, we expect a sizeable increase in orders of coal mining machinery as the new mine owners modernize outdated equipment. We estimate that over a two-three year period after privatization the aggregate CapEx for equipment overhaul at these mines will be at least USD 200 mln. Domestic equipment producers face little foreign competition because their equipment is more favorably priced and is better suited to Ukraine's mining conditions.

Independent Producers Under Pressure

We believe, SCM-related coal machinery producers are ensured steadily growing orders from the state in the mid-term thanks to SCM's lobby in power. SCM's owner, Rinat Akhmetov, is one of the most powerful members of the Regions party, which will be the main party in the ruling coalition, unless new elections are called. Moreover, SCM has successfully lobbied its interests even without having its owner in the ruling coalition.

At a May 2 government tender for coal machinery, SCM-owned companies won substantial orders, while independent Svitlo Shaktarya, whose owners are facing pressure to sell out to SCM, got no orders. The independent producer Yasinuvatsky received orders but many have not been confirmed. Thus, in our opinion, SCM is able to affect the government's purchases and block orders for unrelated domestic producers. Consequently this implies more risks for independent private producers, which rely on sales to state-owned mines. Taking that and recent company announcements into account, we revise our valuations for SCM-related producers upward, maintain our target value for Yasinuvatsky Machinery and downgrade our target for Svitlo Shakhtarya.

SCM-Related Producers

Druzhkivka Machinery (DRMZ): Aggressive Plans

DRMZ's management forecasts a 44.3% yoy boost in sales this year to USD 128.2 mln. The company plans to extend its markets by participating in tenders in India, Iran, Vietnam and Russia. We judge the management's forecasts to be overly optimistic. We think the company underestimates the rigorous competition in foreign markets and thus it is likely to receive fewer foreign orders than it expects. However, DRMZ remains the major supplier of powered supports to domestic coal mines. The company was among the winners of the May 2 government tender for mining equipment for state-owned mines.

We update our sales volumes forecast for DRMZ from USD 93.7 mln to USD 118.3 (up 26%). Our new target price is USD 0.48, up from our previous target of USD 0.40. We reiterate our BUY recommendation.

Donetskgirmash (DGRM): Boosted By State Orders

We believe DGRM's weak 2005 results will improve in 2006 due to an increase in state orders. The company was among the winners of the May 2 tender with orders valued at USD 12 mln (32% of 2005 sales).

We revise our 2006 sales forecasts for DGRM from USD 44.1 mln to USD 47.1 mln. We maintain our BUY recommendation and raise our target price from USD 0.66 to USD 0.77.

Independent Producers

Yasinuvatsky Machinery (YAMZ): State Orders Lag, Exports Stable

The company has announced orders for 82 of its machines in 2006, up 17% yoy. However, 20 of those were preliminary orders from the government which have not been confirmed.

YAMZ enjoys stable demand from Russian, Kazakh and domestic (mostly private) mines, as its machines are 3-5 times cheaper than West European analogues of comparable quality. Although Russian machines are two times cheaper than YAMZ's ones, they are lighter and of inferior quality. We expect export orders will at least match last year's levels.

The company's management forecasts sales growth of 1.25% to USD 30 mln in 2006. However, we estimate this year's revenues will drop slightly to USD 28.6 mln, down 3% yoy, as the company will probably not get all the planned orders from the government. In the mid-term, we expect demand for YAMZ's heading machines to increase as more mines are privatized.

We reiterate our target price of USD 3.1 and maintain our BUY recommendation.

Svitlo Shakhtarya (HMBZ): Under Takeover Pressure

HMBZ did not receive any orders at the May tender. We believe the company is a primary acquisition target for SCM, which might have used its lobbying power to hinder the company's chances at tenders. We forecast a hostile takeover of HMBZ by SCM in the mid-term, which would negatively impact the company's value due to anticipated worsening of corporate governance and deterioration of reported margins. We modeled two scenarios to define the company's value, taking into account the two possible outcomes.

No takeover: HMBZ would report higher profitability margins, but less sales.

SCM takeover: HMBZ would get more orders, but would post lower profitability margins (similar to those of other SCM-related coal machinery companies) due to non-market transactions.

HMBZ's Financials Performance vs Control

	Sales 06E, USD mln	EBITDA mgn, %	Net mgn, %	Target, USD	Upside, %	Prob-ty, %
Present owner	36.0	30.0	20.0	0.89	198	40
SCM	40.0	11.0	5.0	0.40	34	60

Source: Concorde Capital estimates

Based on a weighted probabilities approach, we downgrade our target price to USD 0.59 from USD 0.89. We retain our BUY recommendation for the stock.

Valuation: Coal Machinery

We determined target MCaps by taking middle values from the valuation ranges implied by EV/S, EV/EBITDA and P/E metrics (see charts below). In HMBZ's case, we calculated a theoretical MCap for two different scenarios – takeover by SCM and no takeover – and based our target MCap on a probability-weighted average of the two values. Implied upsides and recommendations are as follows:

Ticker	Upside, %	Recommendation
DRMZ	120	BUY
DGRM	157	BUY
YAMZ	75	BUY
HMBZ	100	BUY

Valuation, USD mln

Company	Ticker	MCap	EV/S		EV/EBITDA		P/E	
			2005	2006E	2005	2006E	2005	2006E
Yasynuvatsky m-build	YAMZ	40.0	1.3	1.3	5.6	5.7	8.7	8.9
Donetskirmash	DGRM	13.6	0.8	0.7	8.8	7.4	8.0	6.8
Druzhkivka m-build	DRMZ	45.7	0.8	0.5	8.6	5.0	142.7	14.1
Svitlo shakhtarya*	HMBZ	33.5	0.5	0.6	1.7	2.0	3.6	4.7
Svitlo shakhtarya (SCM)*	HMBZ	33.5	0.5	0.4	1.7	4.0	3.6	13.4
Average**			0.9	0.8	6.1	5.0	40.7	8.6
Median**			0.8	0.6	7.1	5.3	8.3	7.9

Peer Group

Company	MCap	EV/S		EV/EBITDA		P/E	
Bucyrus International Inc	1 468.0	2.7	2.1	17.4	12.4	31.9	21.3
JOY Global Inc	6 274.0	3.2	2.5	20.2	13.8	42.2	22.8
United Tractors	1 616.5	1.5	1.1	8.5	5.9	16.7	12.3
Anhui Heli Company	413.6	1.8	1.6	n/a	n/a	22.1	15.7
Sandvik AB	14 382.8	2.0	1.6	10.3	7.9	19.8	14.7
Average		2.2	1.8	14.1	10.0	26.5	17.4
Median		2.0	1.6	13.9	10.2	22.1	15.7

YAMZ price by mean, USD

YAMZ price by mean, USD	3.0	2.4	4.3	3.0	5.4	3.4
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YAMZ price by median, USD

YAMZ price by median, USD	2.7	2.2	4.2	3.0	4.5	3.1
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DGRM price by mean, USD

DGRM price by mean, USD	1.6	1.5	0.7	0.5	1.0	0.8
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DGRM price by median, USD

DGRM price by median, USD	1.3	1.3	0.7	0.6	0.8	0.7
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DRMZ price by mean, USD

DRMZ price by mean, USD	0.7	1.0	0.4	0.5	0.04	0.3
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DRMZ price by median, USD

DRMZ price by median, USD	0.6	0.9	0.4	0.5	0.03	0.2
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HMBZ price by mean, USD

HMBZ price by mean, USD	0.9	0.7	1.7	1.1	2.2	1.1
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HMBZ price by median, USD

HMBZ price by median, USD	0.8	0.6	1.7	1.1	1.9	1.0
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HMBZ (SCM) price by mean, USD

HMBZ (SCM) price by mean, USD		0.6		0.3		0.3
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HMBZ (SCM) price by median, USD

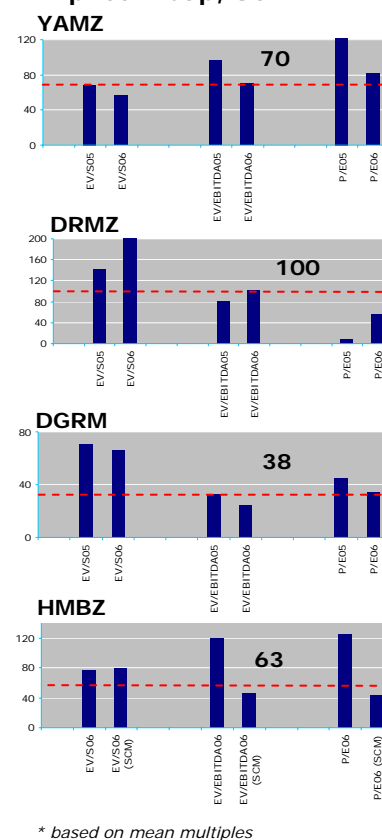
HMBZ (SCM) price by median, USD		0.5		0.3		0.3
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Source: Company Data, Thomson Financials, Concorde Capital estimates

* HMBZ's valuation includes two scenarios (for more details please refer to p.19 of this report)

** calculated w/o the acquisition case (for more details please refer to p.19 of this report)

Implied MCap, USD mln*



* based on mean multiples

Reported Financials, According To UAS

Income Statement Summary, USD mln

	DGRM					DRMZ					HMBZ					YAMZ				
	2002	2003	2004	2005	1Q06	2002	2003	2004	2005	1Q06	2002	2003	2004	2005	1Q06	2002	2003	2004	2005	1Q06
Net Revenues	12	22	57	52	10	35	59	123	90	10	21	19	38	40	8	10	13	24	29	4
Cost Of Sales	(10)	(19)	(48)	(42)	(7)	(30)	(48)	(95)	(64)	(7)	(11)	(11)	(21)	(22)	(5)	(5)	(9)	(14)	(17)	(2)
Gross Profit	2	3	9	10	3	5	12	28	26	3	9	7	18	18	3	5	4	10	12	2
Other Operating Income/Costs, net	(1)	(2)	(2)	(1)	(0)	(3)	(0)	(6)	(3)	0	(1)	(1)	(2)	(2)	(1)	(2)	(1)	(1)	(1)	(0)
SG&A	(1)	(2)	(4)	(6)	(2)	(4)	(11)	(15)	(16)	(2)	(1)	(1)	(5)	(3)	(1)	(2)	(2)	(3)	(4)	(1)
EBITDA	0	(2)	3	4	1	(1)	1	7	7	1	7	4	12	13	2	2	0	5	7	0
EBITDA margin, %	2%	-8%	5%	7%	12%	-3%	1%	6%	7%	6%	33%	23%	30%	32%	25%	16%	2%	20%	23%	6%
Depreciation	(1)	(1)	(1)	(1)	(0)	(2)	(1)	(1)	(4)	(1)	(1)	(1)	(2)	(2)	(1)	(0)	(0)	(1)	(1)	(0)
EBIT	(0)	(3)	2	2	1	(3)	(1)	7	2	(0)	6	3	10	11	1	1	(0)	4	6	0
EBIT margin, %	-3%	-11%	3%	5%	9%	-10%	-1%	5%	3%	-2%	27%	16%	26%	27%	18%	12%	-1%	18%	20%	2%
Interest Expense	-	-	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	-	-	(0)	-	-	(1)	-	-	-	-
Financial Income/(expense)	-	-	0	-	-	0	0	(3)	0	0	-	-	-	-	-	1	0	0	0	0
Other income/(expense)	0	0	0	0	(0)	(0)	(0)	(1)	0	-	0	(0)	1	1	0	0	0	(0)	0	0
PBT	(0)	(3)	2	2	1	(4)	(1)	2	2	(0)	6	3	11	12	2	1	0	4	6	0
Tax	(0)	-	(0)	(1)	-	(0)	(1)	-	(2)	(0)	(2)	(1)	(3)	(3)	(0)	(0)	(0)	(1)	(2)	(0)
Effective tax rate	-26%	0%	22%	24%	0%	-1%	-82%	0%	83%	-30%	38%	53%	31%	24%	12%	30%	30%	25%	25%	25%
Extraordinary Income/(loss)	-	-	-	-	(0.0)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Income	(0)	(3)	1	2	1	(4)	(2)	2	0	(1)	4	1	7	9	2	1	0	3	5	0
Net Margin, %	-3%	-11%	3%	3%	7%	-10%	-3%	2%	0%	-6%	18%	7%	19%	23%	20%	8%	0%	13%	15%	3%

Balance Sheet Summary, USD mln

	DGRM					DRMZ					HMBZ					YAMZ				
	2003	2003	2004	2005	1Q06	2003	2003	2004	2005	1Q06	2003	2003	2004	2005	1Q06	2003	2003	2004	2005	1Q06
Current Assets	17	28	28	46	25	39	126	99	113	98	22	25	30	41	45	9	13	12	18	20
Cash & Equivalents	0	0	0	0	0	0	1	1	2	1	5	6	7	12	12	1	3	2	5	4
Trade Receivables	6	5	8	16	6	9	70	37	28	14	5	4	5	4	4	1	3	2	3	5
Inventories	11	21	14	12	12	28	35	33	37	43	10	11	13	16	20	4	5	5	6	7
Other current assets	1	2	5	18	6	3	20	28	45	39	2	4	5	8	9	3	2	3	4	4
Fixed Assets	10	11	13	15	16	33	13	34	36	36	10	8	8	9	9	7	8	9	10	10
PP&E, net	10	9	11	12	12	28	8	28	27	26	9	8	7	8	8	5	6	7	7	7
Other Fixed Assets	1	3	2	2	4	5	5	6	9	10	1	1	1	1	1	2	2	2	3	4
Total Assets	27	40	41	61	41	73	139	133	148	134	33	34	38	50	54	16	20	22	28	30
Shareholders' Equity	11	8	9	11	11	39	38	35	35	34	27	28	35	46	47	14	14	17	22	23
Share Capital	2	2	2	2	2	10	10	10	10	10	0	0	0	0	0	5	5	5	5	5
Reserves and Other	10	10	7	8	8	2	3	3	2	2	14	14	14	34	34	3	3	3	4	4
Retained Earnings	(2)	(4)	(0)	1	1	28	26	23	22	22	12	13	21	12	14	6	6	9	14	14
Current Liabilities	16	31	31	35	17	33	100	98	114	100	3	4	3	4	6	2	6	3	3	5
ST Interest Bearing Debt	-	-	-	3	3	1	0	0	6	10	-	-	-	-	-	-	-	-	-	-
Trade Payables	15	30	29	24	13	31	89	66	94	86	2	3	2	2	4	1	3	1	1	1
Accrued Wages	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Accrued Taxes	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0
Other Current Liabilities	1	1	2	7	1	1	10	31	13	3	1	0	1	2	1	1	3	2	2	3
LT Liabilities	0	0	0	15	12	0	0	0	-	-	3	2	0	0	0	0	0	1	3	3
LT Interest Bearing Debt	-	-	-	15	12	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other LT	0	0	0	1	1	0	0	0	-	-	3	2	0	0	0	0	0	1	3	3
Total Liabilities & Equity	27	40	41	61	41	73	139	133	148	134	33	34	38	50	54	16	20	22	28	30

Source: Company Data

Appendix: Peers' Financials

Coal Machinery

Key Financials***

Company	Country	Sales		EBITDA		Net Income		EBITDA mgn		Net mgn	
		2005	2006E	2005	2006E	2005	2006E	2005	2006E	2005	2006E
Yasnyuvatsky m-build	Ukraine	29.5	28.6	6.7	6.5	4.6	4.5	22.7%	22.7%	15.6%	15.6%
Donetskirmash	Ukraine	39.8	47.1	3.6	4.3	1.7	2.0	9.0%	9.0%	4.3%	4.3%
Druzhkivka m-build	Ukraine	68.5	118.3	6.5	11.2	0.3	3.2	9.5%	9.5%	0.5%	2.7%
Svitlo shakhtarya*	Ukraine	40.0	36.0	13.0	10.8	9.4	7.2	32.5%	30.0%	23.5%	20.0%
Svitlo shakhtarya (SCM)*	Ukraine	40.0	40.0	13.0	4.4	9.4	2.0	32.5%	11.0%	23.5%	5.0%
Average**								18.4%	17.8%	11.0%	10.7%
Median**								16.1%	16.1%	9.9%	9.9%

Peer Group

Company	Country	Sales		EBITDA		Net Income		EBITDA mgn		Net mgn	
		2005	2006E	2005	2006E	2005	2006E	2005	2006E	2005	2006E
Bucyrus International Inc	USA	575.0	746.0	89.2	125.0	46.0	69.0	15.5%	16.8%	8.0%	9.2%
JOY Global Inc	USA	1 948.2	2 453.0	309.3	453.0	148.8	275.0	15.9%	18.5%	7.6%	11.2%
United Tractors	Indonesia	1 119.1	1 543.1	197.9	286.9	96.6	131.4	17.7%	18.6%	8.6%	8.5%
Anhui Heli Company	CHINA	221.9	245.3	n/a	33.3	18.7	26.3	14.8%	14.8%	8.4%	10.7%
Sandvik AB	SWEDEN	8 031.4	9 808.4	1 528.5	1 995.6	727.9	980.7	19.0%	20.3%	9.1%	10.0%
Average								16.6%	17.8%	8.4%	9.9%
Median								15.9%	18.5%	8.4%	10.0%

Source: Company Data, Thomson Financials

* HMBZ's valuation includes two scenarios (for more details please refer to p.19 of this report)

** calculated w/o the acquisition case (for more details please refer to p.19 of this report)

*** All data in USD mln, except margins

Coal Mining

Key Financials*

Company	Country	Sales		EBITDA		Net Income		EBITDA Mgn		Net Mgn	
		2005	2006E	2005	2006E	2005	2006E	2005	2006E	2005	2006E
Komsomolets Donbassa	Ukraine	83.7	104.7	14.3	17.8	0.7	5.2	17%	17%	1%	5%
Krasnoarmiyska-Zakhidna	Ukraine	276.7	304.4	117.5	121.7	63.6	60.9	42%	40%	23%	20%

Peer Group

Company	Country	Sales		EBITDA		Net Income		EBITDA Mgn		Net Mgn	
		2005	2006E	2005	2006E	2005	2006E	2005	2006E	2005	2006E
Alliance Resource Partners Limited	UNITED STATES	838.7	931.4	233.5	253.5	147.6	167.0	28%	27%	18%	18%
ATH Resources PLC	UNITED KINGDOM	69.2	99.3	20.1	33.0	6.7	n/a	29%	33%	10%	n/a
Banpu Public PCL	THAILAND	614.8	818.5	279.6	200.1	135.7	98.7	45%	24%	22%	12%
Centennial Coal Company Limited	AUSTRALIA	494.1	680.7	115.6	187.6	27.4	53.0	23%	28%	6%	8%
Excel Coal	AUSTRALIA	237.9	377.7	106.7	148.2	72.5	75.2	45%	39%	30%	20%
Gloucester Coal Limited	AUSTRALIA	82.5	121.6	27.3	48.5	12.9	30.7	33%	40%	16%	25%
ICG Inc	UNITED STATES	647.7	1017.0	106.1	185.2	31.8	71.5	16%	18%	5%	7%
James River Coal Company	UNITED STATES	454.0	649.1	38.1	117.0	-12.3	13.9	8%	18%	-3%	2%
Macarthur Coal	AUSTRALIA	282.2	381.0	85.5	145.4	46.8	95.9	30%	38%	17%	25%
New Hope Corp. Limited	AUSTRALIA	175.3	168.1	425.6	56.9	352.1	n/a	243%	34%	201%	n/a
Semirara Mining Corp.	PHILIPPINES	104.7	104.3	63.6	46.4	30.0	23.4	61%	44%	29%	22%
Shanxi Xishan 'A'	CHINA	691.1	816.3	224.8	223.6	119.9	126.3	33%	27%	17%	15%
Tambang Batubara Bukit	INDONESIA	304.7	418.1	70.1	93.2	47.5	72.0	23%	22%	16%	17%
UK Coal PLC	UNITED KINGDOM	585.8	577.5	-12.6	119.1	-106.7	n/a	-2%	21%	-18%	n/a
Average								29%	30%	17%	16%
Median								30%	27%	17%	17%

Source: Company Data, Thomson Financials

* All data in USD mln, except margins

Concorde Capital
3V Sportyvna Square
2nd entrance, 3rd floor
Kyiv 01023, UKRAINE

Tel +380 44 207 5030
Fax: +380 44 206 8366
www.concorde.com.ua
office@concorde.com.ua

CEO

Igor Mazepa

im@concorde.com.ua

Director, Equity Sales

Peter Bobrinsky

pb@concorde.com.ua

Equity Sales

Marina Martirosyan
Lucas Romriell
Anastasiya Nazarenko
Elena Petrashko

mm@concorde.com.ua
lr@concorde.com.ua
an@concorde.com.ua
ep@concorde.com.ua

Director of Research

Konstantin Fisun, CFA

kf@concorde.com.ua

Chief Strategist

Tom Warner

tw@concorde.com.ua

Utilities (Telecom, Energy)

Alexander Paraschiy

ap@concorde.com.ua

Metals & Mining

Andriy Gostik
Eugene Cherviachenko

ag@concorde.com.ua
ec@concorde.com.ua

Machine Building, Construction, Consumer Goods

Olga Pankiv

op@concorde.com.ua

Banking & Macroeconomics, Retail

Alexander Viktorov

av@concorde.com.ua

Oil & Gas, Chemicals

Vladimir Nesterenko

vn@concorde.com.ua

Politics

Nick Piazza

np@concorde.com.ua

Junior Analyst

Polina Khomenko

pk@concorde.com.ua

Editor

Erika Fedirko

ef@concorde.com.ua

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