



CONCORDE CAPITAL

Ukraine / Electricity

Dniproenergo

AGM results

March 24, 2009

Current price: USD 53.3
12M Target: USD 284.2

BUY

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Tickers

Bloomberg DNEN UZ

Market information

Market price, USD	53.3
MCap, USD mln	318.0
Chg 12M	-60%
Hi / Lo 12M, USD	461.4 / 42.3
No of shares, mln	5.967
Per value, UAH	10.0
Free float	3.9%
Free float, USD mln	12.4

Shareholders

NC ECU (State)	50.0%
DTEK-related	46.1%
Other	3.9%

Key financials, USD mln

	2007	2008	2009E
Sales	757	886	579
EBITDA margin	10.5%	5.7%	6.3%
Net margin	3.2%	-0.3%	0.6%

- Today Dniproenergo shareholders held an AGM; contrary to our expectations, the National Energy Company of Ukraine (the NC ECU) checked in for the AGM
- By checking in, the NC ECU recognized that it owns only a 50%+1 stake in the company (it had laid claim to 76%), effectively legalizing the pro-DTEK additional share issue held in 2007
- Key implication for minorities – total number of shares is now 5.97 mln

Other issues considered by the AGM:

- Shareholders decided not to issue bonds. The issue was planned to be bought out by DTEK-related companies as a way to comply with DTEK's investment obligations. Rejection of the bond issue leaves open the question of how DTEK will fulfill its investment commitments. If it does not, this could give the NC ECU another channel through which to seek to revise the results of the additional share issue
- Shareholders approved a dividend payout of UAH 60.97 mln from the company's 2007 net income (DPS is UAH 10.2, or USD 1.26; dividend yield is 2.4%)

FLASH NOTE

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