



CONCORDE CAPITAL

Ukraine / Food

Dairy Industry

New export opportunities appear

July 22, 2008

Anna Dudchenko
ad@concorde.com.ua

Oksana Lyashuk
ol@concorde.com.ua

+380 44 391 5577

Last week, thirty one Ukrainian dairy producers underwent inspections by Russian authorities, with a view to resuming exports. At the same time, by July 4, some dairy makers were also checked out by EU experts, for the same purpose. We see the emergence of new export opportunities as an additional industry driver in the mid-term. Meanwhile, we revise our pro forma projections for Ukraine's public dairy makers upward on strong 1Q08 results and upgrade our DCF-based targets, maintaining BUY on KMOL, GALTN and ZHMZ, while upgrading UKR to BUY and SHMK to HOLD.

Tickers

Galakton	GALTN UZ
Kovelmoloko	KMOL UZ
Shostka Milk	SHMK UZ
Ukrproduct	UKR LN
Zhytomyr Milk	ZHMZ UZ

	Price, 12M TP, Upside		Rec.
	USD	USD	
GALTN	2.1	5.1	146% BUY
KMOL	0.4	1.0	154% BUY
SHMK	47.5	51.1	8% HOLD
UKR	1.4	2.7	93% BUY
ZHMZ	1.6	3.1	100% BUY

	Shares,	MCap,	Free float	
	mln	USD mln	%	\$ mln
GALTN	23.1	47.7	3	1.4
KMOL*	74.6	33.1	22	7.3
SHMK**	1.9	89.6	3	2.7
UKR	41.2	55.7	30	16.7
ZHMZ	27.9	43.1	18	7.8

* Kovelmoloko shareholders will consider a charter fund increase by 15x via an additional share issue on August 27, 2008

** Includes results of Shostka Milk's 21.8% charter fund increase via an additional share issue in February 2008

Corporate Governance

Galakton	BA
Kovelmoloko	BA
Shostka Milk	A
Ukrproduct	Q
Zhytomyr Dairy	BA

* The rating is based on Concorde Capital's corporate governance survey. Q denotes quality corporate governance standards, AA - above average standards, A - average, BA - below average and P - poor.

Exports to Russia poised to expand in the near term

On July 14, 2008, the Russian Federal Service for Veterinary Supervision finished inspecting thirty one Ukrainian dairy producers. We expect that following this inspection, several more local players will receive permits to export to Russia in the next six months. We believe that Russia's status as a net dairy importer and rising prices for dairy products are compelling factors that will push Russia to further open its market. Less than two months after Russia imposed its ban on Ukrainian dairy imports in January 2006, it reopened the doors to six producers, and since July 2007, it has permitted another six.

Dairy shipments to the EU are becoming a real mid-term opportunity

This June, the EU, for the first time, explicitly showed interest in possible dairy imports from Ukraine. From June 24-July 4, the European Commission's Food and Veterinary Office conducted an audit of nine dairy plants, as well as dairy farms and public veterinary labs. Those companies whose products meet EU criteria could eventually get the opportunity to export cheese, milk powder and butter. We believe the major barrier to Ukrainian dairy exports to the EU is a shortage of high quality raw milk domestically and estimate that realistically exports would start only in 1-2 years.

Valuation summary

With the positive price outlook for finished dairy goods, we see this as a favorable time to buy GALTN, KMOL, UKR and ZHMZ. We upgrade our DCF-based targets to USD 5.1 for GALTN, USD 1.0 for KMOL, USD 2.7 for UKR and USD 3.1 for ZHMZ. We upgrade SHMK to HOLD, with an updated target of USD 51.1.

Key financials & ratios

	Net revenue			EBITDA			Net income			EV/S			EV/EBITDA			P/E		
	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E
GALTN	102	132	168	6	12	18	0	4	9	0.7	0.5	0.4	12.1	5.3	3.4	111.7	11.5	5.4
KMOL	53	94	134	3	9	15	1	3	7	0.8	0.5	0.3	12.9	4.7	2.9	47.9	11.4	4.8
SHMK	63	83	108	5	7	11	1	1	4	1.7	1.3	1.0	22.0	15.8	9.7	68.8	86.7	21.0
UKR	96	131	142	11	15	18	7	8	10	0.6	0.5	0.4	5.6	4.1	3.5	8.5	6.9	5.6
ZHMZ	65	88	106	8	13	15	4	7	8	0.7	0.6	0.5	5.6	4.2	3.6	11.4	6.5	5.5

Spot exchange: 5.05 UAH/USD

Significant revenue increase in 1Q08

In 1Q08, Ukrainian dairy producers boosted their sales 38-128% yoy. Kovelmoloko and Shostka Milk experienced the highest growth thanks to higher cheese production and regaining access to the Russian market (in October 2007 for Kovelmoloko; June 2007 for Shostka Milk). Shostka Milk showed the lowest margins in 1Q08 due to its inability to fully pass increases in raw milk prices to final consumers, a common problem for the industry.

	Sales, USD mln			EBITDA margin, %						Net margin, %					
	1Q07	1Q08	chg, yoy	2008E old	2008E new	1Q07	1Q08	chg, yoy	2008E old	2008E new	1Q07	1Q08	chg, yoy	2008E old	2008E new
Galakton	23.3	32.2	38.2%	129.4	132.0	6.1%	9.1%	3.0	10.0%	9.0%	0.0%	0.7%	0.6	4.3%	3.1%
Kovelmoloko	8.4	19.1	127.7%	79.0	93.7	-2.5%	4.7%	7.2	11.0%	10.0%	-9.9%	0.6%	10.5	4.9%	3.1%
Shostka Milk	10.8	19.2	78%	87.4	83.4	5.4%	2.2%	-3.2	15.0%	8.2%	-1.6%	-1.6%	0.1	6.5%	1.2%
Ukrproduct	n/a	n/a	n/a	100.5	131.3	n/a	n/a	n/a	12.0%	11.5%	n/a	n/a	n/a	6.6%	6.1%
Zhytomyr Dairy	9.3	13.9	49%	81.7	88.4	9.8%	9.0%	-0.8	15.0%	14.5%	1.3%	2.0%	0.6	8.2%	7.5%

Source: Company data, Concorde Capital estimates

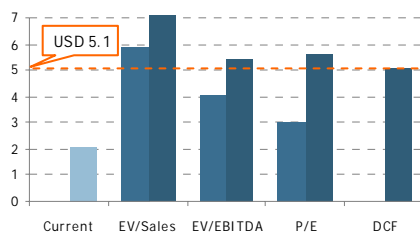
Forecast revision

We update our operating models for the companies to factor in the increase in prices for raw milk and finished dairy products. We expect prices for finished dairy products to grow by 5-21% in 2008: higher price growth for domestically-oriented whole milk products will be in line with CPI growth (our assumption: 21% yoy), and modest price growth for export-oriented products (milk powders, cheese, butter, ice-cream) will go in tandem with international price dynamics. We also project a 15% yoy rise in the price of raw milk. In the coming years, we expect that changes in the price tag on finished dairy products will correspond that for raw milk used in dairy production.

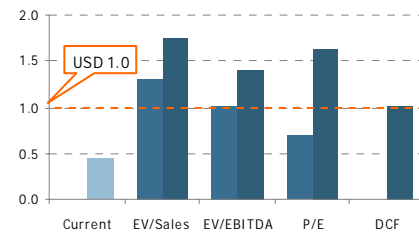
Valuation update

We base our valuation on DCF, while treating comparable valuation on EV/EBITDA multiple as a reality check (see Appendix B). We tend to rely on DCF, as in our view, it better captures the value of future cash flows, reflecting the features of each company in terms of product mix, CapEx program, expansion strategy, etc.

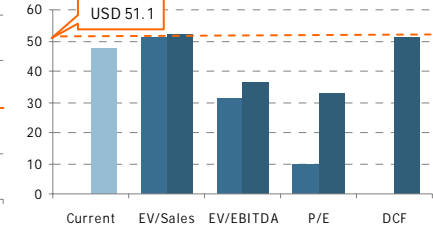
GALTN - BUY



KMOL - BUY

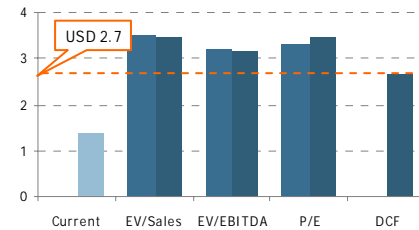


SHMK - HOLD

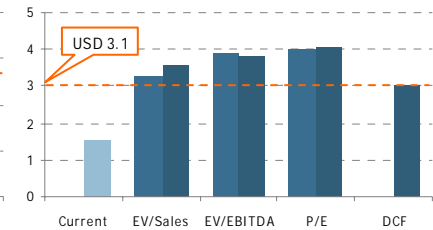


Legend: Current (light blue), 2008E (medium blue), 2009E (dark blue)

UKR - BUY



ZHMZ - BUY



Appendix A: DCF Valuation

Galakton

Key forecast revisions

		2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Prices, USD/mt											
Butter	old	3,259	3,455	3,558	3,665	3,775	3,888	3,966	4,045	4,126	4,209
	new	3,395	3,735	3,996	4,256	4,562	4,864	5,107	5,337	5,550	5,744
SMP	old	2,254	2,074	2,033	2,094	2,177	2,264	2,355	2,426	2,498	2,573
	new	1,971	2,070	2,215	2,359	2,500	2,638	2,770	2,894	3,010	3,115
Hard cheese	old	4,095	4,300	4,429	4,562	4,698	4,839	4,985	5,134	5,288	5,447
	new	4,719	5,191	5,554	5,915	6,341	6,760	7,098	7,417	7,714	7,984
WMP	old	873	917	944	973	997	1,022	1,042	1,063	1,085	1,106
	new	967	1,064	1,138	1,212	1,285	1,356	1,423	1,487	1,547	1,601
Gross margin	old	19%	22%	22%	22%	22%	22%	22%	21%	21%	21%
	new	19%	21%	22%	22%	22%	22%	21%	21%	21%	21%

DCF model

As of July 21

For the purpose of forecasting, local currency is used (UAH mln) unless otherwise noted

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
EBITDA	59	87	100	111	116	122	124	123	123	123
EBIT	47	75	88	98	104	111	112	112	112	113
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Taxed EBIT	35	56	66	74	78	83	84	84	84	84
Plus D&A	12	12	12	12	12	12	11	11	11	10
Less CapEx	(24)	(21)	(20)	(18)	(15)	(14)	(13)	(12)	(11)	(11)
Less change in OWC	16	(7)	(11)	(14)	(12)	(11)	(11)	(8)	(8)	(8)
FCFF	-	41	46	54	63	69	72	75	76	76
WACC	16%	17%	17%	15%	14%	13%	13%	12%	12%	11%

Perpetuity growth rate 3.0%
WACC to perpetuity 11.0%

Terminal Value										984
Disc. terminal value		337								
Firm value		647								8.0x
Portion due to TV		52%								
Less Net Debt		(66)								
Equity Value		580								

Implied 12M price, USD* 5.1

*2008 UAH/USD rate forecast: 4.99

Sensitivity analysis

WACC Y1-10	Implied share price, USD					Implied share price, USD					
	Perpetuity Growth Rate					WACC to perpetuity	Perpetuity Growth Rate				
	2.0%	2.5%	3.0%	3.5%	4.0%		2.0%	2.5%	3.0%	3.5%	4.0%
-3.0%	5.7	5.9	6.1	6.4	6.7	8.0%	5.9	6.3	6.7	7.3	7.9
-2.0%	5.3	5.5	5.8	6.0	6.3	9.0%	5.4	5.7	6.0	6.4	6.8
-1.0%	5.0	5.2	5.4	5.6	5.9	10.0%	5.0	5.2	5.5	5.7	6.1
+0.0%	4.7	4.9	5.1	5.3	5.5	11.0%	4.7	4.9	5.1	5.3	5.5
+1.0%	4.4	4.6	4.8	5.0	5.2	12.0%	4.5	4.6	4.8	4.9	5.1
+2.0%	4.2	4.3	4.5	4.7	4.9	13.0%	4.3	4.4	4.5	4.7	4.8
+3.0%	3.9	4.1	4.2	4.4	4.6	14.0%	4.1	4.2	4.3	4.5	4.6

Kovelmoloko

Key forecast revision

		2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Prices, USD/mt											
Butter	old	2,008	2,128	2,192	2,258	2,326	2,395	2,443	2,492	2,542	2,593
	new	1,934	2,128	2,277	2,425	2,570	2,711	2,847	2,975	3,094	3,202
SMP	old	3,105	2,857	2,800	2,884	2,999	3,119	3,244	3,341	3,441	3,544
	new	3,005	3,155	3,376	3,596	3,811	4,021	4,222	4,412	4,588	4,749
Hard cheese	old	5,239	5,501	5,666	5,836	6,011	6,191	6,377	6,568	6,765	6,968
	new	5,239	6,025	6,447	6,866	7,278	7,678	8,062	8,424	8,761	9,068
WMP	old	597	627	646	665	685	706	727	749	771	794
	new	776	893	955	1,017	1,078	1,138	1,194	1,248	1,298	1,344
Gross margin	old	18%	19%	21%	23%	23%	22%	20%	20%	20%	20%
	new	16%	18%	20%	21%	22%	22%	21%	21%	20%	20%

DCF model

As of July 21

For the purpose of forecasting, local currency is used (UAH mln) unless otherwise noted

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
EBITDA	47	73	85	94	91	99	98	100	97	97
EBIT	27	53	65	74	70	79	78	81	78	79
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Taxed EBIT	21	40	49	55	53	59	59	61	58	59
Plus D&A	19	20	20	20	20	20	20	19	19	18
Less CapEx	(47)	(46)	(35)	(32)	(29)	(27)	(24)	(21)	(20)	(19)
Less change in OWC	(3)	(4)	(7)	(9)	(8)	(8)	(8)	(8)	(4)	(4)
FCFF	0	10	26	35	36	44	46	51	54	55
WACC	17%	17%	16%	15%	14%	13%	13%	12%	12%	12%
							Perpetuity growth rate			3.0%
							WACC to perpetuity			11.0%
Terminal Value										706
Disc. terminal value		244								7.3x
Firm value		428								
Portion due to TV		57%								
Less Net Debt		(50)								
Equity Value		378								
Implied 12M price, USD*		1.0								

*2008 UAH/USD rate forecast: 4.99

Sensitivity analysis

WACC Y1-10	Implied share price, USD					Implied share price, USD					
	Perpetuity Growth Rate					Perpetuity Growth Rate					
	2.0%	2.5%	3.0%	3.5%	4.0%	WACC to perpetuity	2.0%	2.5%	3.0%	3.5%	4.0%
-3.0%	1.2	1.2	1.3	1.3	1.4	8.0%	1.2	1.3	1.4	1.5	1.7
-2.0%	1.1	1.1	1.2	1.2	1.3	9.0%	1.1	1.2	1.2	1.3	1.4
-1.0%	1.0	1.0	1.1	1.1	1.2	10.0%	1.0	1.1	1.1	1.2	1.2
+0.0%	0.9	1.0	1.0	1.1	1.1	11.0%	0.9	1.0	1.0	1.1	1.1
+1.0%	0.9	0.9	1.0	1.0	1.0	12.0%	0.9	0.9	1.0	1.0	1.0
+2.0%	0.8	0.9	0.9	0.9	1.0	13.0%	0.8	0.9	0.9	0.9	1.0
+3.0%	0.8	0.8	0.8	0.9	0.9	14.0%	0.8	0.8	0.9	0.9	0.9

Shostka Milk

Key forecast revision

		2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Prices, USD/mt											
Butter	old	2,835	3,005	3,095	3,188	3,284	3,382	3,450	3,519	3,589	3,661
	new	2,958	3,401	3,639	3,876	4,108	4,334	4,551	4,756	4,946	5,119
Hard cheese	old	4,479	4,703	4,844	4,989	5,139	5,293	5,452	5,615	5,784	5,957
	new	4,542	4,996	5,346	5,694	6,035	6,367	6,685	6,986	7,266	7,520
Gross margin	old	26%	27%	28%	28%	27%	25%	25%	25%	24%	24%
	new	20%	21%	23%	24%	25%	24%	24%	23%	23%	22%

DCF model

As of July 21

For the purpose of forecasting, local currency is used (UAH mln) unless otherwise noted

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
EBITDA	34	54	72	84	93	96	99	98	97	97
EBIT	23	42	60	72	82	86	89	89	88	89
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Taxed EBIT	17	31	45	54	61	64	67	66	66	67
Plus D&A	12	12	11	11	11	10	10	9	8	8
Less CapEx	(21)	(30)	(25)	(22)	(20)	(17)	(15)	(13)	(11)	(10)
Less change in OWC	2	14	(4)	(5)	(4)	(7)	(8)	(8)	(8)	(8)
FCFF	0	27	28	38	48	51	54	55	55	56
WACC	16%	16%	16%	15%	14%	13%	13%	12%	12%	11%
							Perpetuity growth rate			3.0%
							WACC to perpetuity			11.0%
Terminal Value										726
Disc. terminal value		251					Implied exit EBITDA multiple			7.5x
Firm value		474								
Portion due to TV		53%								
Less Net Debt		(82)								
Equity Value		392								
Implied 12M price, USD*		51.1								

*2008 UAH/USD rate forecast: 4.99

Sensitivity analysis

WACC Y1-10	Implied share price, USD					WACC to perpetuity	Implied share price, USD				
	Perpetuity Growth Rate						Perpetuity Growth Rate				
	2.0%	2.5%	3.0%	3.5%	4.0%		2.0%	2.5%	3.0%	3.5%	4.0%
-3.0%	58.1	60.4	63.0	65.9	69.3	8.0%	60.5	64.6	69.5	75.6	83.1
-2.0%	54.1	56.3	58.7	61.4	64.6	9.0%	54.8	57.8	61.3	65.5	70.4
-1.0%	50.5	52.5	54.7	57.3	60.2	10.0%	50.5	52.8	55.4	58.5	62.1
+0.0%	47.2	49.0	51.1	53.4	56.1	11.0%	47.2	49.0	51.1	53.4	56.1
+1.0%	44.0	45.7	47.7	49.9	52.4	12.0%	44.5	46.0	47.7	49.6	51.7
+2.0%	41.1	42.7	44.5	46.5	48.9	13.0%	42.4	43.7	45.0	46.6	48.3
+3.0%	38.4	39.9	41.6	43.5	45.6	14.0%	40.7	41.7	42.9	44.2	45.6

Ukrproduct

Key forecast revision

		2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Prices, USD/mt											
Butter	old	3,319	3,552	3,658	3,768	3,881	3,997	4,077	4,159	4,242	4,327
	new	3,289	3,520	3,625	3,734	3,846	3,961	4,040	4,121	4,204	4,288
SMP	old	2,795	2,600	2,548	2,624	2,729	2,838	2,952	3,070	3,162	3,257
	new	2,795	2,935	3,141	3,345	3,586	3,765	3,953	4,111	4,276	4,447
Hard cheese	old	3,688	4,241	4,623	4,808	4,952	5,051	5,152	5,256	5,361	5,468
	new	3,719	4,277	4,662	4,848	4,994	5,094	5,195	5,299	5,405	5,513
Processed cheese	old	2,726	2,889	2,976	3,065	3,157	3,252	3,317	3,383	3,451	3,520
	new	2,677	2,837	2,923	3,010	3,101	3,194	3,257	3,323	3,389	3,457
Gross margin	old	25%	25%	25%	25%	25%	25%	25%	24%	24%	24%
	new	24%	26%	26%	27%	27%	27%	27%	27%	27%	27%

DCF model

As of July 21

For the purpose of forecasting, local currency is used (UAH mln) unless otherwise noted

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
EBITDA	75	87	96	102	105	109	113	111	111	111
EBIT	60	71	80	86	89	93	97	96	97	97
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Taxed EBIT	45	53	60	64	67	70	73	72	72	72
Plus D&A	15	16	16	16	16	16	15	15	15	15
Less CapEx	(46)	(39)	(26)	(22)	(19)	(17)	(16)	(16)	(15)	(15)
Less change in OWC	(11)	(5)	(5)	(1)	(3)	(1)	(3)	(2)	(2)	(1)
FCFF	0	25	45	57	61	67	69	69	70	70
WACC	19%	18%	17%	16%	14%	13%	13%	13%	12%	12%
							Perpetuity growth rate			3.0%
							WACC to perpetuity			11.0%
Terminal Value										905
Disc. terminal value		299								
Firm value		579					Implied exit EBITDA multiple			8.1x
Portion due to TV		51.7%								
Less Net Debt		(32)								
Equity Value		547								
Implied 12M price, USD*		2.7								

*2008 UAH/USD rate forecast: 4.99

Sensitivity analysis

WACC Y1-10	Implied share price, USD					Implied share price, USD					
	Perpetuity Growth Rate					Perpetuity Growth Rate					
	2.0%	2.5%	3.0%	3.5%	4.0%	WACC to perpetuity	2.0%	2.5%	3.0%	3.5%	4.0%
-3.0%	3.0	3.1	3.2	3.3	3.5	8.0%	3.1	3.3	3.5	3.8	4.1
-2.0%	2.8	2.9	3.0	3.1	3.3	9.0%	2.8	3.0	3.1	3.3	3.5
-1.0%	2.7	2.7	2.8	3.0	3.1	10.0%	2.7	2.8	2.9	3.0	3.2
+0.0%	2.5	2.6	2.7	2.8	2.9	11.0%	2.5	2.6	2.7	2.8	2.9
+1.0%	2.4	2.4	2.5	2.6	2.7	12.0%	2.4	2.5	2.5	2.6	2.7
+2.0%	2.2	2.3	2.4	2.5	2.6	13.0%	2.3	2.3	2.4	2.5	2.6
+3.0%	2.1	2.2	2.3	2.3	2.4	14.0%	2.2	2.3	2.3	2.4	2.4

Zhytomyr Dairy

Key forecast revision

		2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Prices, USD/mt											
Butter	old	2,696	2,857	2,943	3,031	3,122	3,216	3,280	3,346	3,413	3,481
	new	2,780	3,058	3,272	3,485	3,736	3,982	4,181	4,369	4,544	4,726
SMP	old	2,114	1,945	1,906	1,963	2,042	2,124	2,209	2,275	2,343	2,413
	new	1,920	2,055	2,199	2,342	2,482	2,619	2,749	2,873	2,988	3,108
Ice-cream	old	2,027	2,128	2,150	2,171	2,193	2,259	2,326	2,373	2,420	2,469
	new	2,336	2,686	2,874	3,061	3,245	3,423	3,594	3,756	3,906	4,062
Gross margin	old	30%	30%	30%	29%	29%	29%	29%	29%	29%	29%
	new	30%	30%	30%	29%	29%	29%	29%	29%	28%	28%

DCF model

As of July 21

For the purpose of forecasting, local currency is used (UAH mln) unless otherwise noted

	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
EBITDA	64	76	86	92	101	103	108	112	112	112
EBIT	52	63	72	77	85	87	92	95	94	94
Tax Rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Taxed EBIT	39	48	54	58	64	65	69	71	71	71
Plus D&A	12	13	14	15	16	16	17	17	17	18
Less CapEx	(64)	(44)	(41)	(35)	(30)	(24)	(22)	(20)	(19)	(18)
Less change in OWC	(16)	(9)	(5)	(8)	(5)	(6)	(9)	(8)	(7)	(7)
FCFF	0	8	22	30	44	52	55	60	62	64
WACC	18%	17%	16%	15%	14%	13%	13%	12%	12%	11%

Perpetuity growth rate 3.0%
WACC to perpetuity 11.0%

Terminal Value										818
Disc. terminal value		280								Implied exit EBITDA multiple 7.3x
Firm value		478								
Portion due to TV		59%								
Less Net Debt		(57)								
Equity Value		421								
Implied 12M price, USD*		3.1								

*2008 UAH/USD rate forecast: 4.99

Sensitivity analysis

WACC	Implied share price, USD					Implied share price, USD					
	Perpetuity Growth Rate					WACC to perpetuity	Perpetuity Growth Rate				
	2.0%	2.5%	3.0%	3.5%	4.0%		2.0%	2.5%	3.0%	3.5%	4.0%
-3.0%	3.5	3.6	3.8	4.0	4.2	8.0%	3.6	3.9	4.2	4.6	5.0
-2.0%	3.2	3.4	3.5	3.7	3.9	9.0%	3.3	3.5	3.7	3.9	4.3
-1.0%	3.0	3.1	3.3	3.4	3.6	10.0%	3.0	3.2	3.3	3.5	3.7
+0.0%	2.8	2.9	3.1	3.2	3.4	11.0%	2.8	2.9	3.1	3.2	3.4
+1.0%	2.6	2.7	2.8	3.0	3.1	12.0%	2.6	2.7	2.8	3.0	3.1
+2.0%	2.4	2.5	2.7	2.8	2.9	13.0%	2.5	2.6	2.7	2.8	2.9
+3.0%	2.3	2.4	2.5	2.6	2.7	14.0%	2.4	2.5	2.5	2.6	2.7

Appendix B: Relative valuation

Company	Country	MCap, USD mln	EV/S			EV/EBITDA			P/E		
			2007	2008E	2009E	2007	2008E	2009E	2007	2008E	2009E
GALTN		54.8	0.7	0.5	0.4	12.1	5.3	3.4	111.7	11.5	5.4
KMOL		28.5	0.8	0.5	0.3	12.9	4.7	2.9	47.9	11.4	4.8
SHMK		89.6	1.7	1.3	1.0	22	15.8	9.7	68.8	86.7	21
UKR		56.2	0.6	0.5	0.4	5.6	4.1	3.5	8.5	6.9	5.6
ZHMZ		46.0	0.7	0.6	0.5	5.6	4.2	3.6	11.4	6.5	5.5
Developing country's peers											
Amrit Corp Limited	India	8.5	1.5	n/a	n/a	3.3	n/a	n/a	5.2	n/a	n/a
China Dairy Group Limited	Singapore	77.3	0.4	0.4	0.3	4.7	5.5	4.5	10.4	10.9	10.8
Dutch Lady Milk	Malaysia	253.3	1.4	1.2	1.1	11.5	10.6	9.2	17.7	17.0	14.5
Fraser & Neave	Malaysia	997.6	1.3	0.9	0.8	11.3	8.7	7.8	22.2	16.6	14.9
Gloria	Peru	861.6	1.2	n/a	n/a	6.2	n/a	n/a	10.4	n/a	n/a
Hunan Ava	China	161.7	1.4	n/a	n/a	neg	n/a	n/a	neg	n/a	n/a
Inner Mongolia Yili	China	2012.0	0.7	0.6	0.5	30.6	12.7	10.0	neg	29.6	23.9
Mamee-Double Decker	Malaysia	55.9	0.4	n/a	n/a	4.8	n/a	n/a	13.2	n/a	n/a
Namyang Dairy	South Korea	565.1	0.2	n/a	n/a	1.6	n/a	n/a	9.2	n/a	n/a
Nutrinvestholding	Russia	565.4	7.0	1.4	1.1	n/a	7.3	6.5	92.9	15.2	13.4
VV Food & Beverage	China	713.9	1.4	n/a	n/a	18.5	n/a	n/a	60.9	n/a	n/a
Wimm-Bill-Dann	Russia	3420.4	1.5	1.3	1.0	12.6	9.5	7.6	24.4	17.6	13.7
Yakult Honsha	Japan	4580.4	1.7	1.2	1.1	11.6	9.2	8.1	36.5	35.1	27.5
Median			1.4	1.2	1.0	11.3	9.2	7.8	17.7	17.0	14.5
Implied share price, USD											
GALTN											
<i>Upside/Downside</i>			4.9	5.9	7.1	1.8	4.1	5.4	0.3	3.0	5.6
			107%	149%	199%	-22%	72%	128%	-86%	28%	136%
KMOL											
<i>Upside/Downside</i>			0.8	1.3	1.8	0.4	1.0	1.4	0.2	0.7	1.6
			118%	241%	359%	-3%	166%	268%	-57%	81%	326%
SHMK											
<i>Upside/Downside</i>			36.0	50.8	52.0	19.6	31.0	36.4	12.2	9.7	32.7
			-24%	7%	10%	-59%	-35%	-23%	-74%	-80%	-31%
UKR											
<i>Upside/Downside</i>			3.1	3.5	3.4	2.9	3.2	3.1	2.8	3.3	3.5
			124%	157%	153%	110%	136%	131%	106%	143%	155%
ZHMZ											
<i>Upside/Downside</i>			3.1	3.3	3.6	3.2	3.9	3.8	2.4	4.0	4.1
			87%	97%	114%	95%	133%	132%	44%	142%	147%

Appendix C: Financial statements

Galakton

Income statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Revenues	80	102	132	168	192	213	235	258	281	304	329	355
<i>Change y-o-y</i>	<i>N/M</i>	<i>28%</i>	<i>30%</i>	<i>27%</i>	<i>15%</i>	<i>11%</i>	<i>10%</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>
Cost Of Sales	(63)	(87)	(107)	(133)	(150)	(166)	(183)	(202)	(221)	(240)	(260)	(282)
Gross Profit	16	15	25	34	42	47	52	56	60	64	69	73
Other Operating I/C, net	(0)	0	-	-	-	-	-	-	-	-	-	-
SG&A	(8)	(9)	(13)	(17)	(22)	(24)	(28)	(31)	(35)	(40)	(44)	(48)
EBITDA	8	6	12	18	20	22	23	25	25	25	25	25
<i>EBITDA margin. %</i>	<i>11%</i>	<i>6%</i>	<i>9%</i>	<i>10.5%</i>	<i>10.5%</i>	<i>10.5%</i>	<i>10.0%</i>	<i>9.6%</i>	<i>8.9%</i>	<i>8.2%</i>	<i>7.5%</i>	<i>7.0%</i>
Depreciation	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
EBIT	6	3	9	15	18	20	21	22	23	23	23	23
<i>EBIT margin. %</i>	<i>8%</i>	<i>3%</i>	<i>7%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>6%</i>
Interest Expense	(2)	(2)	(3)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(2)
Financial income	0	0	-	-	-	-	-	-	-	-	-	-
Other income/(expense)	(1)	(0)	-	-	-	-	-	-	-	-	-	-
PBT	4	1	6	13	16	18	20	21	21	21	21	21
Tax	(1)	(0)	(2)	(3)	(4)	(5)	(5)	(5)	(5)	(5)	(5)	(5)
<i>Effective tax rate</i>	<i>35%</i>	<i>29%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Net Income	2	0	4	9	11	13	14	14	15	15	15	15
<i>Net Margin. %</i>	<i>3%</i>	<i>0%</i>	<i>3%</i>	<i>5%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>5%</i>	<i>5%</i>	<i>4%</i>	<i>4%</i>

Balance sheet summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Current Assets	14	24	27	35	42	54	66	78	89	100	112	125
Cash & Equivalents	0	0	2	3	4	10	17	22	28	34	41	48
Trade Receivables	6	6	9	12	15	18	21	24	27	29	31	33
Inventories	4	8	11	13	15	17	19	21	23	25	27	29
Other current assets	3	10	5	7	8	9	9	10	11	12	13	14
Fixed Assets	28	30	32	35	36	37	38	38	38	39	39	39
PP&E, net	19	18	21	23	24	25	26	26	27	27	27	27
Other Fixed Assets	9	12	12	12	12	12	12	12	12	12	12	12
Total Assets	42	54	60	69	78	91	104	116	127	139	151	163
Shareholders' Equity	14	18	23	32	43	52	60	69	77	85	92	99
Share Capital	2	4	4	4	4	4	4	4	4	4	4	4
Reserves and Other	12	14	18	27	38	47	56	65	73	80	87	95
Current Liabilities	19	32	20	26	28	30	35	39	43	47	52	56
ST Interest Bearing Debt	10	23	8	8	6	6	7	8	8	9	10	11
Trade Payables	6	5	7	11	13	14	17	20	22	24	27	30
Accrued Wages	0	0	-	-	-	-	-	-	-	-	-	-
Accrued Taxes	0	0	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	3	3	5	7	9	10	11	12	13	14	15	16
LT Liabilities	9	4	17	12	7	9	8	7	7	7	7	8
LT Interest Bearing Debt	8	3	9	6	3	7	6	5	4	4	4	4
Other LT	1	1	1	2	2	2	2	3	3	3	3	4
Total Liabilities & Equity	42	54	60	69	78	91	104	116	127	139	151	163

Cash flow statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Income	2	0	4	9	11	13	14	14	15	15	15	15
D&A	2	3	2	2	2	2	2	2	2	2	2	2
Non-oper. & non-cash items	(0)	1	6	(2)	(1)	(2)	0	0	0	0	0	0
Changes in working capital	3	(5)	3	(1)	(2)	(3)	(2)	(2)	(2)	(2)	(2)	(2)
Operating Cash Flow	8	(1)	16	8	10	11	14	15	15	15	15	15
Capital Expenditures, net	(6)	(1)	(5)	(4)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	(2)
Other Investments, net	(0)	(7)	-	-	-	-	-	-	-	-	-	-
Investing Cash Flow	(6)	(8)	(5)	(4)	(4)	(4)	(3)	(3)	(3)	(2)	(2)	(2)
Net Borrowings/(repayments)	3	9	(9)	(4)	(4)	4	0	(0)	(1)	1	1	1
Dividends Paid	-	-	-	-	-	(4)	(5)	(6)	(7)	(7)	(7)	(7)
Equity Financing & Other	-	(0)	-	-	-	-	-	-	-	-	-	-
Financing Cash Flow	3	9	(9)	(4)	(4)	(0)	(4)	(6)	(7)	(7)	(7)	(7)
Beginning Cash Balance	0	0	0	2	3	4	10	17	22	28	34	41
Ending Cash Balance	0	0	2	3	4	10	17	22	28	34	41	48
Net Cash Inflows/Outflows	5	(0)	2	1	1	7	6	6	5	6	7	7

UAH/USD Exchange rates

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Average exchange rate	5.05	5.05	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Year-end exchange rate	5.05	5.05	4.95	4.90	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95

Kovelmoloko

Income statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Revenues	28	53	94	134	143	158	174	191	208	225	230	246
<i>Change y-o-y</i>	<i>N/M</i>	<i>91%</i>	<i>77%</i>	<i>43%</i>	<i>7%</i>	<i>11%</i>	<i>10%</i>	<i>10%</i>	<i>9%</i>	<i>8%</i>	<i>2%</i>	<i>7%</i>
Cost Of Sales	(24)	(46)	(79)	(110)	(114)	(125)	(137)	(150)	(165)	(179)	(184)	(198)
Gross Profit	4	7	15	24	29	33	37	41	44	46	46	48
Other Operating I/C, net	(0)	(1)	-	-	-	-	-	-	-	-	-	-
SG&A	(1)	(3)	(5)	(9)	(11)	(14)	(19)	(21)	(24)	(26)	(26)	(28)
EBITDA	3	3	9	15	17	19	18	20	20	20	20	20
<i>EBITDA margin. %</i>	<i>10%</i>	<i>6%</i>	<i>10%</i>	<i>11%</i>	<i>12%</i>	<i>12%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>
Depreciation	(2)	(2)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)
EBIT	1	2	6	11	13	15	14	16	16	16	16	16
<i>EBIT margin. %</i>	<i>3%</i>	<i>3%</i>	<i>6%</i>	<i>8%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>6%</i>
Interest Expense	(1)	(1)	(2)	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Financial income	0	-	-	-	-	-	-	-	-	-	-	-
Other income/(expense)	(0)	0	-	-	-	-	-	-	-	-	-	-
PBT	0	1	4	9	12	14	13	15	14	15	15	15
Tax	-	(0)	(1)	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)
<i>Effective tax rate</i>	<i>0%</i>	<i>41%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Net Income	0	1	3	7	9	10	10	11	11	11	11	11
<i>Net Margin. %</i>	<i>1%</i>	<i>1%</i>	<i>3%</i>	<i>5%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>	<i>5%</i>

Balance sheet summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Current Assets	12	33	43	50	49	56	62	70	75	82	84	92
Cash & Equivalents	0	0	1	1	5	8	13	18	21	23	25	29
Trade Receivables	4	13	21	27	26	28	29	30	29	32	32	34
Inventories	3	6	10	12	11	12	13	14	16	19	19	21
Other current assets	5	13	11	9	8	8	8	8	8	8	8	8
Fixed Assets	14	31	37	43	45	48	49	51	52	52	52	52
PP&E, net	13	24	37	42	45	47	49	51	51	52	52	52
Other Fixed Assets	1	7	0	0	0	0	0	0	0	0	0	0
Total Assets	26	63	80	92	95	103	112	121	127	134	137	144
Shareholders' Equity	3	12	18	25	33	41	47	54	59	65	69	73
Share Capital	1	4	7	7	7	7	7	7	7	7	7	7
Reserves and Other	2	8	11	18	27	34	40	47	53	58	62	66
Current Liabilities	19	43	54	61	56	57	58	59	60	62	61	65
ST Interest Bearing Debt	-	3	5	6	6	6	7	7	7	7	6	6
Trade Payables	6	18	24	33	32	32	33	33	33	36	37	40
Accrued Wages	0	0	-	-	-	-	-	-	-	-	-	-
Accrued Taxes	0	0	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	13	23	25	22	18	18	19	19	19	20	19	19
LT Liabilities	5	9	8	6	5	6	6	9	7	6	6	6
LT Interest Bearing Debt	5	8	7	5	4	4	4	7	5	4	4	4
Other LT	0	1	1	1	1	2	2	2	2	2	2	2
Total Liabilities & Equity	27	63	80	92	95	103	112	121	127	134	137	144

Cash flow statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Income	0	1	3	7	9	10	10	11	11	11	11	11
D&A	2	2	4	4	4	4	4	4	4	4	4	4
Non-oper. & non-cash items	(0)	1	0	0	0	0	0	0	0	0	0	0
Changes in working capital	2	1	(1)	(1)	(1)	(2)	(2)	(2)	(2)	(2)	(1)	(1)
Operating Cash Flow	5	4	6	11	12	13	12	14	13	14	14	14
Capital Expenditures, net	(3)	(12)	(9)	(9)	(7)	(6)	(6)	(5)	(5)	(4)	(4)	(4)
Other Investments, net	-	-	0	-	-	-	-	-	-	-	-	-
Investing Cash Flow	(3)	(12)	(9)	(9)	(7)	(6)	(6)	(5)	(5)	(4)	(4)	(4)
Net Borrowings/(repayments)	(1)	6	1	(1)	(1)	1	1	2	(1)	(2)	(1)	0
Dividends Paid	-	-	-	-	-	(3)	(3)	(4)	(5)	(6)	(7)	(7)
Equity Financing & Other	-	3	3	-	-	-	-	-	-	-	-	-
Financing Cash Flow	(1)	9	4	(1)	(1)	(2)	(2)	(2)	(6)	(8)	(8)	(7)
Beginning Cash Balance	0	0	0	1	1	5	8	13	18	21	23	25
Ending Cash Balance	0	0	1	1	5	8	13	18	21	23	25	29
Net Cash Inflows/Outflows	0	0	1	0	3	4	4	6	3	2	2	4

UAH/USD Exchange rates

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Average exchange rate	5.05	5.05	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Year-end exchange rate	5.05	5.05	4.95	4.90	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95

Shostka Milk

Income statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Revenues	43	63	83	108	132	153	170	185	199	214	230	245
<i>Change y-o-y</i>	<i>N/M</i>	<i>44%</i>	<i>33%</i>	<i>30%</i>	<i>22%</i>	<i>16%</i>	<i>11%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>	<i>6%</i>
Cost Of Sales	(33)	(51)	(67)	(85.4)	(102)	(117)	(128)	(140)	(153)	(165)	(178)	(191)
Gross Profit	11	12	17	23	30	37	42	44	47	49	52	54
Other Operating I/C, net	(1)	(1)	(1)	-	-	-	-	-	-	-	-	-
SG&A	(4)	(6)	(9)	(12)	(16)	(20)	(23)	(25)	(27)	(30)	(32)	(34)
EBITDA	6	5	7	11	15	17	19	19	20	20	20	20
<i>EBITDA margin. %</i>	<i>15%</i>	<i>8%</i>	<i>8%</i>	<i>10%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>
Depreciation	(2)	(2)	(2)	(2.3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
EBIT	4	3	5	8.5	12	15	17	17	18	18	18	18
<i>EBIT margin. %</i>	<i>10%</i>	<i>5%</i>	<i>5%</i>	<i>8%</i>	<i>9%</i>	<i>10%</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>
Interest Expense	(1)	(1)	(3)	(3)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Financial income	-	-	-	-	-	-	-	-	-	-	-	-
Other income/(expense)	(0)	(0)	-	-	-	-	-	-	-	-	-	-
PBT	4	2	1	6	10	13	15	16	16	16	16	16
Tax	(1)	(1)	(0)	(1)	(2)	(3)	(4)	(4)	(4)	(4)	(4)	(4)
<i>Effective tax rate</i>	<i>28%</i>	<i>32%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Net Income	3	1	1	4	7	10	11	12	12	12	12	12
<i>Net Margin. %</i>	<i>6%</i>	<i>2%</i>	<i>1%</i>	<i>4%</i>	<i>6%</i>	<i>6%</i>	<i>7%</i>	<i>6%</i>	<i>6%</i>	<i>6%</i>	<i>5%</i>	<i>5%</i>

Balance sheet summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Current Assets	12	23	28	26	31	35	44	52	58	65	71	77
Cash & Equivalents	0	0	2	1	3	3	9	13	17	20	23	26
Trade Receivables	6	11	11	11	14	16	18	19	21	23	24	26
Inventories	4	9	9	11	12	12	13	14	16	17	18	19
Other current assets	1	3	5	3	3	4	4	5	5	5	6	6
Fixed Assets	18	18	20	24	27	29	31	32	33	34	35	35
PP&E, net	14	13	16	20	23	25	27	28	29	30	30	31
Other Fixed Assets	5	6	4	4	4	4	4	4	4	4	4	4
Total Assets	30	42	48	50	58	64	75	84	92	99	106	112
Shareholders' Equity	19	20	21	26	33	40	47	54	61	67	72	76
Share Capital	6	6	6	6	6	6	6	6	6	6	6	6
Reserves and Other	13	14	16	20	27	34	41	49	55	61	66	70
Current Liabilities	7	22	18	17	20	20	23	25	27	29	31	33
ST Interest Bearing Debt	4	18	12	9	9	6	7	7	8	9	9	10
Trade Payables	2	2	5	6	9	11	13	15	16	17	19	20
Accrued Wages	0	0	-	-	-	-	-	-	-	-	-	-
Accrued Taxes	0	0	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	1	1	1	2	2	2	3	3	3	3	3	4
LT Liabilities	4	0	9	7	5	5	5	5	4	3	3	3
LT Interest Bearing Debt	4	0	9	7	4	4	5	4	3	2	2	2
Other LT	0	0	0	0	1	1	1	1	1	1	1	1
Total Liabilities & Equity	30	42	48	50	58	64	75	84	92	99	106	112

Cash flow statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Income	3	1	1	4	7	10	11	12	12	12	12	12
D&A	2	2	2	2	2	2	2	2	2	2	2	2
Non-oper. & non-cash items	0	0	0	0	0	0	0	0	0	0	0	0
Changes in working capital	(4)	(11)	0	3	(1)	(1)	(1)	(1)	(2)	(2)	(2)	(2)
Operating Cash Flow	1	(7)	4	10	9	11	13	13	13	13	12	12
Capital Expenditures, net	(4)	(3)	(4)	(6)	(5)	(4)	(4)	(3)	(3)	(3)	(2)	(2)
Other Investments, net	(0)	-	(0)	-	-	-	-	-	-	-	-	-
Investing Cash Flow	(4)	(3)	(4)	(6)	(5)	(4)	(4)	(3)	(3)	(3)	(2)	(2)
Net Borrowings/(repayments)	4	10	2	(4)	(2)	(3)	1	(0)	(0)	(0)	1	1
Dividends Paid	(0)	(0)	-	-	-	(3)	(4)	(5)	(6)	(6)	(8)	(8)
Equity Financing & Other	-	0	-	-	-	-	-	-	-	-	-	-
Financing Cash Flow	4	10	2	(4)	(2)	(6)	(3)	(5)	(6)	(7)	(7)	(7)
Beginning Cash Balance	0	0	0	2	1	3	3	9	13	17	20	23
Ending Cash Balance	0	0	2	1	3	3	9	13	17	20	23	26
Net Cash Inflows/Outflows	0	(0)	2	(1)	2	0	6	4	4	3	3	3

UAH/USD Exchange rates

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Average exchange rate	5.05	5.05	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Year-end exchange rate	5.05	5.05	4.95	4.90	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95

Ukrproduct

Income statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Revenues	65	96	131	142	149	156	161	167	174	179	183	187
<i>Change y-o-y</i>	<i>N/M</i>	<i>49%</i>	<i>36.3%</i>	<i>7.8%</i>	<i>5.2%</i>	<i>4.4%</i>	<i>3.5%</i>	<i>4.0%</i>	<i>3.8%</i>	<i>3.0%</i>	<i>2.2%</i>	<i>2.3%</i>
Cost Of Sales	(49)	(73)	(99)	(105)	(110)	(114)	(117)	(122)	(127)	(131)	(134)	(138)
Gross Profit	16	24	32	36	39	41	44	45	47	48	49	50
Other Operating I/C, net	(1)	(1)	-	-	-	-	-	-	-	-	-	-
SG&A	(10)	(11)	(17)	(19)	(20)	(21)	(23)	(23)	(24)	(26)	(27)	(27)
EBITDA	5	11.1	15.1	17.5	19	21	21	22	23	22	22	22
<i>EBITDA margin. %</i>	<i>8%</i>	<i>11.5%</i>	<i>11.5%</i>	<i>12.4%</i>	<i>13.0%</i>	<i>13.2%</i>	<i>13.1%</i>	<i>13.1%</i>	<i>13.1%</i>	<i>12.5%</i>	<i>12.3%</i>	<i>12.0%</i>
Depreciation	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)
EBIT	3	8	12	14	16	17	18	19	20	19	19	20
<i>EBIT margin. %</i>	<i>4%</i>	<i>9%</i>	<i>9%</i>	<i>10%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>
Interest Expense	(0)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Financial income	-	0	-	-	-	-	-	-	-	-	-	-
Other income/(expense)	-	-	-	-	-	-	-	-	-	-	-	-
PBT	2	7	11	13	15	16	17	18	19	19	19	19
Tax	(0)	(1)	(3)	(3)	(4)	(4)	(4)	(5)	(5)	(5)	(5)	(5)
<i>Effective tax rate</i>	<i>10%</i>	<i>11%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Net Income	2	7	8	10	11	12	13	14	14	14	14	14
<i>Net Margin. %</i>	<i>3%</i>	<i>7%</i>	<i>6%</i>	<i>7%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>8%</i>	<i>7%</i>

Balance sheet summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Current Assets	13	21	24	26	29	32	37	42	48	52	57	62
Cash & Equivalents	0	2	1	1	3	5	8	12	16	20	24	28
Trade Receivables	7	10	12	13	14	16	16	17	18	19	19	20
Inventories	5	8	11	11	12	12	12	12	13	13	14	14
Other current assets	0	1	-	-	-	-	-	-	-	-	-	-
Fixed Assets	24	26	33	38	40	41	42	42	43	43	43	43
PP&E, net	21	24	30	35	37	38	39	39	40	40	40	40
Other Fixed Assets	3	3	3	3	3	3	3	3	3	3	3	3
Total Assets	37	47	57	64	69	74	79	84	90	95	100	105
Shareholders' Equity	25	31	39	45	50	54	58	62	66	70	74	79
Share Capital	8	8	8	8	8	8	8	8	8	8	8	8
Reserves and Other	17	22	30	37	42	46	49	54	58	62	66	70
Current Liabilities	11	15	16	16	16	17	18	19	20	21	21	22
ST Interest Bearing Debt	7	8	8	8	6	6	6	7	7	7	7	7
Trade Payables	4	6	8	9	9	10	11	12	13	14	14	14
Accrued Wages	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Taxes	0	0	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
LT Liabilities	2	2	3	3	3	3	3	4	4	4	4	4
LT Interest Bearing Debt	0	-	0	0	0	0	0	0	0	0	0	0
Other LT	2	2	3	3	3	3	3	3	3	4	4	4
Total Liabilities & Equity	37	47	57	64	69	74	79	84	90	95	100	105

Cash flow statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Income	2	7	8	10	11	12	13	14	14	14	14	14
D&A	3	3	3	3	3	3	3	3	3	3	3	3
Non-oper. & non-cash items	1	1	1	0	0	0	0	0	0	0	0	0
Changes in working capital	2	(3)	(2)	(1)	(1)	0	(1)	0	(1)	0	0	0
Operating Cash Flow	8	7	10	12	14	16	16	17	17	17	17	17
Capital Expenditures, net	(9)	(5)	(9)	(8)	(5)	(4)	(4)	(4)	(3)	(3)	(3)	(3)
Other Investments, net	-	(3)	0	-	-	-	-	-	-	-	-	-
Investing Cash Flow	(9)	(9)	(9)	(8)	(5)	(4)	(4)	(4)	(3)	(3)	(3)	(3)
Net Borrowings/(repayments)	2	1	0	0	(1)	0	0	0	0	0	0	0
Dividends Paid	0	(1)	(1)	(4)	(6)	(9)	(9)	(9)	(10)	(10)	(10)	(10)
Equity Financing & Other	0	(1)	0	-	-	-	-	-	-	-	-	-
Financing Cash Flow	1	0	(1)	(4)	(7)	(9)	(9)	(9)	(10)	(10)	(10)	(10)
Beginning Cash Balance	1	0	2	1	1	3	5	8	12	16	20	24
Ending Cash Balance	0	2	1	1	3	5	8	12	16	20	24	28
Net Cash Inflows/Outflows	0	(2)	(1)	0	2	2	3	4	4	4	4	4

UAH/USD Exchange rates

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Average exchange rate	5.05	5.05	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Year-end exchange rate	5.05	5.05	4.95	4.90	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95

Zhytomyr Dairy

Income statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Revenues	49	65	88	106	119	133	145	160	175	188	201	215
<i>Change y-o-y</i>	<i>N/M</i>	<i>32%</i>	<i>35%</i>	<i>20%</i>	<i>12%</i>	<i>12%</i>	<i>9%</i>	<i>10%</i>	<i>10%</i>	<i>7%</i>	<i>7%</i>	<i>7%</i>
Cost Of Sales	(35)	(46)	(62)	(75)	(84)	(95)	(103)	(114)	(125)	(135)	(145)	(155)
Gross Profit	14	19	26	31	35	39	42	46	50	54	57	60
Other Operating I/C, net	(1)	(1)	0	0	0	0	0	0	0	0	0	0
SG&A	(7)	(11)	(13)	(16)	(18)	(20)	(22)	(26)	(28)	(31)	(34)	(38)
EBITDA	7	8	13	15	17	19	20	21	22	23	23	23
<i>EBITDA margin. %</i>	<i>15%</i>	<i>13%</i>	<i>15%</i>	<i>15%</i>	<i>15%</i>	<i>14%</i>	<i>14%</i>	<i>13%</i>	<i>13%</i>	<i>12%</i>	<i>11%</i>	<i>11%</i>
Depreciation	(2)	(3)	(2)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(4)
EBIT	5	6	10	13	14	16	17	18	19	19	19	19
<i>EBIT margin. %</i>	<i>11%</i>	<i>9%</i>	<i>12%</i>	<i>12%</i>	<i>12%</i>	<i>12%</i>	<i>12%</i>	<i>11%</i>	<i>11%</i>	<i>10%</i>	<i>9%</i>	<i>9%</i>
Interest Expense	0	(0)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Financial income	0	0	0	0	0	0	0	0	0	0	0	0
Other income/(expense)	0	(0)	0	0	0	0	0	0	0	0	0	0
PBT	5	5	9	10	12	13	15	16	16	17	17	17
Tax	(1)	(2)	(2)	(3)	(3)	(3)	(4)	(4)	(4)	(4)	(4)	(4)
<i>Effective tax rate</i>	<i>29%</i>	<i>30%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
Net Income	4	4	7	8	9	10	11	12	12	13	13	12
<i>Net Margin. %</i>	<i>7%</i>	<i>6%</i>	<i>7%</i>	<i>7%</i>	<i>8%</i>	<i>7%</i>	<i>8%</i>	<i>7%</i>	<i>7%</i>	<i>7%</i>	<i>6%</i>	<i>6%</i>

Balance sheet summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Current Assets	10	15	17	21	25	29	34	41	48	56	64	73
Cash & Equivalents	1	0	1	1	2	3	5	8	12	17	22	28
Trade Receivables	5	6	8	10	12	13	15	16	18	20	21	23
Inventories	3	6	6	7	8	10	11	12	14	15	16	17
Other current assets	1	2	2	3	3	3	4	4	4	5	5	5
Fixed Assets	16	21	32	39	44	48	51	52	53	54	54	54
PP&E, net	15	19	32	38	43	47	50	52	53	53	54	54
Other Fixed Assets	1	2	0	0	0	0	0	0	0	0	0	0
Total Assets	26	35	49	59	69	77	85	93	101	110	118	127
Shareholders' Equity	19	23	30	36	43	50	57	63	69	75	82	88
Share Capital	0	0	0	0	0	0	0	0	0	0	0	0
Reserves and Other	19	22	29	36	42	49	57	62	69	75	81	88
Current Liabilities	7	13	14	17	20	23	24	27	30	32	35	37
ST Interest Bearing Debt	1	4	6	7	8	9	9	10	11	11	12	13
Trade Payables	3	5	4	5	7	9	10	11	13	13	14	15
Accrued Wages	0	0	-	-	-	-	-	-	-	-	-	-
Accrued Taxes	0	0	-	-	-	-	-	-	-	-	-	-
Other Current Liabilities	3	3	4	4	5	5	6	6	7	8	8	9
LT Liabilities	-	-	5	7	7	5	4	3	2	2	2	2
LT Interest Bearing Debt	-	-	5	7	7	5	4	3	2	2	2	2
Other LT	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities & Equity	26	35	49	59	69	77	85	93	101	110	118	127

Cash flow statement summary, USD mln

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Net Income	4	4	7	8	9	10	11	12	12	13	13	12
D&A	2	3	2	3	3	3	3	3	3	3	3	4
Non-oper. & non-cash items	0	0	0	0	0	0	0	0	0	0	0	0
Changes in working capital	1	(2)	(3)	(2)	(1)	(2)	(1)	(1)	(2)	(2)	(1)	(1)
Operating Cash Flow	7	5	6	9	11	11	13	14	14	15	15	15
Capital Expenditures, net	(6)	(7)	(13)	(9)	(8)	(7)	(6)	(5)	(4)	(4)	(4)	(4)
Other Investments, net	(1)	0	0	-	-	-	-	-	-	-	-	-
Investing Cash Flow	(6)	(7)	(13)	(9)	(8)	(7)	(6)	(5)	(4)	(4)	(4)	(4)
Net Borrowings/(repayments)	0	3	8	2	1	(1)	(1)	0	0	1	1	1
Dividends Paid	-	-	-	(2)	(2)	(3)	(4)	(6)	(6)	(6)	(6)	(6)
Equity Financing & Other	0	0	-	-	-	-	-	-	-	-	-	-
Financing Cash Flow	(1)	3	8	0	(1)	(4)	(5)	(6)	(6)	(6)	(5)	(5)
Beginning Cash Balance	1	1	1	1	1	2	3	5	8	12	17	22
Ending Cash Balance	1	0	1	1	2	3	5	8	12	17	22	28
Net Cash Inflows/Outflows	0	0	0	0	1	0	2	3	4	5	5	6

UAH/USD Exchange rates

	2006	2007	2008E	2009E	2010E	2011E	2012E	2013E	2014E	2015E	2016E	2017E
Average exchange rate	5.05	5.05	4.99	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95
Year-end exchange rate	5.05	5.05	4.95	4.90	4.95	4.95	4.95	4.95	4.95	4.95	4.95	4.95

Appendix D: Quarterly analysis*

Galakton

	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08
Net Revenues, mln USD	18.9	18.4	18.9	23.3	79.5	23.3	25.7	25.0	27.8	101.7	32.2
Change yoy	4.3%	-1.4%	-10.1%	24.0%	44.7%	22.9%	39.4%	32.3%	19.4%	27.9%	38.2%
Gross Profit, mln USD	3.8	5.0	4.4	3.3	16.5	3.4	4.8	3.8	2.8	14.8	5.3
Gross Margin, %	19.9%	27.1%	23.4%	14.2%	20.7%	14.5%	18.5%	15.2%	10.1%	14.5%	16.4%
EBITDA, mln USD	2.0	3.2	2.5	0.8	8.5	1.4	1.9	1.9	0.9	6.1	2.9
EBITDA margin, %	10.7%	17.3%	13.0%	3.6%	10.7%	6.1%	7.4%	7.5%	3.3%	6.0%	9.1%
Net Income, mln USD	0.9	1.4	0.8	(0.6)	2.4	0.0	0.4	0.4	(0.4)	0.4	0.2
Net Margin, %	4.7%	7.5%	4.2%	-2.8%	3.0%	0.0%	1.4%	1.8%	-1.4%	0.4%	0.7%

Note: Combined financials are based on Kremenchuk Milk and Galakton accounts

Kovelmoloko

	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08
Net Revenues, mln USD	5.2	7.7	7.7	7.0	27.6	8.4	14.7	13.4	16.4	52.9	19.1
Change yoy	11.9%	-8.5%	23.9%	-11.4%	1.6%	61.3%	91.4%	72.8%	133.9%	91.3%	127.7%
Gross Profit, mln USD	1.2	1.0	1.0	0.9	4.1	0.2	2.3	2.2	2.2	6.9	1.4
Gross Margin, %	22.7%	13.4%	12.4%	13.5%	14.9%	1.9%	15.5%	16.6%	13.5%	13.0%	7.3%
EBITDA, mln USD	1.0	0.7	0.6	0.4	2.7	(0.2)	1.8	1.2	0.7	3.4	0.9
EBITDA margin, %	18.7%	8.9%	7.6%	6.1%	9.7%	-2.5%	11.9%	8.7%	4.2%	6.4%	4.7%
Net Income, mln USD	0.4	0.1	(0.1)	(0.2)	0.2	(0.8)	1.0	1.4	(1.0)	0.7	0.1
Net Margin, %	7.9%	1.3%	-0.8%	-3.2%	0.8%	-9.9%	7.2%	10.8%	-5.9%	1.3%	0.6%

Shostka Milk

	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08
Net Revenues, mln USD	8.4	10.4	11.6	13.1	43.5	10.8	13.8	17.7	20.5	62.7	19.2
Change yoy	2.2%	-3.5%	-9.6%	6.4%	-1.5%	28.8%	32.9%	52.0%	56.3%	44.3%	78.1%
Gross Profit, mln USD	1.8	2.2	3.1	3.7	10.7	2.0	3.1	3.2	3.7	12.0	2.5
Gross Margin, %	21.0%	20.9%	26.6%	28.4%	24.7%	18.9%	22.5%	18.0%	17.9%	19.1%	12.9%
EBITDA, mln USD	0.9	1.2	2.0	2.2	6.4	0.6	1.4	1.4	1.5	4.9	0.4
EBITDA margin, %	10.7%	11.9%	17.5%	16.9%	14.7%	5.4%	9.9%	8.0%	7.5%	7.8%	2.2%
Net Income, mln USD	0.3	0.4	0.8	1.0	2.6	(0.2)	0.4	0.5	0.5	1.3	(0.3)
Net Margin, %	3.0%	4.3%	7.1%	7.8%	5.9%	-1.6%	3.3%	2.9%	2.6%	2.1%	-1.6%

Zhytomyr Dairy

	1Q06	2Q06	3Q06	4Q06	2006	1Q07	2Q07	3Q07	4Q07	2007	1Q08
Net Revenues, mln USD	6.9	15.6	16.3	8.2	46.9	9.3	22.1	21.4	12.3	65.1	13.9
Change yoy	14.2%	-2.1%	-0.2%	-12.6%	-1.5%	35.9%	41.5%	31.5%	49.6%	38.6%	49.2%
Gross Profit, mln USD	1.6	5.3	5.3	2.1	14.3	2.5	7.1	6.8	3.2	19.5	3.4
Gross Margin, %	22.8%	34.1%	32.8%	25.2%	30.4%	26.5%	32.1%	31.7%	26.1%	30.0%	24.7%
EBITDA, mln USD	0.6	3.2	3.0	0.6	7.3	0.9	3.8	3.0	0.8	8.5	1.3
EBITDA margin, %	8.7%	20.3%	18.5%	6.9%	15.6%	9.8%	17.1%	14.0%	6.9%	13.1%	9.0%
Net Income, mln USD	0.1	2.0	1.7	(0.2)	3.6	0.1	2.4	1.6	(0.1)	4.0	0.3
Net Margin, %	1.0%	12.8%	10.6%	-1.9%	7.7%	1.3%	10.7%	7.5%	-0.7%	6.1%	2.0%

Ukrproduct

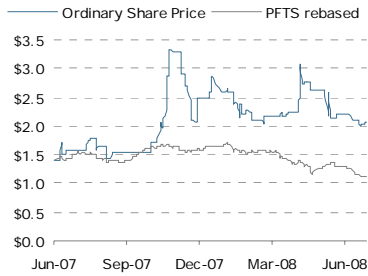
	1H05	2H05	2005	1H06	2H06	2006	1H07	2H07	2007
Net Revenues, mln USD	31.5	41.2	72.7	32.1	32.6	64.6	43.9	52.4	96.3
Change y-o-y, %	57%	31%	47%	-22%	2%	-11.0%	35%	19%	49.0%
Gross profit, mln USD	5.3	7.1	12.3	6.5	6.9	13.4	9.6	11.4	20.9
Gross margin, %	17%	17%	17%	20%	21%	21%	22%	22%	22%
EBITDA, mln USD	3.0	3.2	6.3	2.5	2.6	5.2	5.0	6.1	11.1
EBITDA margin, %	10%	8%	9%	8%	8%	0.1	11%	12%	11.5%
Net Income, mln USD	2.1	1.5	3.7	1.1	0.9	2.0	2.8	3.8	6.5
Net margin, %	7%	4%	5%	3%	3%	3%	6%	7%	6.8%

* Semiannual analysis for Ukrproduct

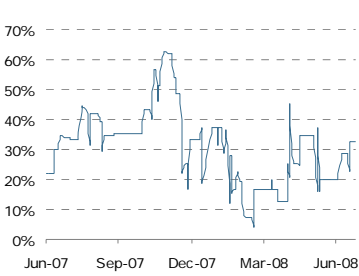
Appendix E: Stock monitor

Price vs. PFTS index

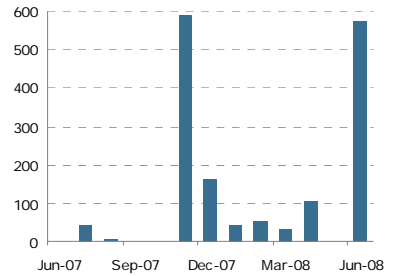
Galakton



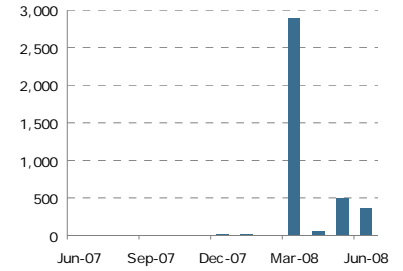
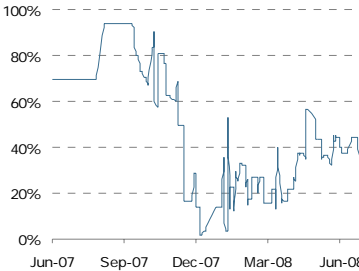
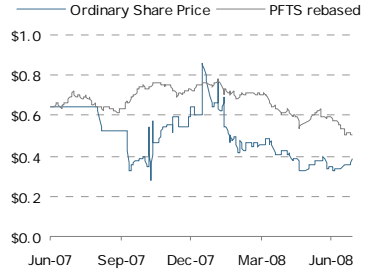
Spread, %



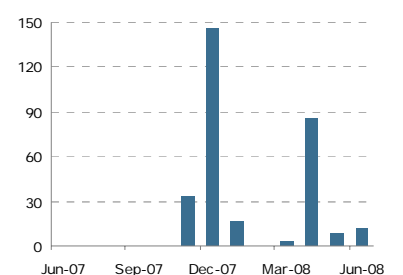
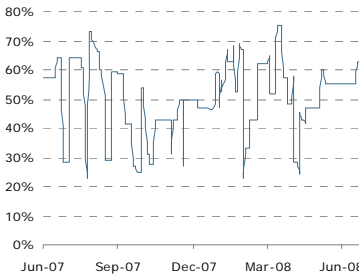
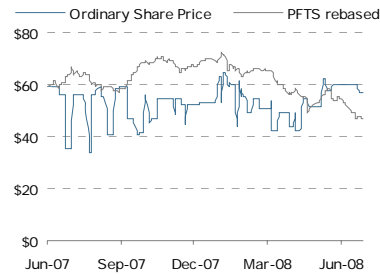
Trading volumes, USD ths



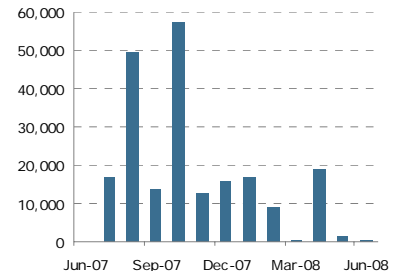
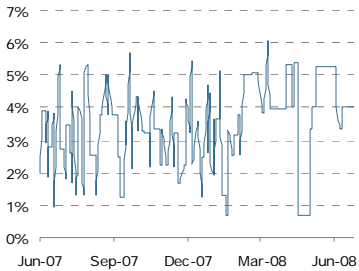
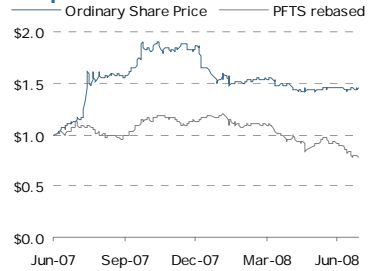
Kovelmoloko



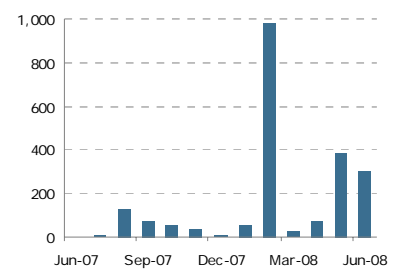
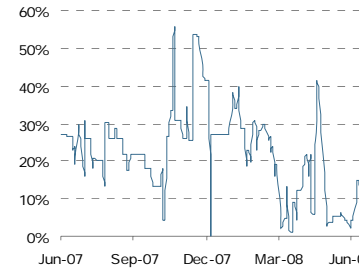
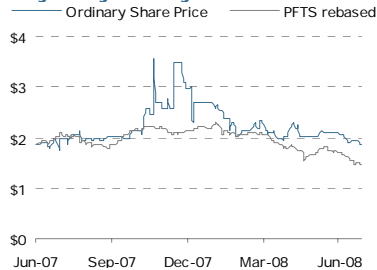
Shostka Milk



Ukrproduct



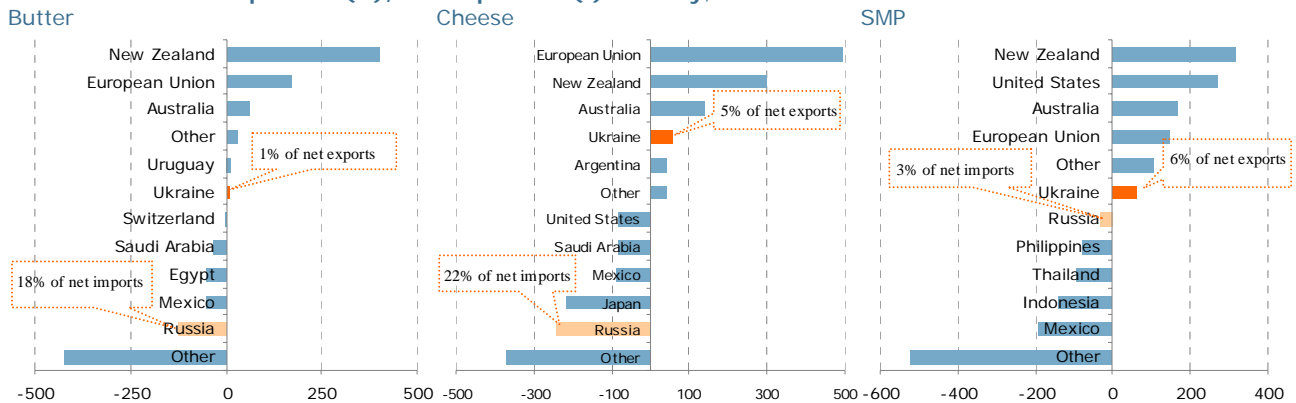
Zhytomyr Dairy



Source: PFTS, Bloomberg

Appendix F: International trade in dairy products

International net exporters (+), net importers (-) of dairy, ths mt in 2007



Source: Food and Agricultural Policy Research Institute (FAPRI)

Ukrainian producers exporting dairy products to Russia

Date	Company	Product
Mar. 01, 2006	Prometey (Milkiland)	Cheese
	Ros (Milkiland)	
	Pyryatyn Cheese	
Mar. 16, 2006	Khmelnytsk Cheese & Butter	Cheese
	Gadyachsy	Cheese and milk powder
Mar. 20, 2006	Baltsky Milk-Canning	Milk powder
Jul. 26, 2007	Shostka Milk	Cheese
Sept. 17, 2007	Novohrad-Volynsky Cheese	Cheese and milk powder
Oct. 24, 2007	Kovelmoloko	Cheese and milk powder
	Svitlovodsky Butter & Cheese	
	Zhytomyr Dairy	
Jan. 24, 2008	Rozhyschensky Cheese	Cheese

Source: Press reports, Company' data

Appendix - Disclosures

Analyst Certification

We, Anna Dudchenko and Oksana Lyashuk, hereby certify that the views expressed in this research report accurately reflect our personal views about the subject securities and issuers. We also certify that no part of our compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

Ratings history

GALTN				
Date	Target price, USD	Market Price, USD	Rec	Action
02-Nov-07	3.6	2.0	BUY	Initiating
21-Dec-07	3.3	2.2	BUY	Maintain
22-Jul-08	5.1	2.1	BUY	Maintain

KMOL				
Date	Target price, USD	Market Price, USD	Rec	Action
02-Nov-07	0.7	0.5	BUY	Initiating
21-Dec-07	0.7	0.6	BUY	Maintain
22-Jul-08	1.0	0.4	BUY	Maintain

SHMK				
Date	Target price, USD	Market Price, USD	Rec	Action
02-Nov-07	47.6	47.0	HOLD	Initiating
21-Dec-07	41.7	52.0	SELL	Downgrade
22-Jul-08	51.1	47.4	HOLD	Upgrade

UKR				
Date	Target price, USD	Market Price, USD	Rec	Action
02-Nov-07	1.9	1.9	HOLD	Initiating
21-Dec-07	1.9	1.9	HOLD	Maintain
22-Jul-08	2.7	1.4	BUY	Upgrade

ZHMZ				
Date	Target price, USD	Market Price, USD	Rec	Action
02-Nov-07	3.0	2.6	BUY	Initiating
21-Dec-07	3.0	3.1	BUY	Maintain
22-Jul-08	3.1	1.5	BUY	Maintain

Recommendation history

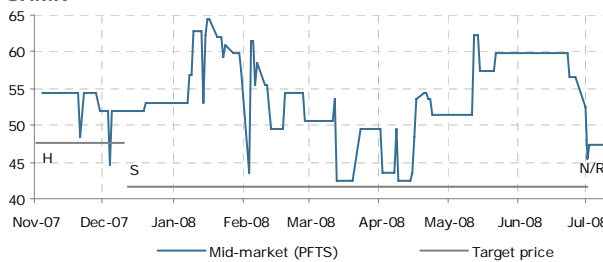
GALTN



KMOL



SHMK



UKR (LN)



ZHMZ



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 15% 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 15%. 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.

Concorde Capital ratings distribution

Buy	77	68%
Hold	20	18%
Sell	7	6%
Under Review	10	9%
Total	114	100%

Investment banking clients*

Buy	7	100%
Hold	0	0%
Sell	0	0%
Under Review	0	0%
Total	7	100%

* Within the last twelve month period, Concorde Capital has obtained compensation from these companies for investment banking services.

Concorde Capital
2 Mechnikova Street
21st Floor
Kyiv 01601, UKRAINE

Tel.: +380 44 391 5577
Fax: +380 44 391 5571
www.concorde.com.ua
office@concorde.com.ua

CEO

Igor Mazepa

im@concorde.com.ua

Head of Equity Sales

Roman Nasirov

rn@concorde.com.ua

Equity Sales

Anastasiya Nazarenko

Duff Kovacs, CFA

Marina Martirosyan

Andriy Supranonok

an@concorde.com.ua

dk@concorde.com.ua

mm@concorde.com.ua

sap@concorde.com.ua

Director of Research

Konstantin Fisun, CFA

kf@concorde.com.ua

RESEARCH

Strategy

Konstantin Fisun

Oleksandr Klymchuk

kf@concorde.com.ua

ok@concorde.com.ua

Metals & Mining

Eugene Cherviachenko

Andriy Gerus

ec@concorde.com.ua

ga@concorde.com.ua

Utilities (Telecom, Energy)

Alexander Paraschiy

ap@concorde.com.ua

**Oil & Gas, Chemicals,
Pharmaceuticals**

Vladimir Nesterenko

vn@concorde.com.ua

Real Estate/Construction

Andriy Gostik, CFA

Alexander Romanov

ag@concorde.com.ua

ar@concorde.com.ua

Consumer-related

Olha Pankiv

Anna Dudchenko

op@concorde.com.ua

ad@concorde.com.ua

Machinery

Inna Perepelytsya

pi@concorde.com.ua

Financial Services, Retail

Alexander Viktorov

av@concorde.com.ua

Macroeconomics

Polina Khomenko

Andrii Parkhomenko

pk@concorde.com.ua

pav@concorde.com.ua

Fixed Income

Oleksandr Klymchuk

ok@concorde.com.ua

Editor

Brad Wells

bw@concorde.com.ua

Disclaimer

THIS REPORT HAS BEEN PREPARED BY CONCORDE CAPITAL INVESTMENT BANK INDEPENDENTLY OF THE RESPECTIVE COMPANIES MENTIONED HEREIN FOR INFORMATIONAL PURPOSES ONLY. CONCORDE CAPITAL DOES AND SEEKS TO DO BUSINESS WITH COMPANIES COVERED IN ITS RESEARCH REPORTS. AS A RESULT, INVESTORS SHOULD BE AWARE THAT CONCORDE CAPITAL MIGHT HAVE A CONFLICT OF INTEREST THAT COULD AFFECT THE OBJECTIVITY OF THIS REPORT.

THE INFORMATION GIVEN AND OPINIONS EXPRESSED IN THIS DOCUMENT ARE SOLELY THOSE OF CONCORDE CAPITAL AS PART OF ITS INTERNAL RESEARCH COVERAGE. THIS DOCUMENT DOES NOT CONSTITUTE OR CONTAIN AN OFFER OF OR AN INVITATION TO SUBSCRIBE FOR OR ACQUIRE ANY SECURITIES. THIS DOCUMENT IS CONFIDENTIAL TO CLIENTS OF CONCORDE CAPITAL AND IS NOT TO BE REPRODUCED OR DISTRIBUTED OR GIVEN TO ANY OTHER PERSON.

CONCORDE CAPITAL, ITS DIRECTORS AND EMPLOYEES OR CLIENTS MIGHT HAVE OR HAVE HAD INTERESTS OR LONG/SHORT POSITIONS IN THE SECURITIES REFERRED TO HEREIN, AND MIGHT AT ANY TIME MAKE PURCHASES AND/OR SALES IN THEM AS A PRINCIPAL OR AN AGENT. CONCORDE CAPITAL MIGHT ACT OR HAS ACTED AS A MARKET-MAKER IN THE SECURITIES DISCUSSED IN THIS REPORT. THE RESEARCH ANALYSTS AND/OR CORPORATE BANKING ASSOCIATES PRINCIPALLY RESPONSIBLE FOR THE PREPARATION OF THIS REPORT RECEIVE COMPENSATION BASED UPON VARIOUS FACTORS, INCLUDING QUALITY OF RESEARCH, INVESTOR/CLIENT FEEDBACK, STOCK PICKING, COMPETITIVE FACTORS, FIRM REVENUES AND INVESTMENT BANKING REVENUES.

PRICES OF LISTED SECURITIES REFERRED TO IN THIS REPORT ARE DENOTED IN THE CURRENCY OF THE RESPECTIVE EXCHANGES. INVESTORS IN FINANCIAL INSTRUMENTS SUCH AS DEPOSITORY RECEIPTS, THE VALUES OR PRICES OF WHICH ARE INFLUENCED BY CURRENCY VOLATILITY, EFFECTIVELY ASSUME CURRENCY RISK.

DUE TO THE TIMELY NATURE OF THIS REPORT, THE INFORMATION CONTAINED MIGHT NOT HAVE BEEN VERIFIED AND IS BASED ON THE OPINION OF THE ANALYST. WE DO NOT PURPORT THIS DOCUMENT TO BE ENTIRELY ACCURATE AND DO NOT GUARANTEE IT TO BE A COMPLETE STATEMENT OR SUMMARY OF AVAILABLE DATA. ANY OPINIONS EXPRESSED HEREIN ARE STATEMENTS OF OUR JUDGMENTS AS OF THE DATE OF PUBLICATION AND ARE SUBJECT TO CHANGE WITHOUT NOTICE. REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART WITHOUT PRIOR PERMISSION IS PROHIBITED.

NEITHER THIS DOCUMENT NOR ANY COPY HEREOF MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OR DISTRIBUTED IN THE UNITED STATES OR TO ANY U.S. PERSON (WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT")), OTHER THAN TO A LIMITED NUMBER OF "QUALIFIED INSTITUTIONAL BUYERS" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) SELECTED BY CONCORDE CAPITAL.

THIS DOCUMENT MAY ONLY BE DELIVERED WITHIN THE UNITED KINGDOM TO PERSONS WHO ARE AUTHORIZED OR EXEMPT WITHIN THE MEANING OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 ("FSMA") OR TO PERSONS WHO ARE OTHERWISE ENTITLED TO RECEIVE THIS DOCUMENT UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005, OR ANY OTHER ORDER MADE UNDER THE FSMA.