

Poland + Ukraine = Euro 2012

Europe Says BUY Ukraine



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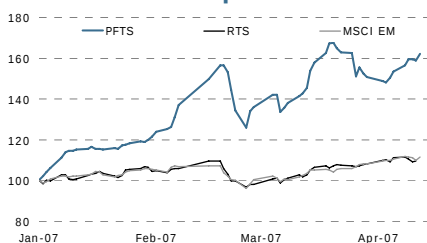
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WATCH LIST

Company	Mcap, USD mln	Cur Pr, USD	Pr chg, YTD
TMM	n/a	n/a	n/a
XXI Century	593.6	15.90	18%
Kovalska Concrete	n/a	n/a	n/a
Kramatorsk Cement	29.0	0.07	9%
Kyivmetrobud	39.6	9.9	0%
Kyivmiskbud	n/a	n/a	n/a
Mostobud	61.7	106.44	47%
Dniprovahonrembud	n/a	n/a	n/a
Dnipropetrovsk Switch	15.1	59.41	-2%
Kryukiv Wagon	264.6	2.31	35%
Lughanskteplovoy	115.0	0.52	16%
Bank Forum	920.4	8.22	-24%
Raiffeisen Bank Aval	3 946.2	0.19	47%
Ukrsofsbank	2 553.7	0.69	46%
Mittal Steel Kryviy Rig	5 449.2	1.41	20%
Dniprometiz	27.3	79.21	69%
Dnipropetrovsk Pipe	146.3	138.61	36%
Kominmet	52.9	0.41	156%
Silur	18.3	0.004	41%
Ukrnafta	3 887.3	71.68	18%
Galnaftogaz	221.8	0.014	30%

PFTS Relative performance



Source: Bloomberg

Key economic data

	2006	2007E	2008E
GDP real growth, %	7.1	7.3	6.3
Industrial output growth, %	6.2	7.5	5.6
CPI (eop), %	11.6	11.0	10.0
FDI inflow, USD bln	5.3	4.5	5.2
NBU Reserves, USD bln	22.3	24.0	24.5
State Budget Balance, % GDP	-0.7	-1.9	-2
Retail turnover real growth, %	25.3	24.0	23.0
Banking Assets growth, %	59.0	47.0	38.0

Source: NBU, Statistics Committee, Concorde Capital estimates. Note: Estimates were made before the UEFA vote and will be revisited soon

The UEFA's selection of Ukraine & Poland on April 18 to host the 2012 European Soccer Championship is a clear indicator of how Europe evaluates the long-term effects of Ukraine's political "instability" and the prospects it holds for the country's future. The announcement will be a flash point in the development of the country's infrastructure and spur investments into the economy. Real estate/development, construction, railway machine-building, and banks will be among the major beneficiaries.

Poland & Ukraine: Euro-2012

Poland & Ukraine were selected over strong bids from other finalists, Italy and Croatia-Hungary, after beating out eight other countries (including future EU member Turkey) in earlier rounds to host the European Championship in 2012. Holding Euro-2012 automatically implies holding the European Under-21 Football Championship in 2014. European decision-makers that voted for Ukraine are likely to do their best to help Ukraine put on a top class show in 2012. This includes both organization and political will, along with assistance in getting financing from international financial institutions.

Investments to boom

The news definitely means an acceleration in investments (in the year after the announcement Portugal would be home to Euro-2004, FDI into the country doubled). In Ukraine, USD 4.3 bln from local public and private investors are penciled in for projects related to the tournament, as stated in the draft law on the organization of Euro-2012. However, major investments will flow into transportation infrastructure – some USD 20 bln as projected by the Ministry of Transportation. Poland and Ukraine are the least developed countries in terms of their transportation network of any country ever to host the event – in fact, investments in infrastructure are scheduled higher than those directly related to the tournament. This will translate into a much deeper impact for Euro-2012 on these two economies than on any previous host-country.

Comprehensive impact on the economy

Property developers and construction companies will lead the pack, driven by orders to build lacking hotels, sports facilities, airport terminals and highways. TMM and XXI Century have already started negotiations with authorities to work on the projects. Financial inflow into the financial system will provide banks with plenty opportunities to earn. High demand will spread into other sectors of the economy: building materials, machine building and others through the multiplication effect. Closer to the cup year, other effects will include returns on tickets sales and sales of broadcasting rights, advertising revenues, and growth in hotel and restaurant businesses as well as retail trade. Pan-European publicity and media exposure will help establish the long-term positive perception of Ukraine.

Winners

Major beneficiaries will be sectors directly related to infrastructure: real estate/development, construction, building materials, railway machine-building, as well as commercial banks. We also draw attention to several companies whose products and services hint that they might benefit. See the full list on the left and company profiles in the second part of the report.

Euro-2012 Bound

Heavy political dividends for Ukraine

On April 18, Poland and Ukraine succeeded in their bid to host the European Soccer Championship in 2012, beating out Italy and another tandem effort from Croatia-Hungary. The victory means Ukraine will host both the European Soccer Championship in 2012 and the under-21 championship in 2014.

Ukraine-Poland: Europe's new political tag-team?

The decision was a mixture of politics and economics: favorite Italy was best suited to host the event, but a match fixing scandal tarnished their chances. Ukraine's smart diplomacy with its neighbors to the east (Ukraine received Russia's vote) and the west, led Ukraine toward this shared victory. The bid was a good barometer of Europe's attitude toward Eastern Europe. Poland, as one of the biggest advocates of Ukraine's Euro-integration, came up with the idea of the joint bid to help pull Ukraine closer to the west and into the EU's sway. After their success, Ukraine can now count on an even stronger pro-Ukrainian lobby from its western neighbor, which despite being an EU newcomer is quite influential.

A clear message from Europe: Your politicians play by rules

The selection of Poland & Ukraine suggests Europe does not expect major long-term negative effects from the current political crisis in Ukraine and has a positive outlook for Ukraine's five-year future. The UEFA's choice was made amid a political stand off between the President and the coalition government, which has been a factor since April 2. From our talks with UEFA representatives, we were led to believe that the selection commission was well aware of the tension and accounted for the crisis in its decision, which is clearly a strong and positive signal to investors in Ukraine.

Ukraine can count on European backing

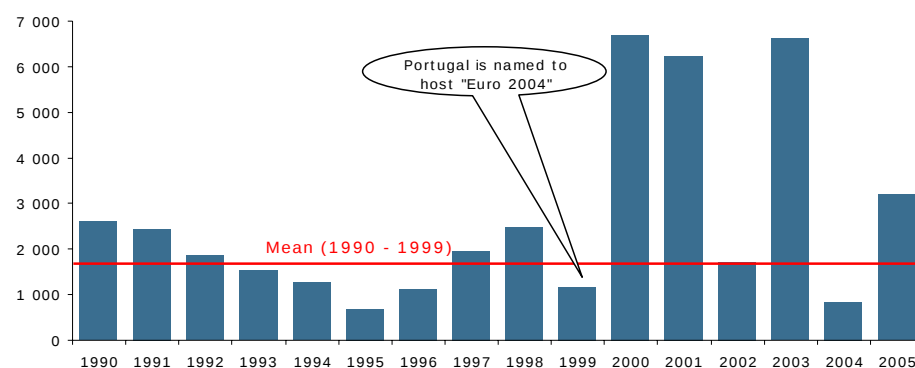
Complaints out of Old Europe, especially from the Italians, that Eastern Europe was heavily lobbied for based on purely political grounds only makes us more positive, since the European decision-makers that voted for Ukraine are likely to do their best to help Ukraine put on a top class show in 2012. This includes both organization and political will, along with assistance in getting financing from international financial institutions.

Positive news for the economy

FDI booster

Euro-2012 will undoubtedly add considerable economic benefits, forcing substantial capital investments over a limited period of time. We expect a dramatic increase in foreign direct investments into the country, as we believe Ukraine in general will follow the route of Portugal where FDI more than doubled the year after the announcement that Portugal would be the home country for Euro-2004.

Net FDI in Portugal, USD mln



Source: Bloomberg

Broad economic impact

Capital investments will flow into sport facilities and hotel construction as well as railway and highway infrastructure. High demand in construction will spread out into more sectors of the economy: building materials, transportation, machine building and others through multiplication effects. The banking sector will benefit from a strong inflow of capital to the national economy. On the other side, newly created jobs and increases in wages will spur private consumption. Closer to the cup year, additional effects will come into play: returns on tickets sales and sales of broadcasting rights, advertising revenues, demand growth in the hotel and restaurant businesses as well as a boom in retail trade activity. Publicity and strong media exposure throughout the European continent will attract a wave of tourists to the country which is rich in resorts and places to see.

Estimated investments

In terms of development needs, Portugal provides a good benchmark. The total amount the country spent to set up for the games was EUR 4 bln (about USD 5.4 bln). Unlike Ukraine, Portugal, which is relatively more compact geographically, did not have to invest heavily into its transportation infrastructure. They financed the construction of 7 new stadiums and the modernization of 3 arenas.

Direct budget financing will be modest. A draft law on the organization of Euro-2012 was prepared and passed the first reading as early as February 2007. According to the draft, the budget will allocate USD 282 mln to finance activities directly related to the event. Right after the UEFA vote, the Cabinet announced that they started working out a detailed program that we expect will significantly upgrade the initial budget. This plan should be presented soon. It is already evident that local authorities will invest more than the USD 40 mln planned in the draft law, as Kyiv alone will invest USD 272 mln for the construction of a brand new stadium.

Businessmen confirmed USD 4 bln spending. The law additionally foresees another USD 4 bln from private investors, attracting them, among other things, through USD 600 mln in tax privileges for investment projects related to Euro-2012. The President of Ukrainian Football Federation recently confirmed a figure for private investments and said it was agreed to by businessmen, mainly football clubs, as well as hotel and tourist operators.

USD 20 bln for infrastructure projects will be financed from diverse sources. The major investments will be undertaken in transportation infrastructure projects, which are not directly addressed in the aforementioned law. The Ministry of Transportation announced on April 18, an infrastructure investment program of USD 20 bln for 2007-2011. Our rough estimates show that the plan is realistic: without borrowing, the central government will be able to finance 47-60% of that amount by allocating just 4-5% of the state budget annually.

Example: 2006 Budget expenditures on transportation infrastructure

	USD mln	% of total
Development and maintenance of public roadway network	784	2.9%
Repayment of loan under the state guarantee for reconstruction of Kyiv-Odesa and Kyiv-Chop highways	125	0.5%
Subvention to local budgets for construction, renovation and maintenance of municipal roadway network	89	0.3%
Subvention to Zaporizhya City budget for highway and bridge construction	46	0.2%
Subvention to local budgets for construction, maintenance of subway network	40	0.1%
Total for transportation infrastructure	1 084	4.0%
Total budget expenditures	27 145	100.0%

Local governments can provide 5-8% of the total, state-run enterprises (Ukravtodor, Ukrzaliznytsya and other) - 10-15%, the remaining 17-38% would be divided between private business investments, loans from the IFOs and local banks. Moreover, the Ukrainian government has ample capacity to issue foreign debt as total public debt is currently just 15% of GDP.

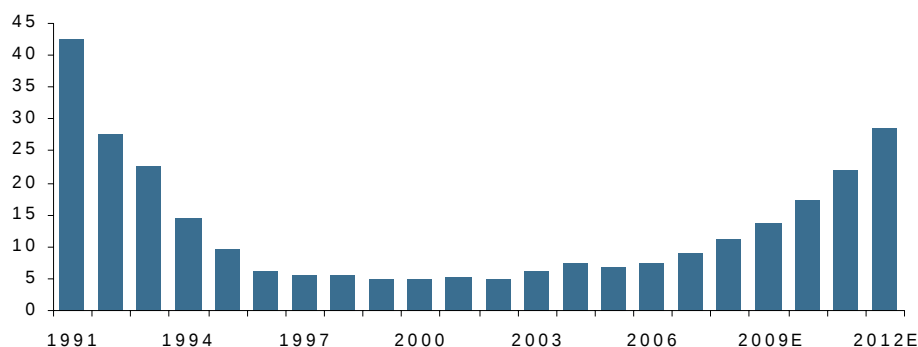
CONSTRUCTION

Euro-2012 will support a construction recovery

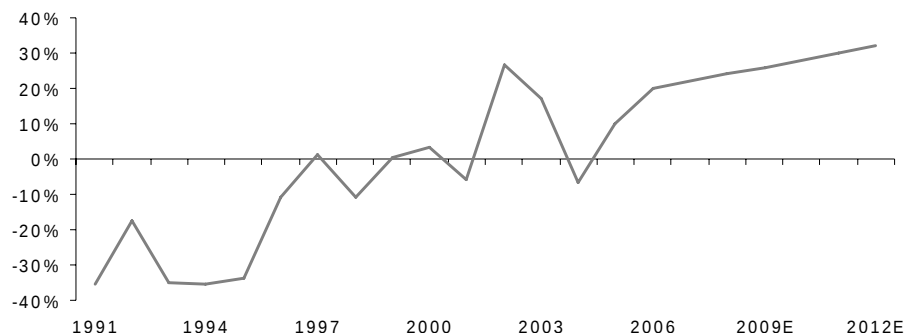
In 2006, construction volumes in Ukraine stood at only 17% of the industry's output in 1990. In the mid-term, continued real income growth and GDP expansion will continue to speed the sector's recovery, while Euro-2012 provides a solid, additional boost.

Construction companies and real estate developers will benefit from Euro-2012 related orders to build hotels, restaurants, sports facilities, stadiums, airport terminals and highways. Companies like TMM and XXI Century have already started negotiating with authorities.

Construction works, USD bln, 2006 prices



Change, y-o-y

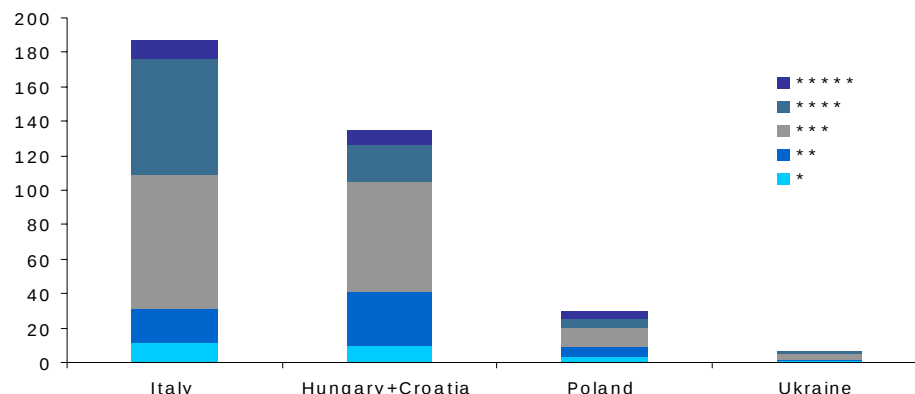


Source: State Statistical Committee, Concorde Capital estimates

An increasing number of people traveling across Ukraine requires a substantial investment into the development of the country's tourist-related infrastructure including the hospitality market, transportation and retail. Euro-2012 is likely to have a substantial impact on Ukrainian tourism, caused by increased publicity and media coverage through Europe. An additional half a million visitors, primarily from EU countries, are expected to visit the final round of Euro-2012 in Ukraine.

At present, the hotel market in Ukraine is among the least developed in Europe. Currently, the total number of hotel rooms in Ukraine's four host cities is estimated to be at about 7 thousand within 10 km of the stadium (9 ths within 74 km according to UEFA standards). Even in Kyiv, Ukraine's most developed city, there is just one international brand operating – Radisson SAS.

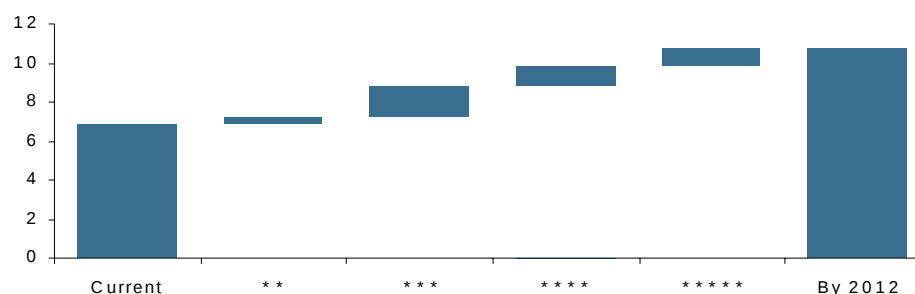
Hotel space available, ths rooms



Source: Poland-Ukraine bid to host UEFA EURO 2012

Total hotel space currently available in the four host cities in Ukraine comprises just a fraction of those available in Italy, which was one of the candidates to host UEFA Euro-2012. Taking into account the expected number of visitors for championships, Ukraine will have to at least double its available hotel space by 2012. According to the Poland-Ukraine bid, Ukraine is committed to building 34 new hotels.

New hotel space planned, ths rooms



Note: Stars indicate rating of planned hotel space

Source: Poland-Ukraine bid to host UEFA EURO 2012

Available Hotel Space in Host Cities, Rooms

City	*		**		***		****		*****	
	existing	planned	existing	planned	existing	planned	existing	planned	existing	planned
Dnipropetrovsk	59		140		422		47		71	
Donetsk	41		288		251	32	79	96	129	
Kyiv	17		436	400	2116	1500	906	1000	289	900
Lviv	655		288		198		405			
Total	772		1152	400	2987	1532	1437	1096	489	900

Source: Poland-Ukraine bid to host UEFA EURO 2012

Additionally, Ukraine is to have six stadiums that meet European standards ready by 2010, according to the UEFA policies. The matches will be played at stadiums in Kyiv, Donetsk, Dnipropetrovsk and Lviv. Two more stadiums in Donetsk and Odesa, will be on call.

City	Name	Capacity, seats		Re-/construction	
		current	planned	Ends	Cost, USD mln
Kyiv	Olympic Stadium	n/a	77 000	2010	300
Donetsk	Shakhtar Stadium	31 718	50 000	2008	300
Lviv	Ukraina Stadium	28 051	36 000	2009	60
Dnipropetrovsk	National Stadium	24 381	31 000	2007	65
Donetsk	Olympic Stadium (reserve)	25 500	30 600	2009	60
Odesa	Central Stadium (reserve)	31 000	31 000	2010	60

Source: Poland-Ukraine bid to host UEFA EURO 2012 (Phase I)

The National Stadium in Dnipropetrovsk will be ready in September of this year. The new Shakhtar Stadium is under construction in Donetsk and is going to be one of the top stadiums in Eastern Europe, according to Ukrainian football officials (see image on the cover page of this report). The reconstruction of other stadiums has not started yet and investments necessary for these projects will be around USD 500 mln.

TRANSPORTATION

Poland and Ukraine are the least developed countries in terms of transportation infrastructure, ever to have been selected to host the European Championship Finals - in both countries investments in infrastructure are scheduled to be higher than those directly related to the Finals. This will translate into a more comprehensive impact for Euro-2012 on these two economies than on any previous host-country.

We expect solid development of railway and road connections in the two host countries in 2007-2012, with total investments of around USD 50 bln (about USD 26 bln estimated by Polish Transport Ministry and USD 20 bln by the Ukrainian Ministry of Transport and Communications). We expect the plan to have a high priority in Ukraine, as it is eager to prove its readiness to be accepted by European Community. Many Ukrainian officials consider successful preparation for the tournament as an important step toward EU accession.

In particular, the plan envisages a renewal and increase in the capacity of airports and railway stations, the development of a nation-wide network of high-speed railways, construction of new roads with the help of foreign capital, providing that roads built will be given in concession.

Railway transport. According to official sources, of the USD 20 bln earmarked for transportation development, approximately USD 5 bln will be invested in railways. Among the projects are high-speed connections between major Ukrainian cities, an increase of railway station capacities and the reconstruction of existing connections. Another area is the massive reconstruction of railway cars about 80% of which are outdated and should be renewed or replaced.

Ukrainian railway station modernization plan

Railway Station	Current capacity (persons per hour)	Planned capacity (persons per hour)
Kyiv	1 750	3 200
Lviv	329	800
Donetsk	812	1 100
Dnipropetrovsk	1 875	2 500
Odesa	812	1 100

Source: Poland-Ukraine bid to host UEFA EURO 2012

We think the major beneficiaries will be state-run entities like Ukrzaliznytsya, which are not public yet. From the current market point of view, the government's plan will serve as a long term catalyst for **Kryukiv Wagon Works (KVBZ)**, and to a lesser extent **Luhanskteplovoz (LTPL)**, **Dniprovahonrembud**, and **Dnipropetrovsk Switch (DSTR)**.

Highways. Preparation for the championship will also spur development of major automobile arteries connecting Ukraine with Europe, as well as linking major cities within the country. According to the Ministry of Transportation, enhancements to the transportation infrastructure in Western Ukraine is a top-priority, as it will see the heaviest traffic to its host city, Lviv, due its to proximity to the border. The other important large-scale project is the construction of an West-East highway, passing through all the hosting cities: Lviv, Kyiv, Dnipropetrovsk and Donetsk, with an estimated cost of about USD 7.5 bln. The ministry outlined the following top priority projects to be completed by 2012, at the latest:

Highway projects

Project	Works planned	Distance
Lviv-Brody road	Reconstruction	54 km
Kyiv-Chop road	Reconstruction	~750 km
Krakovets-Brody highway	Construction	~100 km
West-East highway	Construction	~1500 km

Source: Ministry of Transport, Concorde Capital

Major roads and highway development projects



- cities to host Euro-2012
- West-East highway *
- - - Alternative route for the Kyiv-Luhansk segment of the West-East highway *
- Kyiv-Chop road

* According to the development plan for international transportation corridors, approved by the government in 2006, the original route for the West-East highway passed through Kharkiv, not through Dnipropetrovsk and Donetsk, as stated by the Transport Ministry in their recent announcement

Source: Ministry of Transport, Concorde Capital

While the inflow of foreign visitors in 2012 would have only a one-off effect on automobile transportation, we believe that the development of the country's highway infrastructure is likely to trigger a long-term increase in demand. Higher availability and better quality of roads will make traveling by car faster and more comfortable. Given growing railroad and airline tariffs, automobile transportation might also increase due to the substitution effect.

Ukraine's automobile fuel retailers, such as **Galnaftogaz** (GLNG) and **Ukrnafta** (UNAF), are likely to benefit from higher traffic, which will trigger demand for automotive fuel. We also expect that construction of new roads and expansion of existing roads will create attractive new locations for fuel retailers to set up shop. For example, the West-East highway would require around 100-150 filling stations, and a belt road in Kyiv will offer high-throughput locations for about 20 outlets. Currently, there are around 6,000 fuel retail outlets in Ukraine, and more than half of those are from the Soviet era.

We believe that compared to Ukrnafta, Galnaftogaz is better prepared to reap the benefits of Euro-2012, due to its strong market position in Western Ukraine (23% market share) and the western-style format of its stations, offering not only fuel, but a wide range of supplementary goods and services.

Ukrnafta and Galnaftogaz are the only two publicly traded fuel retailers in Ukraine.

Metro transport. One the main directions of investments in transportation infrastructure in the Ukrainian capital city, which will host Euro-2012 final, is going to be metro extension: Paris metro builders and engineers are already negotiating with the city administration and the scope of investments should become known in coming months. Among the plans are introducing new lines and underground connections with Boryspil International Airport (more than 30 km of subway lines).

From the market point of view, subway development in Kyiv will be reflected in **Kyivmetrobud's** (KMEB) performance; and new orders can also be expected for **Mostobud** (MTBD) as it is one of the leading builders of underground crossings.

Airport development required for Euro-2012

Kyiv	- Expansion of Boryspil international airport. Four terminals will be in operation by 2012. Two of them will service international flights, one – domestic ones and one will be allocated to VIPs; - Soccer players, VIPs and UEFA members will have the opportunity to use a separate access road to the Kharkiv motorway; - It will be possible to get to Olympic Stadium by underground.
Lviv	- Construction of a new terminal (completed by 2010); - Introduction of international connections with North America.
Dnipropetrovsk	- Renovation of the airport; - Expansion of railway station at the airport terminal (in progress, completion planned by 2012).
Odesa	- Construction of a new terminal servicing a thousand passengers per hour (construction planned to begin in 2008; completion planned by 2010).

Source: Poland-Ukraine joint bid for Euro-2012 presentation

FINANCIAL SERVICES

With more than USD 24 bln needed for renovation and construction projects over the next 4-5 years for Euro-2012, Ukraine's banking sector is set to skim the cream off the top.

Cash inflow, regardless of the source, will benefit Ukrainian banks in several ways. First, funds will go through local bank accounts, representing an additional source of funding and will be another opportunity for banks to earn on the liability side of their balance sheets. Second, a number of large-scale investment projects scheduled to be launched over the next few years offer plenty of lending opportunities for domestic banks.

We roughly estimate that overall around 40% total capital spending (~USD 10 bln) might be covered by borrowing. However, since domestic banks currently have a shortage of long-term funding and are quite keen on expansion into the high-yield retail segment, we think they will be able to finance no more than USD 2-3 bln (nearly 4-6% of total loans currently in the system). The rest of the sum will likely be covered with foreign borrowing via Eurobond issues and loans from international financial organizations that have traditionally financed large construction projects in Ukraine in the past.

At this stage, the largest Ukrainian banks with sufficient funding and capital muscle will be able to take part in financing the upcoming construction boom. From our traded banking stock universe, **Raiffeisen Bank Aval** (BAVL), **Ukrsotsbank** (USCB) and **Bank Forum** (FORM), in our view, are poised to benefit the most.

In the longer-term perspective, all Ukrainian banks will gain, as an estimated half a million tourists for the championship will bring, as a rough guess, more than USD 1 bln to the economy.

PROFILES OF COMPANIES THAT MIGHT BENEFIT FROM EURO-2012

TMM
XXI CENTURY
KOVALSKA CONCRETE
KRAMATORSK CEMENT
KYIVMETROBUD
KYIVMISKBUD
MOSTOBUD
DNIPROVAHONREMBUD
DNIPROPETROVSK SWITCH
KRYUKIV WAGON
LUHANSKTEPLOVOZ
BANK FORUM
RAIFFEISEN BANK AVAL
UKRSOTSBANK
MITTAL STEEL KRYVIY RIH
DNIPROMETIZ
DNIPROPETROVSK PIPE
KOMINMENT
SILUR
UKRNAFTA
GALNAFTOGAZ

TMM

Real Estate

<http://www.tmm.ua>

Target Price (USD)
Upside

N / R
n / a

INVESTMENT CASE

- Established leader on a booming market, leveraging high-end residential property segment
- Customer oriented, all-inclusive approach helps command a hefty price premium to the market
- Vertical integration allows for precise cost and timing control

BUSINESS OVERVIEW

Ukraine's leading real estate development and construction company, TMM, is entering a rapid growth stage. It is developing a number of projects in Kyiv, the country's largest market, while actively expanding into the regions. TMM's project pipeline foresees the delivery of an additional 590 ths m2 in salable residential and commercial space in 2007-2012, 34% CAGR in terms of metric area.

Operating primarily in the business and premium segments, TMM has been an industry pioneer by providing turnkey solutions for comfortable living. The company delivers constructed apartments with fine finish. TMM's buildings have necessary infrastructure, including non-residential premises for convenience stores, pharmacies, etc.

TMM is able to control its project costs better since it is self-sufficient in in-house produced raw materials such as concrete and metal hardware. As an integrated real estate business, TMM itself constructs the premises it develops, which helps to control construction timing.

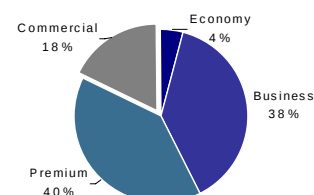
STOCK OWNERSHIP

Mykola Tolmachev	81%
Larysa Chyvurina	10%
Other management	9%

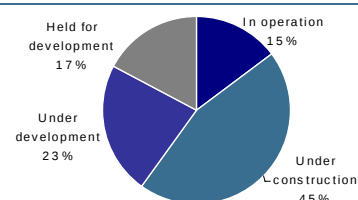
KEY RATIOS

	2005	2006E	2007E
EBITDA margin	3%	15%	24%
Net Margin	17%	27%	27%
ROE	10%	29%	18%
Net Debt/Equity	0.2	0.4	0.1

Portfolio NPV by class of property



Portfolio NPV by class of property



INCOME STATEMENT SUMMARY, USD mln

	2004	2005	2006E	2007F	2008F
Net Revenues	26.0	39.2	80.6	82.1	154.0
Change y-o-y	N/A	50.6%	105.6%	1.9%	87.5%
Gross Profit	6.2	6.2	17.7	26.3	92.4
EBITDA	11.1	1.2	12.1	19.7	83.2
margin, %	42.8%	3.0%	15.0%	24.0%	54.0%
Depreciation	(0.3)	(0.4)	(1.4)	(1)	(2)
EBIT	10.9	0.8	10.7	18	82
margin, %	41.8%	1.9%	13.3%	22.3%	53.0%
Interest Expense	(0.9)	(0.4)	(5.3)	(6.0)	(5.0)
Other income/(expense)	0.9	9.3	23.6	17	44
PBT	11.1	9.9	29.0	29.6	120.6
Tax	(4.2)	(3.4)	(7.3)	(7)	(30)
Net Income	6.8	6.5	21.8	22.2	90.4
Net Margin, %	26.3%	16.5%	27.0%	27.0%	58.7%

BALANCE SHEET SUMMARY, USD mln

	2004	2005	2006E	2007F	2008F
Current Assets	76.8	117.0	167.1	244.0	286.2
Cash & Equivalents	2.4	10.1	4.0	20.6	7.8
Trade Receivables	31.3	45.4	56.4	53.1	53.9
Inventories	30.8	50.6	92.6	156.0	206.0
Other	12.3	11.0	14.1	14.3	18.5
Fixed Assets	37.8	72.0	99.3	116.2	169.6
PP&E, net	23.0	45.5	49.8	50.0	52.3
Other	14.8	26.5	49.4	66.3	117.3
Total Assets	114.6	189.0	266.3	360.2	455.8
Shareholders' Equity	42.9	64.0	85.8	156.6	247.0
Share Capital	62.4	63.6	66.8	115.7	115.7
Reserves and Other	(19.6)	0.4	19.0	40.9	131.3
Current Liabilities	53.6	106.8	155.9	172.7	153.0
ST Interest Bearing Debt	1.2	10.0	24.1	23.7	10.2
Trade Payables	28.6	23.5	25.1	22.2	24.6
Other	23.7	73.3	106.6	126.8	118.2
LT Liabilities	18.1	18.2	24.7	31.0	55.7
LT Interest Bearing Debt	18.1	14.4	17.8	17.6	17.6
Other	-	3.7	6.9	13.3	38.1
Total Liabilities & Equity	114.6	189.0	266.3	360.2	455.8

XXI Century

XXIC LN

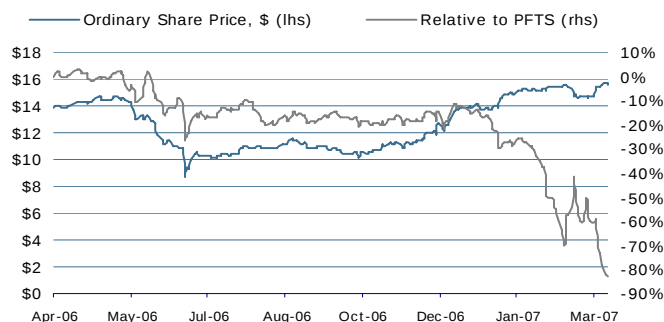
Real Estate

<http://www.21.com.ua>

Target Price (USD)
Upside

N / R
n / a

SHARE PRICE PERFORMANCE*



The stock is traded on AIM

BUSINESS OVERVIEW

Established in 1999, XXI Century is a major Ukrainian real-estate developer and an expert in property investment. The company's project portfolio includes commercial, office, hotel, entertainment and residential property. In 2006 the company started expanding into the regions, targeting the largest cities in Ukraine. On Dec. 16, 2005, XXI Century placed 35.7% of its shares on the London Stock Exchange and attracted USD 139 mln. Among the company's institutional shareholders are leading investment funds: JP Morgan, Merrill Lynch, Union Investment, Raiffeisen, Deka and East Capital. In 9M06, the company reported a 39.3% ytd decrease in net revenue to USD 1.7 mln, a 361% ytd fall in EBITDA, but its net income improved by 105% ytd to USD 8.6 mln.

* PFTS 0 Price is used

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MARKET INFORMATION

Market price*, USD	15.90
Price impact**	3
52 Wk H/L, USD	16.8 / 9.6
Chg 3m/6m/52w	13% / 50% / 4%
Chg 2006	0.0%
Chg YTD	18%
Avg Mo Tr Vol 6M, USD ths	7186.5
MCap, USD mln	593.6
Free float, %	35.7%
FF MCap, USD mln	211.9
No of shares, mln	37.3
Par Value, USD	0.01
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Lev Partskhaladze	55.0%
Management	9.0%
Other	36.0%

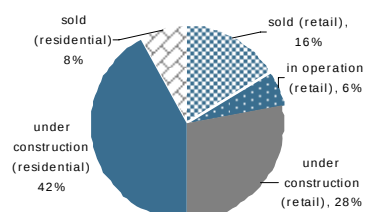
MARKET MULTIPLES

	2006E	2007E
EV/Sales	14.8	n/a
EV/EBITDA	21.9	n/a
P/E	32.6	n/a
P/B	2.4	n/a
P/CF	31.6	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	11%	67%	n/a
Net Margin	72%	55%	n/a
ROE	29%	7%	n/a
Net Debt/Equity	-0.5	-0.4	n/a

Project Portfolio Structure



INCOME STATEMENT SUMMARY, USD mln

	2004	2005	1H06	2007E	2008E
Net Revenues	5.4	7.1	1.7	n/a	n/a
Change y-o-y	-	31.5%	-39.3%	n/a	n/a
Gross Profit	3.3	4.2	1.2	n/a	n/a
EBITDA	(0.6)	0.8	(3.5)	n/a	n/a
margin, %	-10.9%	10.7%	-205.9%	n/a	n/a
Depreciation	(0.7)	(0.6)	(0.1)	n/a	n/a
EBIT*	(1.3)	0.2	(3.6)	n/a	n/a
margin, %	-24.6%	2.4%	-211.8%	n/a	n/a
Interest Expense	-	-	-	n/a	n/a
Other income/(expense)	2.5	5.1	12.3	n/a	n/a
PBT	1.2	5.3	8.7	n/a	n/a
Tax	(0.1)	(1.1)	(0.1)	n/a	n/a
Net Income	1.1	4.2	8.6	n/a	n/a
Net Margin, %	20.4%	59.2%	505.9%	n/a	n/a

*excluding revaluation effect

BALANCE SHEET SUMMARY, USD mln

	2004	2005	1H06	2007E	2008E
Current Assets	7.5	143.8	144.8	n/a	n/a
Cash & Equivalents	1.5	128.1	109.9	n/a	n/a
Trade Receivables	3.5	7.8	18.3	n/a	n/a
Inventories	2.5	7.9	16.6	n/a	n/a
Other	-	-	-	n/a	n/a
Fixed Assets	19.5	161.3	155.4	n/a	n/a
PP&E, net	3.3	0.4	0.7	n/a	n/a
Other	16.2	160.9	154.7	n/a	n/a
Total Assets	27.0	305.1	300.2	n/a	n/a
Shareholders' Equity	17.9	247.0	246.2	n/a	n/a
Share Capital	1.7	0.4	0.4	n/a	n/a
Retained Earnings	9.4	6.7	15.4	n/a	n/a
Other	6.9	240.0	230.4	n/a	n/a
Current Liabilities	6.3	15.9	12.9	n/a	n/a
ST Interest Bearing Debt	2.0	1.3	0.3	n/a	n/a
Trade Payables	4.3	14.6	12.5	n/a	n/a
Other	-	-	0.1	n/a	n/a
LT Liabilities	2.8	42.2	41.1	n/a	n/a
LT Interest Bearing Debt	2.8	8.1	9.7	n/a	n/a
Other	0.0	34.1	31.4	n/a	n/a
Total Liabilities & Equity	27.0	305.1	300.2	n/a	n/a

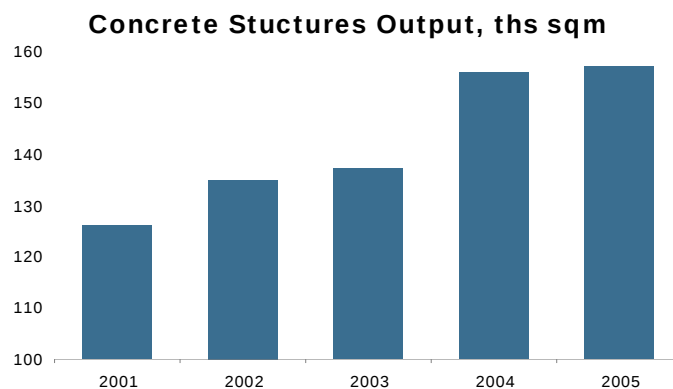
Kovalska Reinforced Concrete

Building Materials

Target Price (USD)
N / R
Upside (%)
n / a

BUSINESS OVERVIEW

Kovalska Reinforced Concrete is currently the largest producer of construction materials in Ukraine and one of the leading producers in Europe. The company manufactures concrete of all types, paving slabs, mortar and other concrete and reinforced concrete products, with 30 types and 300 product titles in total. It also does concrete pouring. All the company's products are ISO 9001:2000 certified. The plant's capacity is 700 ths cm of concrete per year. Kovalska Reinforced Concrete sells 100% of its output domestically. Its main customers are Ukraine's road building monopoly Ukravtodor, railway monopoly Ukrzaliznytsya and city administrations. In 2006 Kovalska Reinforced Concrete posted growth in net income by 40.4% yoy to USD 5.6 mln.



* The stock is not listed on PFTS

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- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	n / a
Price impact**	n/a
52 Wk H/L, USD	n/a
Chg 3m/6m/52w	n/a
Chg vs PFTS 3m/6m/52w	n/a
Chg YTD	n/a
Avg Mo Tr Vol 6M, USD ths	n/a
MCap, USD mln	n / a
Free float, %	21.8%
FF MCap, USD mln	n/a
No of shares, mln	18.3
Par Value, UAH	0.25
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Management	78.2%
Other	21.8%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	n/a	n/a
EV/EBITDA	n/a	n/a
P/E	n/a	n/a
P/B	n/a	n/a
P/CF	n/a	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	6%	6%	n/a
Net Margin	4.4%	4.4%	n/a
ROE	30%	32%	n/a
Net Debt/Equity	-0.4	-0.5	n/a

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	30.5	52.1	68.4	89.9	63.7	n/a	n/a
Change y-o-y	-	71.1%	31.3%	31.4%	70.7%	n/a	n/a
Gross Profit	4.7	4.8	8.9	12.2	8.9	n/a	n/a
EBITDA	3.5	3.6	4.7	5.5	4.4	n/a	n/a
margin, %	11.4%	6.9%	6.9%	6.1%	6.9%	n/a	n/a
Depreciation	(0.5)	(0.7)	(0.7)	(0.7)	(0.5)	n/a	n/a
EBIT	2.9	2.9	4.0	4.8	3.9	n/a	n/a
margin, %	9.6%	5.6%	5.8%	5.4%	6.1%	n/a	n/a
Interest Expense	(0.0)	-	-	-	-	n/a	n/a
Other income/(expense)	(0.0)	0.1	0.4	0.5	0.3	n/a	n/a
PBT	2.9	3.0	4.3	5.3	4.2	n/a	n/a
Tax	(0.9)	(1.0)	(1.3)	(1.4)	(1.1)	n/a	n/a
Effective tax rate	29.8%	33.6%	29.4%	25.7%	25.3%	n/a	n/a
Net Income	2.1	2.0	3.1	4.0	3.1	n/a	n/a
Net Margin, %	6.7%	3.9%	4.5%	4.4%	4.9%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	6.0	8.1	11.0	14.9	13.7	n/a	n/a
Cash & Equivalents	2.2	3.5	3.6	7.5	5.7	n/a	n/a
Trade Receivables	1.2	2.5	3.3	4.4	5.1	n/a	n/a
Inventories	2.1	1.1	1.0	1.6	1.5	n/a	n/a
Other	0.4	0.9	3.1	1.3	1.4	n/a	n/a
Fixed Assets	5.3	6.0	6.1	9.3	9.3	n/a	n/a
PP&E, net	4.2	4.3	4.5	7.6	7.6	n/a	n/a
Other	1.2	1.7	1.6	1.7	1.7	n/a	n/a
Total Assets	11.3	14.1	17.2	24.2	23.0	n/a	n/a
Shareholders' Equity	8.3	10.4	13.0	17.3	16.5	n/a	n/a
Share Capital	0.2	0.3	0.3	0.3	0.3	n/a	n/a
Retained Earnings	3.7	5.6	8.2	5.4	4.6	n/a	n/a
Other	4.5	4.5	4.5	11.6	11.6	n/a	n/a
Current Liabilities	2.9	3.7	4.2	5.5	6.5	n/a	n/a
ST Interest Bearing Debt	-	-	-	-	-	n/a	n/a
Trade Payables	2.2	2.2	1.5	2.5	3.0	n/a	n/a
Other	0.8	1.5	2.6	3.0	4.8	n/a	n/a
LT Liabilities	-	-	-	1.4	-	n/a	n/a
LT Interest Bearing Debt	-	-	-	1.4	-	n/a	n/a
Other	-	-	-	-	-	n/a	n/a
Total Liabilities & Equity	11.3	14.1	17.2	24.2	23.0	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	13.5	3.9	19.9	31.1	13.3	22.4	28.0	26.2	20.8	33.1	41.7
Change y-o-y	48.9%	-70.2%	33.3%	109.1%	-1.3%	468.7%	40.5%	-15.8%	56.8%	47.4%	49.0%
EBITDA	1.0	0.5	1.4	1.9	0.9	1.6	1.9	1.1	1.2	1.9	2.5
margin, %	7.1%	11.6%	6.9%	6.1%	6.5%	7.3%	6.9%	4.2%	5.7%	5.9%	6.1%
EBIT	0.8	0.4	1.1	1.7	0.7	1.5	1.7	0.9	0.8	1.6	2.2
margin, %	6.0%	10.4%	5.4%	5.4%	5.2%	6.5%	6.2%	3.5%	3.9%	4.8%	5.3%
Net Income	0.6	0.3	0.6	1.5	0.6	1.1	1.4	0.8	0.8	1.4	1.9
Net Margin, %	4.7%	8.7%	3.1%	4.7%	4.6%	5.0%	5.0%	3.2%	3.8%	4.2%	4.5%

Kramatorsk Cement Pushka

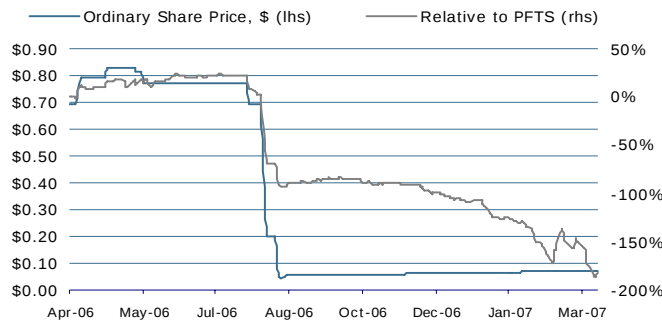
KRCS UZ Building Materials

<http://www.eurocem.ru>

Target Price (USD)
Upside

N / R
n / a

SHARE PRICE PERFORMANCE*



* listed on PFTS since 17 Feb 2006

BUSINESS OVERVIEW

Kramatorsk Cement Pushka is among the top ten producers of cement in Ukraine and is the largest slate producer in the country. The company has a natural resource base of high quality clay and chalk, which ensures a competitive advantage in specialized cements.

The plant's main domestic customers are industrial enterprises in Donetsk, Luhansk, Zaporizhya, Kharkiv, Sumy and Dnipropetrovsk regions. The company exports its products to CIS countries and Eastern Europe. Exports to Moldova, Hungary and Romania account for 15% of total sales.

In 2005, the company certified 4 types of cement by European quality ISO-9000-9004 international standards. Pushka along with OJSC Baltsem is a part of Eurocement Group Ukraine (a daughter enterprise of the Eurocement Group, Russia that unites 15 plants).

The company's annual capacity is 580 ths mt of cement, 400 ths mt of clinker and 300 mln slates. In 2006 Pushka cut cement production by 8.3% yoy to 604 ths mt, still having worked above its full capacity.

In 9M06 it posted sales growth of 15% yoy to USD 23.1 mln and decreased net income by 45% yoy to USD 0.5 mln.

UPCOMING EVENTS

* PFTS BID Price is used

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MARKET INFORMATION

Market price*, USD	0.07
Price impact**	3
52 Wk H/L, USD	0.83 / 0.05
Chg 3m/6m/52w	9% / 17% / -91%
Chg vs PFTS 3m/6m/52w	-29% / -77% / -168%
Chg YTD	9%
Avg Mo Tr Vol 6M, USD ths	12.8
MCap, USD mln	29.0
Free float, %	4.2%
FF MCap, USD mln	1.2
No of shares, mln	418.6
Par Value, UAH	0.01
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Eurocement Group	90.1%
Other	9.9%

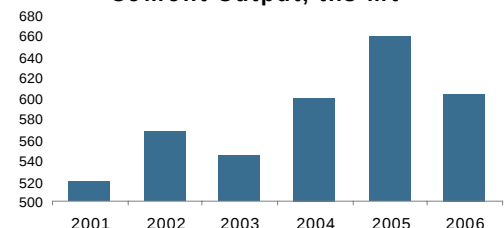
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.9	n/a
EV/EBITDA	12.2	n/a
P/E	41.2	n/a
P/B	2.5	n/a
P/CF	22.9	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	8%	7%	n/a
Net Margin	4.1%	2.3%	n/a
ROE	12%	7%	n/a
Net Debt/Equity	-0.04	-0.08	n/a

Cement Output, ths mt



INCOME STATEMENT SUMMARY, USD mIn

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	19.0	21.9	23.0	26.6	23.1	n/a	n/a
Change y-o-y	-	14.8%	5.4%	15.5%	14.8%	n/a	n/a
Gross Profit	3.6	3.8	6.2	7.0	5.3	n/a	n/a
EBITDA	0.9	1.6	3.2	2.1	1.7	n/a	n/a
margin, %	4.5%	7.5%	14.0%	7.8%	7.5%	n/a	n/a
Depreciation	(0.5)	(0.5)	(0.5)	(0.6)	(0.4)	n/a	n/a
EBIT	0.3	1.1	2.7	1.4	1.3	n/a	n/a
margin, %	1.7%	5.2%	11.8%	5.4%	5.7%	n/a	n/a
Interest Expense	(0.1)	(0.1)	(0.0)	(0.0)	-	n/a	n/a
Other income/(expense)	-	0.1	0.1	0.0	(0.0)	n/a	n/a
PBT	0.2	1.1	2.8	1.4	1.3	n/a	n/a
Tax	(0.1)	(0.3)	(0.7)	(0.4)	(0.8)	n/a	n/a
Effective tax rate	29.9%	29.8%	25.0%	24.5%	58.7%	n/a	n/a
Net Income	0.2	0.8	2.1	1.1	0.5	n/a	n/a
Net Margin, %	0.8%	3.5%	9.1%	4.1%	2.3%	n/a	n/a

BALANCE SHEET SUMMARY, USD mIn

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	7.2	7.6	5.4	6.6	7.3	n/a	n/a
Cash & Equivalents	0.1	0.3	0.3	0.4	0.9	n/a	n/a
Trade Receivables	0.8	0.8	1.0	1.6	1.6	n/a	n/a
Inventories	4.2	2.6	2.8	3.4	3.2	n/a	n/a
Other	2.1	4.0	1.3	1.2	1.5	n/a	n/a
Fixed Assets	5.6	6.0	7.3	8.5	8.0	n/a	n/a
PP&E, net	5.2	5.6	4.6	4.6	4.4	n/a	n/a
Other	0.4	0.4	2.6	3.9	3.6	n/a	n/a
Total Assets	12.9	13.6	12.7	15.1	15.2	n/a	n/a
Shareholders' Equity	6.3	7.1	9.2	10.7	11.3	n/a	n/a
Share Capital	0.1	0.1	0.1	0.1	0.8	n/a	n/a
Retained Earnings	0.7	1.4	3.5	4.8	4.6	n/a	n/a
Other	5.6	5.6	5.6	5.8	5.9	n/a	n/a
Current Liabilities	6.4	6.2	2.7	3.6	3.1	n/a	n/a
ST Interest Bearing Debt	1.3	2.2	-	-	-	n/a	n/a
Trade Payables	4.8	3.2	1.8	2.5	1.4	n/a	n/a
Other	0.3	0.8	0.9	1.1	2.3	n/a	n/a
LT Liabilities	0.1	0.3	0.8	0.8	0.8	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	-	n/a	n/a
Other	0.1	0.3	0.8	0.8	0.8	n/a	n/a
Total Liabilities & Equity	12.9	13.6	12.7	15.1	15.2	n/a	n/a

QUARTERLY ANALYSIS, USD mIn

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	4.8	6.8	6.2	5.2	4.7	7.6	7.8	6.5	4.3	9.3	9.4
Change y-o-y	107.6%	16.8%	-25.2%	-3.4%	-1.0%	11.1%	25.7%	24.2%	-7.5%	22.6%	20.8%
EBITDA	(0.1)	1.3	1.4	0.7	(0.3)	1.4	1.0	(0.1)	(0.4)	1.0	1.1
margin, %	-2.0%	19.0%	21.8%	13.0%	-5.5%	18.6%	13.0%	-1.3%	-8.1%	11.0%	11.3%
EBIT	(0.2)	1.2	1.2	0.5	(0.4)	1.2	0.9	(0.2)	(0.5)	0.9	0.9
margin, %	-4.9%	17.2%	19.9%	10.3%	-8.7%	16.4%	10.9%	-3.7%	-11.4%	9.5%	9.8%
Net Income	(0.3)	0.8	0.6	1.0	(0.6)	0.8	0.7	0.1	(0.5)	0.5	0.5
Net Margin, %	-5.8%	11.7%	10.0%	18.2%	-13.2%	10.9%	9.6%	2.1%	-11.7%	5.9%	5.2%

Kyivmetrobud

KMEB UZ

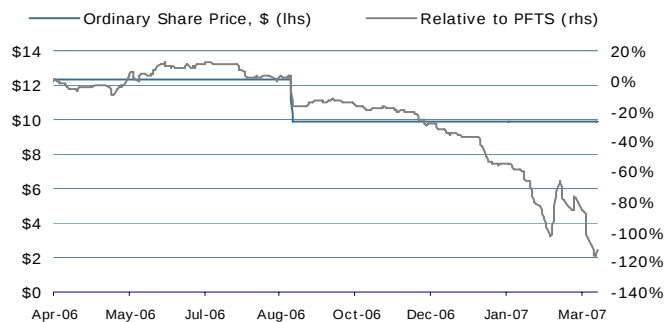
Engineering & Construction

<http://www.metrostroy.kiev.ua>

Target Price (USD)
Upside

N / R
n / a

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Kyivmetrobud is the only company in Kyiv specializing in the construction of subways, subway tunnels and other underground facilities. The company is also involved in the construction of city sewage collectors, tunnels at the Dnistrovska hydroelectric power station and is taking part in the reconstruction of railway terminals in Uzhgorod and Vinnytsya. Kyivmetrobud was a general contractor for the Kyiv underground shopping mall, Globus.

In 9M06, the company's net revenues decreased 24.5% yoy to USD 75.1 mln, its EBITDA fell 108% yoy to negative USD 0.5 mln, and its net income was down 155% yoy to negative USD 2.1 mln.

* PFTS MID Price is used

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- 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	9.90
Price impact**	3
52 Wk H/L, USD	12.4 / 9.9
Chg 3m/6m/52w	0% / 0% / -20%
Chg vs PFTS 3m/6m/52w	-39% / -94% / -97%
Chg YTD	0%
Avg Mo Tr Vol 6M, USD ths	0.0
MCap, USD mln	39.6
Free float, %	10.4%
FF MCap, USD mln	4.1
No of shares, mln	4.0
Par Value, UAH	0.25
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

CJSC Metrobud	50.7%
N. E. Construction Company	17.5%
SKMG Holding AB	21.4%
Other	10.4%

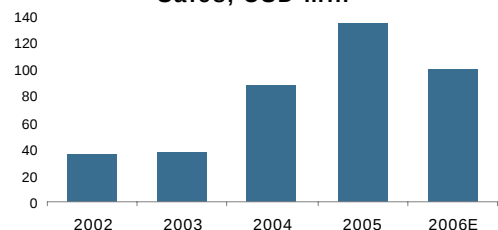
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.4	n/a
EV/EBITDA	-69.7	n/a
P/E	-14.4	n/a
P/B	3.0	n/a
P/CF	-24.7	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	5%	-1%	n/a
Net Margin	2%	-3%	n/a
ROE	25%	-17%	n/a
Net Debt/Equity	-0.13	0.37	n/a

Sales, USD mln



INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	36.3	37.8	87.3	134.3	75.1	n/a	n/a
Change y-o-y	-	4.4%	130.7%	53.9%	-24.5%	n/a	n/a
Gross Profit	4.7	4.0	8.2	9.6	2.4	n/a	n/a
EBITDA	3.5	2.1	6.0	6.2	(0.5)	n/a	n/a
margin, %	9.6%	5.6%	6.8%	4.7%	-0.6%	n/a	n/a
Depreciation	(0.8)	(0.9)	(1.1)	(1.1)	(0.9)	n/a	n/a
EBIT	2.7	1.2	4.8	5.2	(1.3)	n/a	n/a
margin, %	7.3%	3.2%	5.5%	3.8%	-1.8%	n/a	n/a
Interest Expense	-	-	-	-	-	n/a	n/a
Other income/(expense)	0.0	(0.0)	(0.1)	(0.0)	(0.1)	n/a	n/a
PBT	2.7	1.2	4.8	5.2	(1.4)	n/a	n/a
Tax	(1.1)	(0.8)	(1.7)	(2.0)	(0.7)	n/a	n/a
Effective tax rate	40.3%	66.6%	36.2%	39.4%	-47.6%	n/a	n/a
Net Income	1.6	0.4	3.0	3.1	(2.1)	n/a	n/a
Net Margin, %	4.4%	1.0%	3.5%	2.3%	-2.8%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	18.5	15.0	22.9	36.3	45.5	n/a	n/a
Cash & Equivalents	0.3	1.0	1.3	2.1	1.8	n/a	n/a
Trade Receivables	6.7	2.9	7.6	10.2	14.2	n/a	n/a
Inventories	1.9	2.7	4.3	7.5	6.9	n/a	n/a
Other	9.5	8.4	9.7	16.5	22.6	n/a	n/a
Fixed Assets	6.6	7.2	7.1	7.2	7.2	n/a	n/a
PP&E, net	6.5	6.9	7.1	7.2	7.1	n/a	n/a
Other	0.1	0.4	0.0	0.0	0.0	n/a	n/a
Total Assets	25.0	22.2	30.0	43.5	52.6	n/a	n/a
Shareholders' Equity	9.3	9.3	12.3	16.2	14.0	n/a	n/a
Share Capital	4.0	4.4	0.2	0.3	0.3	n/a	n/a
Retained Earnings	0.9	0.9	2.6	5.2	3.0	n/a	n/a
Other	4.3	4.1	9.4	10.7	10.7	n/a	n/a
Current Liabilities	15.7	12.8	17.8	27.3	38.6	n/a	n/a
ST Interest Bearing Debt	-	-	-	-	6.7	n/a	n/a
Trade Payables	6.1	3.0	5.7	7.3	9.0	n/a	n/a
Other	9.6	9.9	12.0	20.0	24.4	n/a	n/a
LT Liabilities	-	-	-	-	-	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	-	n/a	n/a
Other	-	-	-	-	-	n/a	n/a
Total Liabilities & Equity	25.0	22.2	30.0	43.5	52.6	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	25.0	33.4	41.2	34.8	34.8	21.1	19.2
Change y-o-y	N/M	N/M	N/M	N/M	39.3%	-36.8%	-53.4%
EBITDA	2.6	2.6	1.0	0.1	0.7	0.1	(1.3)
margin, %	10.3%	7.7%	2.5%	0.2%	2.0%	0.7%	-6.9%
EBIT	2.3	2.3	0.8	(0.2)	0.4	(0.2)	(1.6)
margin, %	9.3%	6.8%	1.9%	-0.6%	1.2%	-0.8%	-8.4%
Net Income	1.7	1.3	0.7	(0.6)	(0.1)	(0.3)	(1.6)
Net Margin, %	6.8%	4.0%	1.8%	-1.8%	-0.3%	-1.6%	-8.5%

Kyivmiskbud

Engineering & Construction

<http://www.kgs.kiev.ua>

Target Price (USD)

N / R

Upside (%)

n / a

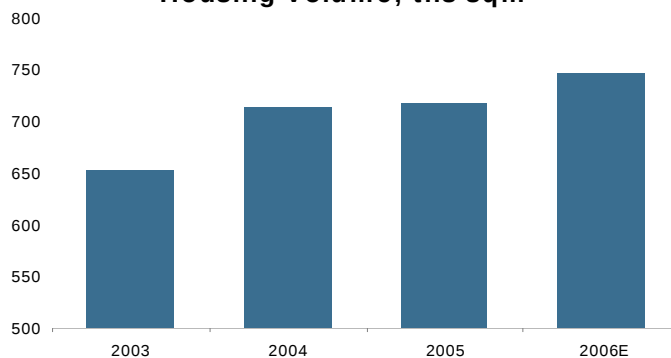
BUSINESS OVERVIEW

Kyivmiskbud is a holding company that owns controlling stakes in 28 residential construction companies, which makes it the largest residential construction company in Ukraine.

As a contractor, the company builds more than 50% of residential property in Ukraine. The company works on the primary residential estate market. Kyivmiskbud's major customer is the Kyiv City Administration.

In 9M06, the company decreased its net revenues 25.4% yoy to USD 53.5 mln and EBITDA fell 12%yoy to USD 3.8 mln but its net income increased 141% yoy to USD 2.0 mln. The company's margins also improved: EBITDA margin rose from 6% in 9M05 to 7% in 9M06 and net margin was up from 1.1% to 3.7% in 9M06.

Housing Volume, ths sqm



* The stock is not listed on PFTS

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- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	n / a
Price impact**	n/a
52 Wk H/L, USD	n/a
Chg 3m/6m/52w	n/a
Chg vs PFTS 3m/6m/52w	n/a
Chg YTD	n/a
Avg Mo Tr Vol 6M, USD ths	n/a
MCap, USD mln	n / a
Free float, %	11.4%
FF MCap, USD mln	n/a
No of shares, mln	66.1
Par Value, UAH	0.25
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Kyiv Administration	80.0%
Management	8.6%
Other	11.4%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	n/a	n/a
EV/EBITDA	n/a	n/a
P/E	n/a	n/a
P/B	n/a	n/a
P/CF	n/a	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	6%	7%	n/a
Net Margin	1.1%	3.7%	n/a
ROE	8%	9%	n/a
Net Debt/Equity	-0.04	-0.09	n/a

INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Net Revenues	70.2	138.4	129.0	53.5	n/a	n/a
Change y-o-y	-	97.0%	-6.8%	-25.4%	n/a	n/a
Gross Profit	5.7	12.0	8.7	3.4	n/a	n/a
EBITDA	4.0	5.0	7.1	3.8	n/a	n/a
margin, %	5.7%	3.6%	5.5%	7.0%	n/a	n/a
Depreciation	(0.9)	(0.6)	(0.6)	(0.3)	n/a	n/a
EBIT	3.1	4.4	6.5	3.4	n/a	n/a
margin, %	4.4%	3.2%	5.1%	6.4%	n/a	n/a
Interest Expense	(0.0)	(0.0)	(0.0)	(0.0)	n/a	n/a
Other income/(expense)	(0.8)	(2.0)	(1.7)	1.6	n/a	n/a
PBT	2.3	2.4	4.8	5.1	n/a	n/a
Tax	(1.1)	(1.4)	(3.4)	(3.1)	n/a	n/a
Effective tax rate	46.6%	57.3%	71.1%	61.0%	n/a	n/a
Net Income	1.2	1.0	1.4	2.0	n/a	n/a
Net Margin, %	1.7%	0.7%	1.1%	3.7%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Current Assets	51.9	64.2	64.4	117.3	n/a	n/a
Cash & Equivalents	4.3	0.7	1.2	2.8	n/a	n/a
Trade Receivables	12.7	26.3	20.4	26.1	n/a	n/a
Inventories	5.3	4.1	5.7	13.9	n/a	n/a
Other	29.7	33.1	37.1	74.6	n/a	n/a
Fixed Assets	427.5	180.6	278.6	368.6	n/a	n/a
PP&E, net	13.9	15.2	25.9	24.5	n/a	n/a
Other	413.6	165.3	252.8	344.0	n/a	n/a
Total Assets	479.4	244.7	343.0	485.9	n/a	n/a
Shareholders' Equity	17.9	16.6	29.0	28.2	n/a	n/a
Share Capital	3.1	3.1	3.3	3.3	n/a	n/a
Retained Earnings	1.3	1.6	2.1	2.0	n/a	n/a
Other	13.5	11.9	23.6	22.9	n/a	n/a
Current Liabilities	461.1	228.2	314.1	457.7	n/a	n/a
ST Interest Bearing Debt	-	-	-	-	n/a	n/a
Trade Payables	14.2	22.1	31.1	23.0	n/a	n/a
Other	446.9	206.1	282.9	437.8	n/a	n/a
LT Liabilities	0.5	-	-	-	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	n/a	n/a
Other	0.5	-	-	-	n/a	n/a
Total Liabilities & Equity	479.4	244.7	343.0	485.9	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	21.0	22.1	28.7	57.2	16.6	22.4	14.5
Change y-o-y	N/M	N/M	N/M	N/M	-20.8%	1.5%	-49.5%
EBITDA	2.6	0.1	1.7	2.8	1.3	1.3	1.2
margin, %	12.3%	0.2%	5.8%	5.0%	7.6%	5.7%	8.5%
EBIT	2.5	(0.1)	1.5	2.7	1.1	1.2	1.1
margin, %	11.9%	-0.7%	5.3%	4.7%	6.9%	5.4%	7.5%
Net Income	2.1	(1.9)	0.7	0.5	0.6	0.4	0.9
Net Margin, %	9.8%	-8.6%	2.3%	0.9%	3.9%	1.8%	6.4%

Mostobud

MTBD UZ

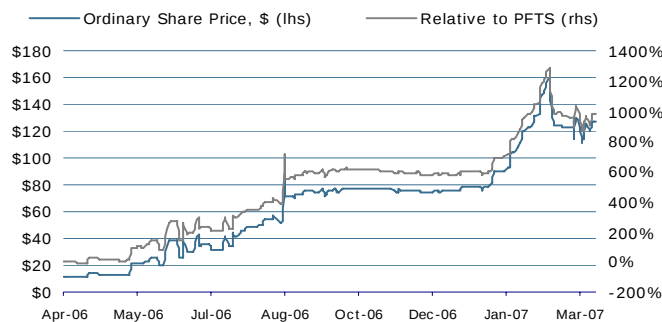
Engineering & Construction

<http://www.mostobud.com.ua>

Target Price (USD)
Upside

N / R
n / a

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Mostobud is the largest bridge and overpass builder in Ukraine. OJSC Mostobud was created in 1993 during the re-organization of state-owned Mostobud.

The company has built over 5 ths engineering facilities, including over 4 ths road bridges and overpasses, in addition to numerous pedestrian bridges, underground passes and road interchanges in Ukraine and abroad.

The company's major customers include Kyiv and Zaporizhya city administrations, Ukrzaliznytsya and state-owned road-servicing companies.

Mostobud has branches located throughout Ukraine, which insures the company's mobility. It obtained an ISO 9001:2001 quality management certificate in 2005.

In 9M06, the company's net revenues increased 49.1% yoy to USD 100.8 mln, EBITDA grew 109% yoy to USD 6.4 mln and its net income improved 52% yoy to USD 1.5 mln.

* PFTS MID Price is used

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- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	106.44
Price impact**	3
52 Wk H/L, USD	160 / 11
Chg 3m/6m/52w	26% / 48% / 941%
Chg vs PFTS 3m/6m/52w	-13% / -46% / 864%
Chg YTD	47.4%
Avg Mo Tr Vol 6M, USD ths	562.6
MCap, USD mln	61.7
Free float, %	34.1%
FF MCap, USD mln	21.0
No of shares, mln	0.6
Par Value, UAH	10.0
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Management	65.9%
Other	34.1%

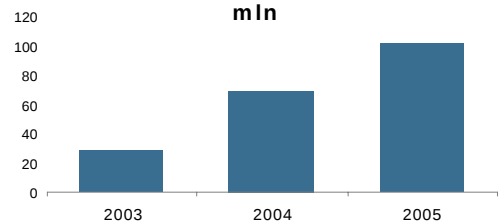
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.5	n/a
EV/EBITDA	8.5	n/a
P/E	30.7	n/a
P/B	1.9	n/a
P/CF	9.8	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	6%	6.3%	n/a
Net Margin	0.4%	1.5%	n/a
ROE	2%	7%	n/a
Net Debt/Equity	0.1	0.3	n/a

Construction Volume, USD mln



INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	14.2	31.9	88.3	102.1	100.8	n/a	n/a
Change y-o-y	-	124.5%	176.6%	15.7%	49.1%	n/a	n/a
Gross Profit	2.4	2.7	2.9	10.8	8.1	n/a	n/a
EBITDA	2.1	2.4	3.4	5.7	6.4	n/a	n/a
margin, %	14.7%	7.4%	3.8%	5.6%	6.3%	n/a	n/a
Depreciation	(1.2)	(1.2)	(2.3)	(3.5)	(3.2)	n/a	n/a
EBIT	0.9	1.2	1.1	2.2	3.2	n/a	n/a
margin, %	6.2%	3.7%	1.2%	2.1%	3.2%	n/a	n/a
Interest Expense	(0.1)	(0.2)	(0.7)	(1.0)	(1.0)	n/a	n/a
Other income/(expense)	(0.0)	(0.0)	(0.0)	0.1	0.0	n/a	n/a
PBT	0.7	1.0	0.4	1.2	2.2	n/a	n/a
Tax	(0.6)	(0.4)	(0.5)	(0.7)	(0.7)	n/a	n/a
Effective tax rate	80.6%	38.3%	133.5%	61.5%	30.9%	n/a	n/a
Net Income	0.1	0.6	(0.1)	0.5	1.5	n/a	n/a
Net Margin, %	1.0%	1.9%	-0.1%	0.4%	1.5%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	7.5	15.8	31.7	47.7	69.8	n/a	n/a
Cash & Equivalents	0.3	0.3	1.5	0.7	0.2	n/a	n/a
Trade Receivables	2.8	5.5	7.6	7.7	18.3	n/a	n/a
Inventories	2.3	4.9	7.7	20.2	20.9	n/a	n/a
Other	2.1	5.0	14.9	19.1	30.3	n/a	n/a
Fixed Assets	8.5	8.8	24.1	35.7	37.5	n/a	n/a
PP&E, net	8.4	8.4	23.3	34.6	34.1	n/a	n/a
Other	0.1	0.4	0.9	1.1	3.4	n/a	n/a
Total Assets	16.0	24.5	55.9	83.4	107.3	n/a	n/a
Shareholders' Equity	11.1	11.4	26.4	30.5	32.0	n/a	n/a
Share Capital	0.8	0.8	0.8	0.9	0.9	n/a	n/a
Retained Earnings	1.0	1.3	0.9	1.3	2.8	n/a	n/a
Other	9.3	9.3	24.7	28.3	28.3	n/a	n/a
Current Liabilities	4.9	13.1	29.4	52.3	70.1	n/a	n/a
ST Interest Bearing Debt	0.7	0.3	4.7	3.3	9.4	n/a	n/a
Trade Payables	1.4	4.4	2.5	5.5	14.5	n/a	n/a
Other	2.7	8.3	22.2	43.4	48.0	n/a	n/a
LT Liabilities	0.1	0.0	0.1	0.6	5.2	n/a	n/a
LT Interest Bearing Debt	-	0.0	0.0	-	1.3	n/a	n/a
Other	0.1	0.0	0.0	0.6	3.9	n/a	n/a
Total Liabilities & Equity	16.0	24.5	55.9	83.4	107.3	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	15.0	26.9	25.8	34.5	29.1	38.5	33.2
Change y-o-y	N/M	N/M	N/M	N/M	94.5%	43.5%	28.6%
EBITDA	(0.4)	1.9	1.6	2.7	2.5	1.1	2.8
margin, %	-2.8%	6.9%	6.2%	7.7%	8.6%	2.8%	8.4%
EBIT	(0.8)	1.4	1.2	0.4	1.4	(0.0)	1.8
margin, %	-5.2%	5.1%	4.6%	1.1%	4.8%	0.0%	5.4%
Net Income	(1.0)	1.2	0.8	(0.5)	1.0	(0.5)	1.0
Net Margin, %	-6.8%	4.4%	3.2%	-1.6%	3.3%	-1.3%	3.1%

Dniprovahonrembud

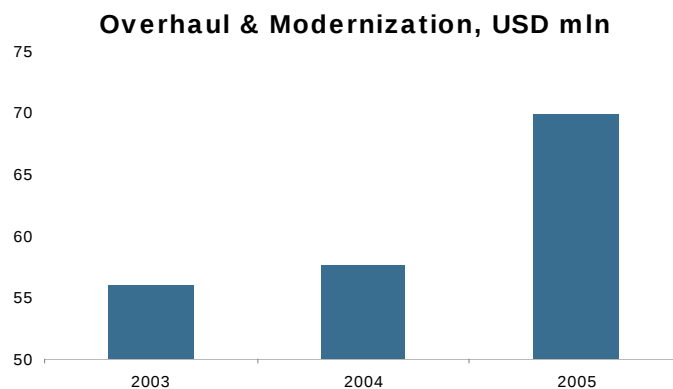
 Machinery
Diversified

Target Price (USD)
N / R
Upside (%)
n / a

BUSINESS OVERVIEW

Dniprovahonrembud specializes in repairing, maintaining and overhauling railway passenger wagons. The company was established in 1898 and currently is affiliated with Interpipe Group. Dniprovahonrembud's capacity allows it to repair 1.8 ths passenger wagons a year. The company exports almost 100% of its output. Its major customers are Russian and CIS railway companies. Demand for the company's services is expected to be stable due to Ukrzaliznytsya's need to repair and overhaul 3.5 ths of its worn-out passenger wagons and additional demand for 15.6 ths worn-out Russian passenger wagons.

In 2006, the company posted a decrease in net income from USD 0.6 mln in 2005 to negative USD 15.4 mln in 2006.



* The stock is not listed on PFTS

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- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	n / a
Price impact**	n/a
52 Wk H/L, USD	n/a
Chg 3m/6m/52w	n/a
Chg vs PFTS 3m/6m/52w	n/a
Chg YTD	n/a
Avg Mo Tr Vol 6M, USD ths	n/a
MCap, USD mln	n / a
Free float, %	0.9%
FF MCap, USD mln	n/a
No of shares, mln	66.3
Par Value, UAH	0.25
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Selekta LLC	53.4%
Invest Holding	25.0%
AZ Brok LLC	15.0%
Other	6.6%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	n/a	n/a
EV/EBITDA	n/a	n/a
P/E	n/a	n/a
P/B	n/a	n/a
P/CF	n/a	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	8%	-65%	n/a
Net Margin	1%	-59%	n/a
ROE	9%	-196%	n/a
Net Debt/Equity	1.4	-2.4	n/a

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	40.8	54.8	62.0	74.7	19.6	n/a	n/a
Change y-o-y	-	34.3%	13.1%	20.4%	-55.1%	n/a	n/a
Gross Profit	(0.7)	9.7	5.1	10.3	(9.1)	n/a	n/a
EBITDA	(4.4)	4.1	1.0	5.8	(12.8)	n/a	n/a
margin, %	-10.7%	7.5%	1.5%	7.8%	-65.2%	n/a	n/a
Depreciation	(0.6)	(0.7)	(0.8)	(0.8)	(0.6)	n/a	n/a
EBIT	(5.0)	3.4	0.2	5.0	(13.4)	n/a	n/a
margin, %	-12.2%	6.2%	0.3%	6.7%	-68.1%	n/a	n/a
Interest Expense	(0.2)	(0.4)	(0.5)	(2.1)	(2.4)	n/a	n/a
Other income/(expense)	5.9	0.0	0.5	0.1	0.1	n/a	n/a
PBT	0.7	3.0	0.2	3.1	(15.6)	n/a	n/a
Tax	(0.5)	(2.7)	-	(2.4)	(0.2)	n/a	n/a
Effective tax rate	70.5%	88.7%	0.0%	77.6%	-1.6%	n/a	n/a
Net Income	0.2	0.3	0.2	0.6	(15.9)	n/a	n/a
Net Margin, %	0.5%	0.6%	0.4%	0.9%	-81.1%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	19.7	30.8	36.4	47.4	31.6	n/a	n/a
Cash & Equivalents	0.9	0.0	0.0	2.6	0.4	n/a	n/a
Trade Receivables	3.7	0.4	0.4	0.6	3.1	n/a	n/a
Inventories	4.4	6.0	10.9	4.7	5.5	n/a	n/a
Other	10.6	24.3	25.1	39.4	22.7	n/a	n/a
Fixed Assets	7.0	6.9	6.9	7.2	6.9	n/a	n/a
PP&E, net	6.8	6.7	6.8	7.1	6.8	n/a	n/a
Other	0.2	0.2	0.2	0.2	0.1	n/a	n/a
Total Assets	26.8	37.7	43.3	54.6	38.5	n/a	n/a
Shareholders' Equity	6.3	6.7	6.9	7.9	(8.7)	n/a	n/a
Share Capital	3.1	3.1	3.1	3.3	3.3	n/a	n/a
Retained Earnings	(0.1)	0.2	0.5	0.9	(15.9)	n/a	n/a
Other	3.3	3.3	3.3	3.7	3.9	n/a	n/a
Current Liabilities	20.0	28.0	33.5	41.4	42.0	n/a	n/a
ST Interest Bearing Debt	3.4	1.7	3.8	13.9	18.3	n/a	n/a
Trade Payables	13.1	9.5	9.4	6.5	4.0	n/a	n/a
Other	3.5	16.8	20.3	21.0	20.2	n/a	n/a
LT Liabilities	0.4	3.1	2.9	5.3	5.3	n/a	n/a
LT Interest Bearing Debt	-	-	-	0.0	-	n/a	n/a
Other	0.4	3.1	2.9	5.3	5.3	n/a	n/a
Total Liabilities & Equity	26.8	37.7	43.3	54.6	38.5	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	13.4	21.7	14.3	12.6	11.1	10.4	22.2	31.0	1.5	9.2	8.9
Change y-o-y	48.0%	52.3%	1.4%	-27.8%	-17.3%	-52.3%	55.4%	146.6%	-86.9%	-11.0%	-59.9%
EBITDA	1.0	0.4	0.0	(0.4)	0.6	0.8	0.8	3.6	(12.3)	1.0	(1.5)
margin, %	7.2%	1.8%	0.3%	-3.5%	5.5%	7.4%	3.6%	11.8%	-848.4%	11.1%	-16.6%
EBIT	0.8	0.2	(0.1)	(0.6)	0.4	0.6	0.5	3.5	(12.5)	0.8	(1.7)
margin, %	5.9%	0.9%	-1.0%	-5.1%	3.7%	5.8%	2.1%	11.4%	-862.8%	9.0%	-18.6%
Net Income	0.7	0.1	(0.4)	(0.2)	0.1	0.1	(0.0)	0.4	(13.2)	(0.1)	(2.5)
Net Margin, %	5.1%	0.5%	-2.6%	-1.4%	0.9%	1.0%	0.0%	1.4%	-911.1%	-1.4%	-28.4%

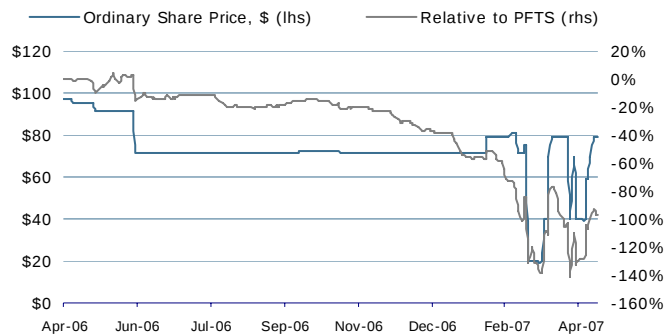
Dnipropetrovsk Switch

DSTR UZ

Railway Equipment

<http://www.dsz.dp.ua>
Target Price (USD)
N/R
Upside
n/a

SHARE PRICE PERFORMANCE*



MARKET INFORMATION

Market price*, USD	59.41
Price impact**	3
52 Wk H/L, USD	97.0 / 19.8
Chg 3m/6m/52w	11% / 10% / -18%
Chg vs PFTS 3m/6m/52w	-28% / -84% / -95%
Chg YTD	11%
Avg Mo Tr Vol 6M, USD ths	0.0
MCap, USD mln	15.1
Free float, %	7.0%
FF MCap, USD mln	1.1
No of shares, mln	0.3
Par Value, UAH	10.50
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

BUSINESS OVERVIEW

Dnipropetrovsk Switch is Ukraine's largest producer of railway switches and approaching lines for industrial companies. The company's major domestic consumer is Ukrzaliznytsya. It also exports products to Russia, Belarus, other CIS countries and the Baltics. Dnipropetrovsk Switch is continuously investing in modernization to improve quality. The company's main competitors are Russian switch plants in Murom and Novosibirsk. After the investigation initiated by Dnipropetrovsk Switch, Ukraine imposed an antidumping import duty in 2002 of 59.4% against switches from Russia, which is valid till July 2007.

In 2006 the company reduced its net income 11.8% yoy to USD 1.5 mln.

STOCK OWNERSHIP

CJSC Tako	35.1%
CJSC Yugtransstroy	13.8%
Management	16.3%
Other	34.8%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.3	n/a
EV/EBITDA	3.8	n/a
P/E	10.1	n/a
P/B	0.6	n/a
P/CF	5.2	n/a

KEY RATIOS

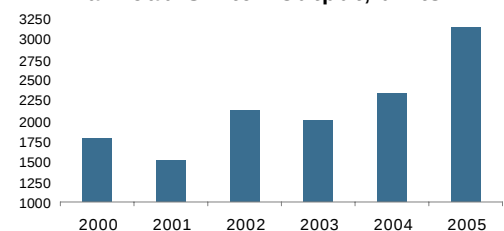
	2005	2006E	2007E
EBITDA margin	9%	8%	n/a
Net Margin	4%	3%	n/a
ROE	7%	6%	n/a
Net Debt/Equity	-0.004	-0.01	n/a

* PFTS BID Price is used

** Price "Impact" is the opinion of Concorde's trading desk on stocks to help investors estimate the reliability of quoted prices:

- 1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size
- 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
- 3: All other stocks (quoted price is less reliable and should be considered indicative)

Railroad Switch Output, units



INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Net Revenues	25.5	32.4	40.5	35.9	n/a	n/a
Change y-o-y	-	27.1%	24.9%	12.9%	n/a	n/a
Gross Profit	6.3	8.3	8.3	6.4	n/a	n/a
EBITDA	3.3	3.9	3.8	2.9	n/a	n/a
margin, %	13.1%	12.1%	9.4%	8.2%	n/a	n/a
Depreciation	(1.0)	(1.2)	(1.5)	(1.1)	n/a	n/a
EBIT	2.4	2.7	2.3	1.9	n/a	n/a
margin, %	9.2%	8.4%	5.7%	5.2%	n/a	n/a
Interest Expense	(0.0)	(0.0)	(0.0)	-	n/a	n/a
Other income/(expense)	(0.0)	(0.2)	(0.2)	(0.1)	n/a	n/a
PBT	2.3	2.5	2.1	1.7	n/a	n/a
Tax	(0.6)	(0.7)	(0.4)	(0.5)	n/a	n/a
Effective tax rate	26.9%	29.3%	20.4%	26.9%	n/a	n/a
Net Income	1.7	1.8	1.7	1.3	n/a	n/a
Net Margin, %	6.5%	5.4%	4.1%	3.5%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Current Assets	13.0	13.5	14.8	10.5	n/a	n/a
Cash & Equivalents	0.2	0.4	0.1	0.3	n/a	n/a
Trade Receivables	1.2	2.6	2.0	2.6	n/a	n/a
Inventories	9.3	8.6	11.3	6.9	n/a	n/a
Other	2.3	2.0	1.4	0.7	n/a	n/a
Fixed Assets	16.0	17.5	20.7	20.8	n/a	n/a
PP&E, net	14.5	15.9	19.4	19.4	n/a	n/a
Other	1.5	1.6	1.2	1.4	n/a	n/a
Total Assets	29.0	31.0	35.5	31.2	n/a	n/a
Shareholders' Equity	21.0	22.8	25.5	26.8	n/a	n/a
Share Capital	0.5	0.5	0.5	0.5	n/a	n/a
Retained Earnings	10.9	12.7	15.0	16.4	n/a	n/a
Other	9.5	9.5	10.0	9.8	n/a	n/a
Current Liabilities	7.9	8.2	9.9	4.5	n/a	n/a
ST Interest Bearing Debt	-	-	-	-	n/a	n/a
Trade Payables	7.6	7.8	9.3	3.1	n/a	n/a
Other	0.4	0.4	0.6	2.0	n/a	n/a
LT Liabilities	0.1	0.1	0.0	0.0	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	n/a	n/a
Other	0.1	0.1	0.0	0.0	n/a	n/a
Total Liabilities & Equity	29.0	31.0	35.5	31.2	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	5.9	7.5	9.8	9.1	7.7	11.7	12.4	8.7	11.2	12.5	12.2
Change y-o-y	29.5%	-5.4%	41.9%	51.3%	29.9%	54.9%	26.0%	-4.3%	45.1%	6.8%	-1.4%
EBITDA	0.6	0.9	1.2	1.3	0.6	1.4	1.0	0.7	0.7	1.1	1.1
margin, %	9.4%	12.0%	12.1%	13.8%	8.2%	12.2%	8.2%	8.3%	6.6%	9.0%	8.8%
EBIT	0.3	0.7	0.9	0.9	0.3	1.1	0.6	0.3	0.4	0.8	0.7
margin, %	5.0%	8.7%	8.9%	10.0%	4.1%	9.3%	5.2%	3.2%	3.2%	6.2%	6.1%
Net Income	0.2	0.5	0.6	0.5	0.1	0.9	0.4	0.3	0.3	0.5	0.5
Net Margin, %	2.9%	6.3%	5.9%	5.8%	1.7%	7.4%	3.3%	3.0%	2.4%	3.9%	4.2%

Kryukiv Wagon

KVBZ UZ

Miscellaneous Manufacturers

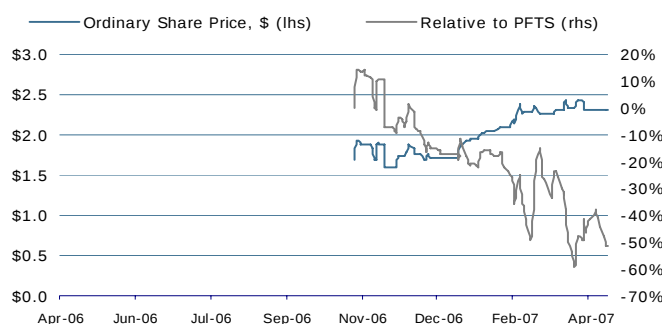
<http://www.kvsz.com>

Target Price (USD)
Upside

N / R
n / a

INVESTMENT CASE

- Growth expected as freight railcars in Ukraine are renovated
- Ukrzaliznytsya plans to buy 4 ths new passenger cars by 2017
- First quarter company results show signs of Kryukiv Wagon's recovery from a 2006 production decrease



listed on PFTS since 7 Nov 2006

BUSINESS OVERVIEW

Kryukiv Wagon is the only producer in Ukraine that makes both passenger and freight wagons. The plant's production capacity is 200 ths passenger and 8 ths freight wagons p.a. Kryukiv Wagon exports around 70% of its output to the CIS and Iran.

Ukrzaliznytsya's orders for passenger wagons account for 10% of the company's sales. In 2006, the company reduced production volumes by 27.9% yoy to USD 198 mln. Management explains that the reduction was due to tightening competition and a switch toward the development of a new type of wagon. In reality, the company relied on significant orders from Ukrzaliznytsya, only 10% of which were realized. Kryukiv Wagon produced a total of 4.42 ths wagons of 11 different types in 2006.

In 2006 the company's net income reduced 36.7% yoy to USD 18.3 mln.

UPCOMING EVENTS

* PFTS MID Price is used

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- 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	2.31
Price impact**	3
52 Wk H/L, USD	2.44 / 1.60
Chg 3m/6m/52w	19% / n/a / n/a
Chg vs PFTS 3m/6m/52w	-20% / -94% / -77%
Chg YTD	35%
Avg Mo Tr Vol 6M, USD ths	133.15
MCap, USD mln	264.6
Free float, %	2.0%
FF MCap, USD mln	5.3
No of shares, mln	114.7
Par Value, UAH	0.75
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Severstal Trans	25.0%
TAS Group	27.0%
Physical persons	14.0%
Other	34.0%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	1.1	1.0
EV/EBITDA	7.7	7.1
P/E	12.4	11.2
P/B	2.2	1.8
P/CF	11.6	10.5

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	15%	14%	14%
Net Margin	11%	9%	9%
ROE	41%	21%	19%
Net Debt/Equity	-0.1	-0.1	-0.01

Freight Carriages Output, units



INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	64.2	165.1	249.8	272.2	145.1	n/a	n/a
Change y-o-y	-	157.2%	51.3%	9.0%	-27.1%	n/a	n/a
Gross Profit	12.4	32.2	43.0	56.8	27.3	n/a	n/a
EBITDA	9.7	27.2	31.1	40.7	20.1	n/a	n/a
margin, %	15.1%	16.5%	12.5%	15.0%	13.9%	n/a	n/a
Depreciation	(1.2)	(1.5)	(1.4)	(1.5)	(1.5)	n/a	n/a
EBIT	8.5	25.7	29.7	39.2	18.6	n/a	n/a
margin, %	13.2%	15.6%	11.9%	14.4%	12.8%	n/a	n/a
Interest Expense	(0.0)	(0.0)	(0.3)	(0.1)	(0.2)	n/a	n/a
Other income/(expense)	(1.2)	(1.8)	(1.9)	(0.4)	(1.0)	n/a	n/a
PBT	7.2	23.9	27.6	38.8	17.4	n/a	n/a
Tax	(3.3)	(8.1)	(10.5)	(9.7)	(2.0)	n/a	n/a
Effective tax rate	45.8%	33.8%	38.2%	25.1%	11.2%	n/a	n/a
Net Income	3.9	15.8	17.0	28.9	15.5	n/a	n/a
Net Margin, %	6.1%	9.6%	6.8%	10.6%	10.7%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	32.3	50.3	80.2	98.1	106.9	n/a	n/a
Cash & Equivalents	0.5	3.7	7.1	11.2	5.2	n/a	n/a
Trade Receivables	5.6	3.9	9.8	17.9	20.8	n/a	n/a
Inventories	19.2	29.7	40.6	50.3	61.4	n/a	n/a
Other	7.1	13.0	22.6	18.7	19.5	n/a	n/a
Fixed Assets	20.6	23.0	24.5	31.5	36.1	n/a	n/a
PP&E, net	15.0	15.8	19.7	26.5	29.3	n/a	n/a
Other	5.6	7.1	4.8	5.0	6.7	n/a	n/a
Total Assets	52.9	73.3	104.7	129.6	142.9	n/a	n/a
Shareholders' Equity	36.3	52.2	69.7	100.6	115.8	n/a	n/a
Share Capital	0.1	0.3	0.3	17.0	17.0	n/a	n/a
Retained Earnings	6.6	-	14.1	42.2	51.9	n/a	n/a
Other	29.6	51.9	55.3	41.4	46.8	n/a	n/a
Current Liabilities	16.3	20.9	35.0	29.0	27.1	n/a	n/a
ST Interest Bearing Debt	0.8	-	-	1.3	3.2	n/a	n/a
Trade Payables	2.7	2.6	5.7	8.4	5.2	n/a	n/a
Other	12.9	18.3	29.3	19.3	20.0	n/a	n/a
LT Liabilities	0.3	0.2	0.0	0.0	0.0	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	-	n/a	n/a
Other	0.3	0.2	0.0	0.0	0.0	n/a	n/a
Total Liabilities & Equity	52.9	73.3	104.7	129.6	142.9	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	55.6	57.7	66.1	70.4	70.0	71.3	57.8	73.1	40.0	58.5	46.6
Change y-o-y	72.5%	70.0%	39.3%	36.7%	25.8%	23.6%	-12.5%	3.9%	-42.9%	-18.0%	-19.4%
EBITDA	8.3	6.3	7.6	9.0	12.9	9.8	7.4	10.7	6.0	9.1	5.1
margin, %	14.8%	10.9%	11.5%	12.7%	18.4%	13.7%	12.7%	14.6%	14.9%	15.5%	10.9%
EBIT	7.8	5.9	7.3	8.6	12.6	9.4	7.0	10.3	5.5	8.6	4.5
margin, %	14.1%	10.3%	11.1%	12.3%	18.0%	13.2%	12.0%	14.0%	13.8%	14.7%	9.7%
Net Income	7.4	3.1	4.9	1.6	12.5	6.3	4.2	5.9	5.2	6.1	4.1
Net Margin, %	13.3%	5.4%	7.4%	2.3%	17.9%	8.8%	7.3%	8.0%	13.1%	10.4%	8.8%

Luhanskteplovoy

LTPL UZ

Machinery Diversified

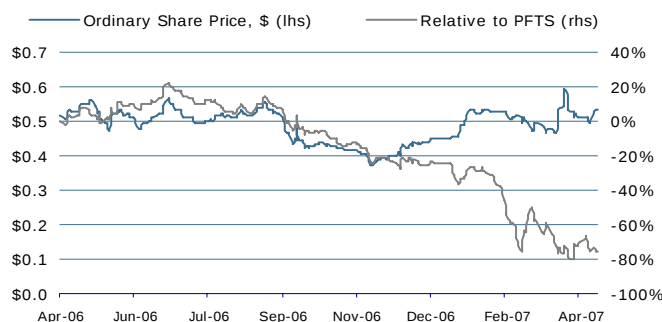
<http://www.contact-teplovoy.lugansk.ua>

Target Price (USD) **0.50**
Upside **-5 %**

INVESTMENT CASE

- Demand for locomotives triggered by the modernization plans of Ukrainian and Russian Railways
- 83% of capacity is currently unused, which will allow it to increase sales after a strategic investor brings new orders
- Potential inflows of orders by new owner (capacity load expected to increase from the current 17% to 35% in the mid-term)
- As it upgrades its fleet ahead of Euro-2012, Ukrzaliznytsya could bring the company additional locomotive orders
- With major Ukrainian cities (Kyiv, Lviv and Dnipropetrovsk) placing orders to replace their outdated tram fleets, might dive into the market by launching serial tram production

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Luhanskteplovoy is a major producer of locomotives in the CIS and needs a strategic investor to ensure orders and supply working capital.

On March 23, 2007, the State Property Fund sold a 76% stake in Luhanskteplovoy to Bryansk Heavy Machinery, part of Russian Transmashholding, the largest producer of heavy machinery in Russia, for USD 57.9 mln. As of the date this publication went to press, the legitimacy of this privatization was being investigated by a parliament commission and the outcome was being contested in court.

In 2006, Luhanskteplovoy posted sales of USD 87.5 mln (10.7% yoy growth). The company tripled its net loss to USD 3.1 mln. Last year production fell 2.7% due lack of orders from Ukrzaliznytsya, Ukraine's railway transportation monopoly, because of the late adoption of its financial plan and a lack of orders for locomotives from Russian companies (12 locomotives instead of 20 as planned).

MARKET INFORMATION

Market price*, USD	0.52
Price impact**	2
52 Wk H/L, USD	0.60 / 0.37
Chg 3m/6m/52w	6% / 22% / 3%
Chg vs PFTS 3m/6m/52w	-33% / -72% / -74%
Chg YTD	17%
Avg Mo Tr Vol 6M, USD ths	464.47
MCap, USD mln	115.0
Free float, %	24.0%
FF MCap, USD mln	27.6
No of shares, mln	219.2
Par Value, UAH	0.25
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Transmashholding	76.0%
Other	24.0%

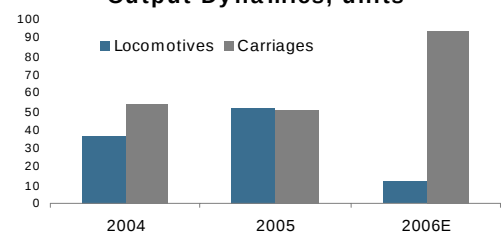
MARKET MULTIPLES

	2006E	2007E
EV/Sales	1.5	1.2
EV/EBITDA	16.9	15.4
P/E	neg	33.8
P/B	4.2	3.7
P/CF	-117.4	20.8

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	6%	9%	8%
Net Margin	-0.1%	-4%	3%
ROE	-0.2%	-10%	12%
Net Debt/Equity	0.5	0.6	0.8

Output Dynamics, units



* PFTS MID Price is used

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- 1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size
- 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
- 3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	20.8	31.9	76.9	77.6	50.1	n/a	n/a
Change y-o-y	-	53.7%	140.8%	0.9%	10.1%	n/a	n/a
Gross Profit	4.4	7.4	19.4	15.6	10.0	n/a	n/a
EBITDA	11.0	1.9	6.3	4.9	1.9	n/a	n/a
margin, %	52.8%	6.0%	8.2%	6.3%	3.8%	n/a	n/a
Depreciation	(1.6)	(1.8)	(2.6)	(2.1)	(1.8)	n/a	n/a
EBIT	9.3	0.1	3.7	2.8	0.1	n/a	n/a
margin, %	44.8%	0.3%	4.8%	3.6%	0.3%	n/a	n/a
Interest Expense	(11.5)	(1.4)	(2.3)	(2.1)	(1.6)	n/a	n/a
Other income/(expense)	(0.1)	(0.1)	0.2	0.5	0.2	n/a	n/a
PBT	(2.3)	(1.3)	1.6	1.2	(1.3)	n/a	n/a
Tax	-	(0.2)	(1.6)	(1.2)	(0.6)	n/a	n/a
Effective tax rate	0.0%	-16.7%	97.9%	99.3%	-44.6%	n/a	n/a
Net Income	(2.3)	(1.6)	0.0	(0.0)	(1.9)	n/a	n/a
Net Margin, %	-10.9%	-5.0%	0.0%	-0.1%	-3.9%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	22.7	33.5	39.0	49.1	55.7	n/a	n/a
Cash & Equivalents	0.1	1.4	0.7	0.2	0.4	n/a	n/a
Trade Receivables	1.4	2.3	9.7	2.8	2.1	n/a	n/a
Inventories	15.4	22.2	21.7	34.4	40.5	n/a	n/a
Other	5.7	7.6	6.9	11.7	12.8	n/a	n/a
Fixed Assets	39.9	33.4	34.1	36.7	37.7	n/a	n/a
PP&E, net	35.2	28.8	28.8	32.0	33.0	n/a	n/a
Other	4.6	4.6	5.2	4.8	4.7	n/a	n/a
Total Assets	62.5	66.9	73.1	85.8	93.5	n/a	n/a
Shareholders' Equity	36.5	29.4	28.4	30.7	29.9	n/a	n/a
Share Capital	10.3	10.3	10.3	10.9	10.9	n/a	n/a
Retained Earnings	(9.7)	(10.1)	(10.8)	(11.5)	(13.2)	n/a	n/a
Other	35.9	29.2	28.9	31.3	32.2	n/a	n/a
Current Liabilities	24.8	36.8	44.7	46.8	47.3	n/a	n/a
ST Interest Bearing Debt	2.0	8.5	9.0	15.6	12.0	n/a	n/a
Trade Payables	5.6	4.8	5.4	13.6	3.9	n/a	n/a
Other	17.2	23.5	30.2	17.6	32.9	n/a	n/a
LT Liabilities	1.3	0.7	0.0	8.3	16.2	n/a	n/a
LT Interest Bearing Debt	-	-	-	-	7.9	n/a	n/a
Other	1.3	0.7	0.0	8.3	8.3	n/a	n/a
Total Liabilities & Equity	62.5	66.9	73.1	85.8	93.5	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	21.8	11.5	23.2	20.4	11.3	13.5	20.7	32.1	11.5	12.6	25.9
Change y-o-y	171.9%	121.7%	205.0%	83.4%	-48.2%	17.3%	-10.9%	57.3%	2.2%	-6.6%	25.2%
EBITDA	3.7	1.2	1.5	(0.1)	(0.2)	0.9	1.7	2.5	0.1	(0.4)	2.2
margin, %	16.8%	10.4%	6.6%	-0.3%	-1.9%	6.7%	8.4%	7.7%	0.8%	-2.9%	8.5%
EBIT	3.0	0.6	0.8	(0.7)	(0.6)	0.4	1.2	1.8	(0.4)	(0.9)	1.4
margin, %	13.6%	5.3%	3.6%	-3.5%	-5.7%	2.9%	6.0%	5.6%	-3.7%	-7.0%	5.6%
Net Income	2.4	0.1	0.3	(2.7)	(1.0)	0.2	0.7	0.0	(0.9)	(1.3)	0.3
Net Margin, %	11.1%	0.8%	1.1%	-13.4%	-8.8%	1.4%	3.4%	0.2%	-7.8%	-10.5%	1.1%

Bank Forum

FORM UZ

Banks

<http://www.forum.com.ua>

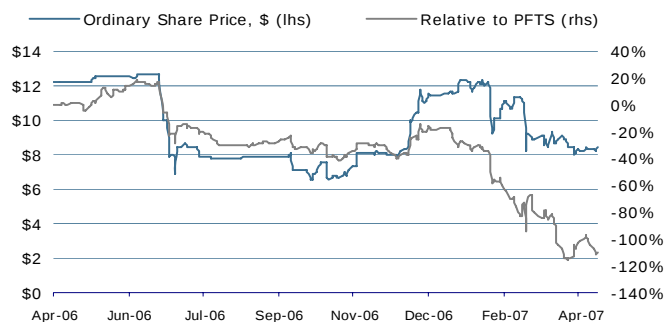
Target Price (USD)
Upside

9.05
3.5 %

INVESTMENT CASE

- For the last few years, its growth rate has outpaced the whole banking sector
- Emphasis on expansion into the promising retail sector
- Raising cheaper foreign debt via syndicated loans, Eurobond placements and EBRD lending programs
- Only Ukrainian banking stock listed on the Frankfurt Stock Exchange
- Owner's intentions to keep a ~25% stake might have deterred some interest, but we believe a strategic sale is highly probable in 2007

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Bank Forum is Ukraine's 10th largest bank, with USD 1,461 mln in assets at the end of 2006. Founded in 1994, it is a universal financial institution, offering corporate, retail, treasury and investment banking services to over 7.3 ths corporate and 56 ths private customers.

Despite a primary focus on corporate clients, the bank is making a strong shift toward retail. The bank's 165 branch offices and network of 158 ATMs ensures nationwide coverage. In 2006 the bank posted growth in basic financials: the bank's gross loan portfolio expanded by 114% yoy to USD 1,009 mln while its retail lending jumped 149% yoy to USD 164 mln, corporate loans grew 109% yoy to USD 845 mln and customer deposits grew 85% ytd to USD 845 mln.

In March the bank completed an 80% share capital increase by issuing 50 mln new shares at par USD 1.98.

MARKET INFORMATION

Market price*, USD	8.75
Price impact**	2
52 Wk H/L, USD	12.6 / 6.6
Chg 3m/6m/52w	-33% / 10% / -33%
Chg vs PFTS 3m/6m/52w	-72% / -84% / -110%
Chg YTD	-24.4%
Avg Mo Tr Vol 6M, USD ths	592.7
MCap, USD mln	980.3
Free float, %	10.0%
FF MCap, USD mln	98.0
No of shares, mln	112.0
Par Value, UAH	10
XETRA	B5F
DR Ratio	1:1
Avg Mo Tr Vol 6M, USD ths	128.6

STOCK OWNERSHIP

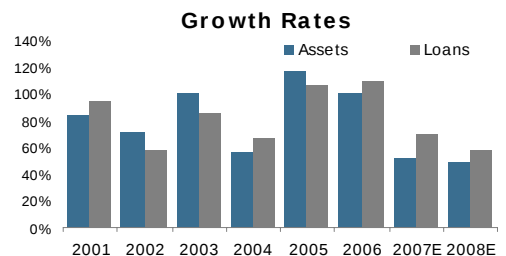
Provita Insurance	65.0%
LLC Elmak	14.8%
Portfolio investors	9.9%
Kontinental - Ukraine LLC	6.6%
Other	3.7%

MARKET MULTIPLES

	2006	2007E
P/E	167.5	90.0
P/B	6.1	3.5
P/Loans	0.9	0.6
P/Deposits	1.1	0.7

KEY RATIOS

	2005	2006	2007E
Net Income Mgn	16%	9%	10%
Net Interest Mgn	4%	3%	4%
ROE	9%	5%	5%
Cost/Income	56%	69%	70%



* PFTS MID Price is used

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3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
Interest income	20.3	39.7	66.2	120.7	196.9	300.3
Interest expense	(10.8)	(21.7)	(38.7)	(76.6)	(115.6)	(173.9)
Net interest income	9.5	18.0	27.5	44.1	81.3	126.4
Net fee & commission income	2.7	4.3	6.3	10.1	14.8	22.7
Net trading income	0.5	1.5	2.0	4.2	4.3	5.3
Net other operating income	0.1	0.1	0.2	0.8	0.8	0.9
Net non interest income	3.2	5.9	8.6	15.1	19.9	28.9
Total income	12.8	23.9	36.1	59.2	101.2	155.4
Operating expenses	(6.2)	(10.0)	(20.3)	(41.1)	(70.8)	(104.7)
Operating income	6.5	13.9	15.8	18.1	30.4	50.6
Provision for loan losses & other	(3.8)	(9.0)	(8.2)	(10.9)	(16.8)	(24.3)
Profit before income tax	2.7	4.9	7.6	7.2	13.6	26.3
Income tax expenses	(1.1)	(1.2)	(2.1)	(1.7)	(3.4)	(6.6)
Net income	1.6	3.7	5.6	5.5	10.2	19.7

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
ASSETS						
Cash & Balances with the National Bank of Ukraine	21.5	28.8	50.9	50.9	147.2	196.1
Due from other banks	46.2	65.4	178.6	339.3	332.9	395.0
Loans and advances to customers	138.0	229.2	466.9	978.3	1 649.7	2 590.3
Securities portfolio	5.3	2.0	2.1	28.3	16.3	15.9
Property and equipment	6.9	9.4	27.6	51.1	62.9	79.4
Other assets	1.2	6.7	4.0	13.2	10.0	15.0
TOTAL ASSETS	219.1	341.6	730.2	1 461.0	2 219.0	3 291.8
LIABILITIES						
Due to the National Bank of Ukraine	11.5	26.6	12.5	-	12.5	13.6
Due to the other banks	46.5	67.1	204.8	421.6	498.2	624.1
Total customer's deposits	131.7	196.3	424.3	844.6	1 402.0	2 178.8
Subordinated debt	3.1	4.3	6.3	9.5	6.3	6.3
Other liabilities	1.0	1.4	5.7	33.5	34.4	45.7
TOTAL LIABILITIES	193.8	295.7	653.7	1 309.2	1 953.3	2 868.5
TOTAL EQUITY	25.3	45.8	76.5	151.8	265.7	423.2
TOTAL LIABILITIES & EQUITY	219.1	341.6	730.2	1 461.0	2 219.0	3 291.8

Raiffeisen Bank Aval

BAVL UZ

Banks

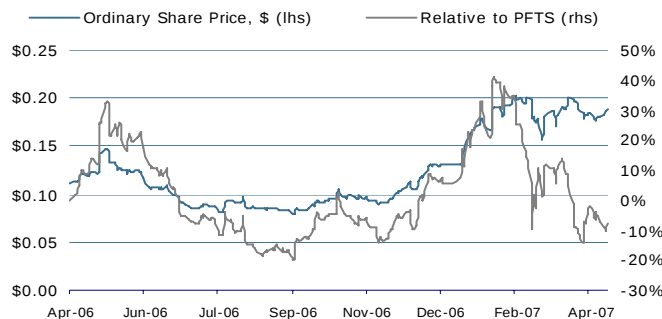
<http://www.aval.ua>

Target Price (USD) 0.23
Upside 21 %

INVESTMENT CASE

- Strong lending growth fueled by retail loans
- Improved transparency and efficiency
- Upcoming 70% increase of its charter fund will strengthen the bank's position for further growth
- Plans to raise USD 1.0 bln in foreign debt to finance retail lending expansion program

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Raiffeisen Bank Aval, part of Raiffeisen International Bank Holding AG, is the second largest bank in Ukraine by assets with an 8.2% market share in 2006. Aval is a universal bank, providing services to over 3.2 mln individuals and more than 200 ths corporate clients.

It operates the second largest nationwide retail network with 1,400 retail outlets. The bank, with loans to individuals of USD 4,135 mln as of Jan. 1, 2007, is the second largest retail lender in Ukraine.

In 2006 Aval posted asset growth of 44% yoy, to USD 5.5 bln while the bank's loan portfolio expanded 71% yoy to USD 4.3 bln. Retail loans increased 141% yoy and corporate loans 34% yoy. Customers' deposits were up 13% yoy to reach USD 3.4 mln as of Jan. 1, 2007.

On Oct. 20, 2006, Raiffeisen Bank Aval announced plans to increase its charter fund by 70% to support further rapid expansion.

UPCOMING EVENTS

23 Apr 2007 AGM, shareholders will vote on USD 297 mln of additional share issue

MARKET INFORMATION

Market price*, USD	0.19
Price impact**	2
52 Wk H/L, USD	0.20 / 0.08
Chg 3m/6m/52w	11% / 79% / 71%
Chg vs PFTS 3m/6m/52w	-28% / -15% / -6%
Chg YTD	46.6%
Avg Mo Tr Vol 6M, USD ths	3973.0
MCap, USD mln	4053.2
Free float, %	4.5%
FF MCap, USD mln	182.4

No of shares, mln	20999.1
Par Value, UAH	0.1

XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Raiffeisen International	95.5%
Ukrtelecom	0.7%
Bank Austria Creditanstalt	0.5%
Other	3.3%

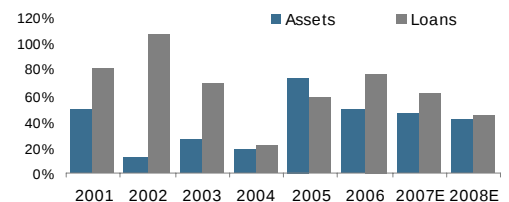
MARKET MULTIPLES

	2006	2007E
P/E	59.0	29.4
P/B	6.2	4.3
P/Loans	1.0	0.6
P/Deposits	1.2	0.9

KEY RATIOS

	2005	2006	2007E
Net Income Mgn	4%	14%	19%
Net Interest Mgn	7%	8%	8%
ROE	6%	15%	17%
Cost/Income	67%	61%	59%

Growth Rates



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INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
Interest income	177.4	233.1	336.9	513.3	780.3	1 088.5
Interest expense	(90.0)	(131.3)	(172.1)	(232.4)	(309.8)	(409.0)
Net interest income	87.4	101.7	164.8	280.9	470.5	679.4
Net fee & commission income	76.2	115.5	120.6	154.5	191.7	259.8
Net trading income	19.8	24.5	30.5	30.1	34.6	42.5
Net other operating income	1.2	1.9	0.7	3.2	0.5	0.6
Net non interest income	97.1	141.8	151.8	187.8	226.7	302.9
Total income	184.5	243.5	316.6	468.7	697.2	982.3
Operating expenses	(138.7)	(173.4)	(212.0)	(285.4)	(417.7)	(575.8)
Operating income	45.8	70.1	104.6	183.3	279.5	406.6
Provision for loan losses & other	(49.0)	(23.4)	(74.8)	(81.8)	(111.6)	(137.5)
Profit before income tax	(3.2)	46.7	29.8	101.6	168.0	269.1
Income tax expenses	(3.8)	(13.8)	(15.6)	(34.7)	(33.6)	(53.8)
Net income	(7.0)	32.9	14.2	66.9	134.4	215.3

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
ASSETS						
Cash & Balances with the National Bank of Ukraine	121.9	202.2	632.7	482.4	559.2	672.3
Due from other banks	243.1	178.8	337.5	363.9	391.6	428.2
Loans and advances to customers	1 231.3	1 496.0	2 354.1	4 135.0	6 215.8	8 898.3
Securities portfolio	52.8	57.9	175.1	89.0	142.6	77.1
Property and equipment	125.8	170.8	192.6	331.8	456.2	535.6
Other assets	32.3	36.3	14.0	97.4	67.5	94.0
TOTAL ASSETS	1 807.2	2 142.1	3 706.0	5 499.6	7 833.0	10 705.5
LIABILITIES						
Due to the National Bank of Ukraine	74.9	132.8	13.2	12.3	13.4	14.6
Due to the other banks	209.1	244.7	496.1	1 233.1	2 214.7	3 262.6
Total customer's deposits	1 387.8	1 588.7	2 827.4	3 382.6	4 474.0	5 846.2
Subordinated debt	7.7	0.1	69.9	70.9	70.2	70.2
Other liabilities	7.5	9.0	29.0	164.9	145.9	172.4
TOTAL LIABILITIES	1 687.1	1 975.3	3 435.6	4 863.8	6 918.2	9 366.1
TOTAL EQUITY	120.1	166.8	270.5	635.8	914.7	1 339.4
TOTAL LIABILITIES & EQUITY	1 807.2	2 142.1	3 706.0	5 499.6	7 833.0	10 705.5

Ukrsotsbank

USCB UZ

Banks

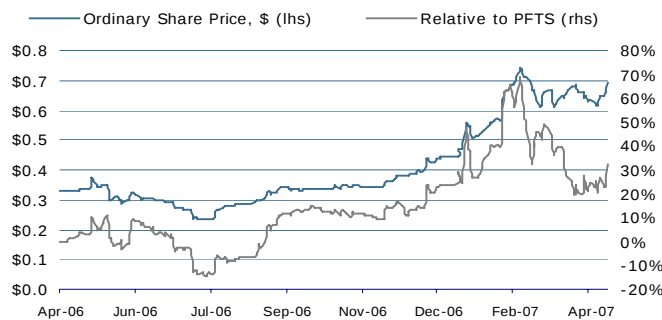
<http://www.usb.com.ua>

Target Price (USD) 0.76
Upside 3 %

INVESTMENT CASE

- Low-cost, diversified deposit base with a sizeable portion of demand deposits
- Stable growth rates outpace the banking sector
- Expansion into higher-yield retail banking
- Foreign borrowing to replace more expensive domestic debt
- Stable, above market average margins
- Prolonged acquisition process is close to an end

SHARE PRICE PERFORMANCE *



BUSINESS OVERVIEW

Founded in 1990, Ukrsotsbank was the sixth-largest bank by assets in 2006 with a market share of 5.2%. Headquartered in Kyiv, its extensive network of 530 branches (23 offices in Kyiv and 507 regional branches), makes it one of the top retail banks in Ukraine. Ukrsotsbank provides commercial banking services to over 1 mln private clients via its broad retail network. On Feb. 15, 2006 Banca Intesa, Italy's second-largest bank, won a tender for Ukrsotsbank with an offer of USD 1.16 bln for an 88% stake.

In 2006 Ukrsotsbank increased its assets 63% yoy to USD 3.47 bln, and customer deposits grew 32% yoy to USD 2.18 bln. The bank's loan portfolio expanded 73% to USD 436 mln with retail lending more than doubled over 2006. Ukrsotsbank is among the leading players in the mortgage segment.

UPCOMING EVENTS

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MARKET INFORMATION

Market price*, USD	0.74
Price impact**	2
52 Wk H/L, USD	0.74 / 0.23
Chg 3m/6m/52w	36% / 100% / 112%
Chg vs PFTS 3m/6m/52w	-3% / 6% / 34%
Chg YTD	46%
Avg Mo Tr Vol 6M, USD ths	11518.8
MCap, USD mln	2754.9
Free float, %	4.4%
FF MCap, USD mln	121.2
No of shares, mln	3700.0
Par Value, UAH	0.1

XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

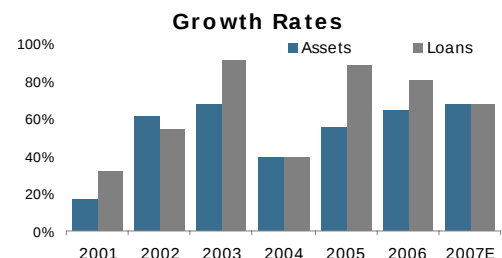
Banca Intesa	88.0%
Tempsford Investments	7.6%
Other	4.4%

MARKET MULTIPLES

	2006E	2007E
P/E	44.9	25.6
P/B	6.7	4.1
P/Loans	1.0	0.6
P/Deposits	1.2	0.9

KEY RATIOS

	2005	2006E	2007E
Net Income Mgn	16%	26%	31%
Net Interest Mgn	6%	6%	7%
ROE	14%	20%	20%
Cost/Income	72%	59%	68%



INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
Interest income	86.7	122.7	178.0	281.3	464.8	710.6
Interest expense	(40.8)	(70.0)	(107.8)	(162.2)	(278.7)	(411.3)
Net interest income	45.9	52.8	70.2	119.1	186.1	299.4
Net fee & commission income	43.5	51.0	65.9	79.8	102.4	127.6
Net trading income	(0.2)	5.8	12.2	18.6	21.8	25.3
Net other operating income	1.3	2.2	4.5	5.3	6.5	7.2
Net non interest income	44.6	59.0	82.5	103.8	130.8	160.1
Total income	90.5	111.8	152.8	222.9	316.8	459.4
Operating expenses	(68.7)	(84.6)	(109.4)	(131.9)	(165.0)	(223.5)
Operating income	21.8	27.2	43.3	91.0	151.8	235.9
Provision for loan losses & other	(6.2)	(2.0)	(11.4)	(11.5)	(19.0)	(32.2)
Profit before income tax	15.6	25.2	31.9	79.5	132.8	203.7
Income tax expenses	(4.7)	(4.2)	(7.9)	(22.6)	(33.2)	(50.9)
Net income	10.9	21.1	24.0	56.9	99.6	152.8

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	2006	2007E	2008E
ASSETS						
Cash & Balances with the National Bank of Ukraine	111.3	170.4	320.3	541.6	516.5	636.0
Due from other banks	99.8	152.3	85.5	40.1	581.2	689.3
Loans and advances to customers	517.9	720.5	1 368.2	2 460.7	4 108.4	6 482.5
Securities portfolio	115.0	94.5	129.6	60.6	116.5	137.5
Property and equipment	78.6	157.8	190.3	293.9	441.8	598.0
Other assets	17.5	12.1	18.5	74.7	48.1	73.1
TOTAL ASSETS	940.2	1 307.6	2 112.5	3 471.6	5 812.5	8 616.3
LIABILITIES						
Due to the banks	98.0	45.8	94.8	757.6	2 183.3	3 905.5
Total customer's deposits	747.7	1 078.4	1 668.5	2 176.7	2 869.6	3 741.2
Other liabilities	14.1	29.8	158.6	155.7	129.9	159.9
TOTAL LIABILITIES	859.8	1 154.0	1 921.9	3 090.1	5 182.8	7 806.6
TOTAL EQUITY	80.4	153.6	190.6	381.5	629.7	809.8
TOTAL LIABILITIES & EQUITY	940.2	1 307.6	2 112.5	3 471.6	5 812.5	8 616.3

Mittal Steel Kryviy Rih KSTL UZ

Iron & Steel

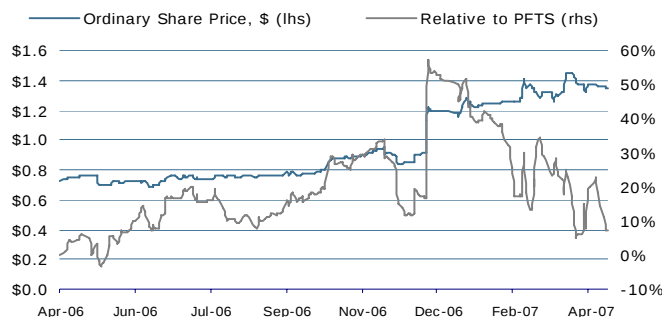
<http://www.mittalsteel.com>

Target Price (USD) **1.22**
Upside **-14 %**

INVESTMENT CASE

- **General sponsor of Ukraine's bid for Euro-2012**
- Major part of the company's products are consumed by construction and metal hardware manufacturers
- Across-the-board cost saving measures and production expansion carried out by strategic investor Mittal Steel
- Synergy with Mittal plants (coal from Kazakhstan, coke from Poland/Kazakhstan, sale of steel semis to Europe)
- Benefits from nearly complete vertical integration unseen at other Ukrainian mills

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Mittal Steel Kryviy Rih (KSTL) is Ukraine's largest steel maker and produced 18.6% (7.6 mln mt) of domestic output in 2006. Mittal Steel's current crude steel capacity stands at ~8 mln mt. The company's core products are rebar, wire rod, billets and merchant bar from bulk and low-alloyed steel. Mittal Steel Kryviy Rih is 90% self-sufficient in iron and coke. In addition, iron ore pellets and met coke are supplied by Poltava Iron Ore and Bagliy Coke, respectively. Mittal Steel Kryviy Rih produced 6.86 mln mt of rolled steel products (12.2%), 7.56 mln mt of crude steel (up 8.9% yoy), 6.80 mln mt of pig iron (up 10.4%), 1.88 mln mt of sintering ore (up 12.9% yoy), 7.77 mln mt of iron ore concentrate (up 10.5% yoy), 2.70 mln tones of gross coke (up 1.3% yoy), and 11.33 mln mt of sinter (up 13.1% yoy) during 2006.

In 2006 the company posted 143.8% yoy growth of net income to USD 774.6 mln.

In 2006, the State Property Fund sold 1.3% of its 1.74% stake in KSTL in four installments for a total of USD 43.47 mln. Mittal Steel Kryviy Rih plans to invest about USD 1.2 bln by 2011 into modernization of its production facilities and increase the annual output of crude steel to 10 mln mt.

MARKET INFORMATION

Market price*, USD	1.41
Price impact**	2
52 Wk H/L, USD	1.45 / 0.69
Chg 3m/6m/52w	15% / 62% / 84%
Chg vs PFTS 3m/6m/52w	-24% / -32% / 7%
Chg YTD	20%
Avg Mo Tr Vol 6M, USD ths	1730.05
MCap, USD mln	5449.2
Free float, %	1.1%
FF MCap, USD mln	58.9
No of shares, mln	3859.5
Par Value, UAH	1.0
XETRA	n / a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Mittal Steel	94.0%
Invest. & Met. Union	4.5%
SPFU	0.4%
Other	1%

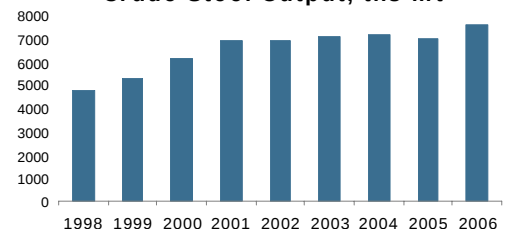
MARKET MULTIPLES

	2006E	2007E
EV/Sales	1.9	1.7
EV/EBITDA	6.0	5.9
P/E	8.7	8.6
P/B	2.9	2.2
P/CF	7.8	7.8

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	22%	31%	29%
Net Margin	15%	22%	20%
ROE	32%	49%	33%
Net Debt/Equity	-0.2	-0.07	-0.03

Crude Steel Output, ths mt



* PFTS MID Price is used

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1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size
 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
 3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Net Revenues	1 412.6	1 899.1	2 155.5	2 049.9	n/a	n/a
Change y-o-y	-	34.4%	13.5%	27.3%	n/a	n/a
Gross Profit	420.6	643.3	627.4	748.0	n/a	n/a
EBITDA	342.1	551.8	482.6	592.0	n/a	n/a
margin, %	24.2%	29.1%	22.4%	28.9%	n/a	n/a
Depreciation	(32.2)	(46.8)	(60.3)	(40.3)	n/a	n/a
EBIT	309.9	505.0	422.3	551.6	n/a	n/a
margin, %	21.9%	26.6%	19.6%	26.9%	n/a	n/a
Interest Expense	(2.0)	(0.1)	-	(5.5)	n/a	n/a
Other income/(expense)	(12.2)	(6.0)	(12.7)	4.1	n/a	n/a
PBT	295.6	498.9	409.6	550.2	n/a	n/a
Tax	(132.4)	(120.5)	(98.0)	(144.0)	n/a	n/a
Effective tax rate	44.8%	24.2%	23.9%	26.2%	n/a	n/a
Net Income	163.3	378.3	312.3	406.2	n/a	n/a
Net Margin, %	11.6%	19.9%	14.5%	19.8%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2003	2004	2005	9M06	2007E	2008E
Current Assets	336.0	592.8	647.1	1 274.3	n/a	n/a
Cash & Equivalents	92.1	207.4	258.5	325.6	n/a	n/a
Trade Receivables	0.5	25.2	67.9	317.2	n/a	n/a
Inventories	131.7	227.4	230.0	191.3	n/a	n/a
Other	111.7	132.8	90.7	440.2	n/a	n/a
Fixed Assets	625.8	636.8	744.3	772.2	n/a	n/a
PP&E, net	505.6	496.2	486.4	465.8	n/a	n/a
Other	120.2	140.6	257.9	306.3	n/a	n/a
Total Assets	961.8	1 229.6	1 391.3	2 046.5	n/a	n/a
Shareholders' Equity	841.8	1 107.2	1 270.9	1 653.8	n/a	n/a
Share Capital	673.1	727.5	764.3	764.3	n/a	n/a
Retained Earnings	152.2	351.4	457.5	829.4	n/a	n/a
Other	16.6	28.3	49.1	60.1	n/a	n/a
Current Liabilities	120.0	120.8	120.4	188.2	n/a	n/a
ST Interest Bearing Debt	9.3	-	-	-	n/a	n/a
Trade Payables	40.1	29.3	44.9	44.7	n/a	n/a
Other	70.6	91.5	75.6	204.5	n/a	n/a
LT Liabilities	0.0	1.6	-	204.5	n/a	n/a
LT Interest Bearing Debt	-	-	-	200.0	n/a	n/a
Other	0.0	1.6	-	4.5	n/a	n/a
Total Liabilities & Equity	961.8	1 229.6	1 391.3	2 046.5	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	412.7	465.8	499.7	520.9	559.8	501.4	548.5	545.8	558.8	717.9	773.0
Change y-o-y	20.3%	29.3%	41.5%	46.3%	35.6%	7.6%	9.8%	4.8%	-0.2%	43.2%	40.9%
EBITDA	123.0	153.2	128.7	146.9	156.4	101.4	100.2	124.6	141.0	200.3	250.5
margin, %	29.8%	32.9%	25.8%	28.2%	27.9%	20.2%	18.3%	22.8%	25.2%	27.9%	32.4%
EBIT	115.6	142.8	116.0	130.5	141.2	85.0	84.8	111.3	127.6	186.8	237.3
margin, %	28.0%	30.7%	23.2%	25.1%	25.2%	17.0%	15.5%	20.4%	22.8%	26.0%	30.7%
Net Income	90.1	112.8	84.6	90.8	100.1	51.0	52.5	108.8	87.9	138.8	179.5
Net Margin, %	21.8%	24.2%	16.9%	17.4%	17.9%	10.2%	9.6%	19.9%	15.7%	19.3%	23.2%

Dniprometiz

DMPO UZ

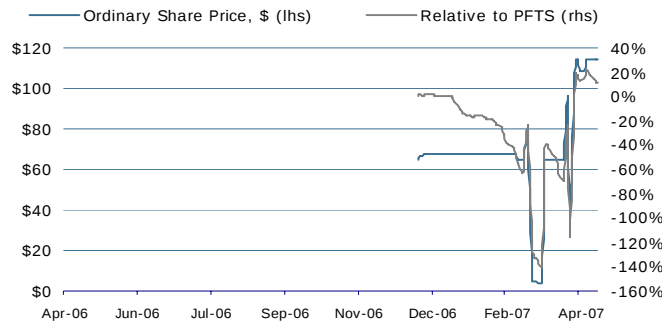
Metal Fabricate & Hardware

Target Price (USD)
154.00
Upside
94 %

INVESTMENT CASE

- Major portion of the company's sales are to the construction industry
- Enjoys synergy with Severstal-Metiz, a wing of Russian steel giant Severstal Group
- Its new owner led to significant improvements in corporate governance standards
- Three-year development plan foresees increasing production capacity by 30% to 200 ths mt per year, and more shipments to the capacious European market via Severstal-Metiz's extensive dealer network

SHARE PRICE PERFORMANCE*



Listed on PFTS since 18 Dec 2006

BUSINESS OVERVIEW

Dniprometiz is the largest producer of wire in Ukraine, with 15% of Ukrainian production in 2006. The company's products include wires, nails, screws and grids. Dniprometiz exports to more than 25 countries, including Italy, Greece, Turkey, Russia, Slovakia, Belarus, Poland, France, Moldova and Spain. In 2006 the company was acquired by Russian giant Severstal-Metiz (part of the Severstal group). Rolled wire is the main input for the company's production, the main domestic suppliers of which are Mittal Steel Kryviy Rih and Makiyivka Steel.

In 9M06, the company posted solid growth in key financials, with net revenue improving 62.8% yoy to USD 50 mln, EBITDA increasing 33% yoy to USD 4 mln and net income rising 79% yoy to USD 2.3 mln. In addition, Dniprometiz's sales grew 41% to 89.9 ths mt of wire products in 9M06. The company's management made a decision to make EU markets its main sales target in the mid-term.

MARKET INFORMATION

Market price*, USD	79.21
Price impact**	3
52 Wk H/L, USD	79.2 / 9.9
Chg 3m/6m/52w	122% / n/a / n/a
Chg vs PFTS 3m/6m/52w	84% / -94% / -77%
Chg YTD	69%
Avg Mo Tr Vol 6M, USD ths	77.10
MCap, USD mln	27.3
Free float, %	7.0%
FF MCap, USD mln	1.9
No of shares, mln	0.34
Par Value (UAH)	68.08
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Severstal-Metiz	60.0%
TEKO - Dniprometiz	33.0%
Other	7.0%

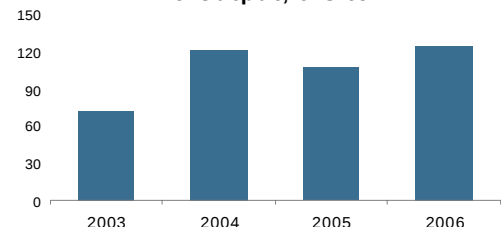
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.5	0.4
EV/EBITDA	5.8	4.1
P/E	9.0	5.5
P/B	1.6	1.4
P/CF	7.2	4.7

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	10%	9%	10%
Net Margin	4%	4%	5%
ROE	15%	23%	29%
Net Debt/Equity	0.6	0.5	0.5

Wire Output, ths ton



* PFTS MID Price is used

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2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size

3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Net Revenues	17.9	27.3	38.1	42.4	67.3	91.4	110.3
Change y-o-y	-	52.8%	39.4%	11.4%	58.9%	35.8%	20.6%
Gross Profit	3.8	6.7	6.8	7.8	10.2	16.7	20.2
EBITDA	2.2	3.1	3.4	4.2	6.2	9.0	10.8
margin, %	12.5%	11.4%	8.9%	9.9%	47.4%	45.0%	20.6%
Depreciation	(0.8)	(0.7)	(0.7)	(0.7)	(0.8)	(1)	(1)
EBIT	1.5	2.4	2.7	3.5	5.4	8.2	9.8
margin, %	8.2%	8.9%	7.0%	8.3%	8.1%	8.9%	8.9%
Interest Expense	(0.7)	(0.9)	(0.9)	(1.4)	(1.4)	(1.5)	(2.0)
Other income/(expense)	(0.1)	0.0	0.0	0.1	-	-	-
PBT	0.7	1.6	1.7	2.3	4.0	6.6	7.9
Tax	-	(0.0)	(0.6)	(0.7)	(1.0)	(2)	(2)
Effective tax rate	0.0%	0.1%	34.0%	29.6%	25.0%	25.0%	25.0%
Net Income	0.7	1.6	1.1	1.6	3.0	5.0	5.9
Net Margin, %	3.9%	5.9%	3.0%	3.7%	90.6%	64.4%	18.6%

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Current Assets	8.6	9.7	9.4	13.7	17.2	20.7	23.5
Cash & Equivalents	0.0	0.0	0.6	0.1	0.3	0.5	0.6
Trade Receivables	2.2	3.1	1.8	3.0	3.4	5.5	6.6
Inventories	2.0	1.8	3.7	3.4	6.1	7.4	9.0
Other	4.4	4.7	3.4	7.3	7.4	7.4	7.4
Fixed Assets	9.3	8.7	11.8	8.6	11.0	11.9	16.4
PP&E, net	8.6	8.6	8.4	8.3	10.6	11.5	16.1
Other	0.7	0.2	3.5	0.3	0.3	0.3	0.3
Total Assets	17.9	18.4	21.3	22.4	28.2	32.6	39.9
Shareholders' Equity	8.5	9.9	10.9	12.9	17.0	19.8	22.1
Share Capital	1.5	1.5	1.5	1.5	4.6	4.6	4.6
Reserves and Other	7.0	8.4	9.4	11.4	12.3	15.2	17.5
Current Liabilities	6.7	6.3	7.6	6.0	10.7	12.3	17.2
ST Interest Bearing Debt	4.5	4.7	5.2	4.9	8.5	9.4	13.7
Trade Payables	1.4	1.1	0.8	0.1	0.8	1.0	1.3
Other	0.9	0.5	1.6	1.0	1.3	1.8	2.2
LT Liabilities	2.7	2.2	2.8	3.4	0.5	0.6	0.6
LT Interest Bearing Debt	2.0	1.5	2.6	3.4	0.4	0.4	0.4
Other	0.7	0.7	0.2	0.1	0.1	0.2	0.2
Total Liabilities & Equity	17.9	18.4	21.3	22.4	28.2	32.6	39.9

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	7.3	10.0	10.2	10.5	9.8	10.6	10.3	11.7	11.7	17.8	20.6
Change y-o-y	18.5%	41.7%	51.0%	44.0%	34.7%	5.6%	0.7%	11.0%	18.7%	67.6%	100.1%
EBITDA	0.7	1.0	0.8	0.9	0.9	1.1	1.1	1.2	0.9	1.4	1.7
margin, %	10.3%	9.5%	7.5%	8.6%	8.7%	10.2%	10.7%	10.0%	7.3%	8.1%	8.4%
EBIT	0.6	0.8	0.6	0.7	0.7	0.9	0.9	1.0	0.6	1.4	1.5
margin, %	8.0%	7.8%	5.7%	6.8%	7.0%	8.6%	9.1%	8.5%	5.4%	7.9%	7.4%
Net Income	0.4	0.5	0.2	(0.0)	0.4	0.6	0.3	0.3	0.4	1.0	1.0
Net Margin, %	5.8%	5.3%	2.0%	-0.2%	3.8%	5.9%	3.1%	2.3%	3.3%	5.6%	4.7%

Dnipropetrovsk Pipe

DTRZ UZ

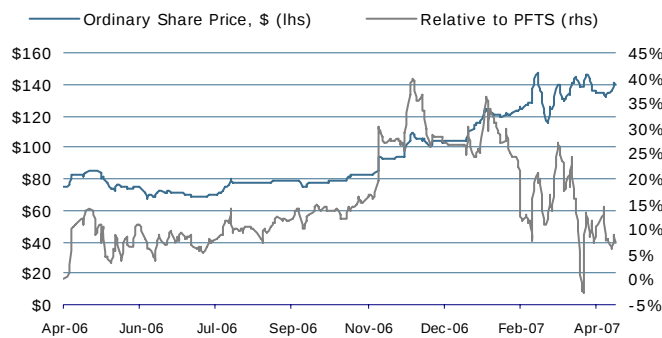
Metal Fabricate & Hardware

<http://aodtz.ptcor.net>
Target Price (USD)
118.90
Upside
-14.2 %

INVESTMENT CASE

- The company caters to the construction industry, machine building and utilities (boiler, water & gas pipes)
- Improving product mix
- Advantageous sales diversification across industries and regions
- Well positioned to increase its presence in the EU due to low import duties
- Stable supply of feedstock from IUD-controlled steel makers DMK Dzerzhynskogo and Alchevsk Iron & Steel
- Slow progress in improving transparency

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Dnipropetrovsk Pipe (DTRZ) is the fourth largest pipe maker in Ukraine in terms of capacity (700 ths mt) and output (238.5 ths mt in 2006, a 9.1% share of the market). The company's product portfolio consists of over 3,000 types and sizes of pipes, including seamless pipes for oil, gas, chemical and machine-building sectors, general use pipes, rectangular profile pipes, and LSAW water and gas pipes. Dnipropetrovsk Pipe has a monopoly in the production of bi-metallic pipes in the CIS. Exports account for ~75% of Dnipropetrovsk Pipe's sales and are growing. The company's largest export markets (Europe, Russia and the Middle East & Africa) jointly accounted for over 55% of sales by weight in 2005. The company's financials for 9M06 showed 13.5 % yoy growth of net revenues to USD 116.9 mln, an increase in its EBITDA margin to 6.3% from 2.3% in 9M05, and improvement of its net margin to 3% from negative 0.1% in 9M05.

MARKET INFORMATION

Market price*, USD	141.58
Price impact**	2
52 Wk H/L, USD	148 / 64
Chg 3m/6m/52w	21% / 78% / 86%
Chg vs PFTS 3m/6m/52w	-17% / -16% / 9%
Chg YTD	36%
Avg Mo Tr Vol 6M, USD ths	1132.58
MCap, USD mln	149.5
Free float, %	24.8%
FF MCap, USD mln	37.1
No of shares, mln	1.1
Par Value, UAH	82.31
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

IUD-related entities	75.2%
Other	24.8%

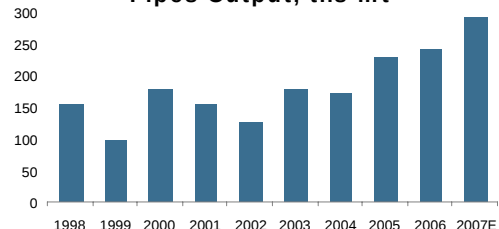
MARKET MULTIPLES

	2006E	2007E
EV/Sales	1.0	0.9
EV/EBITDA	16.4	15.7
P/E	28.9	28.8
P/B	4.9	4.2
P/CF	20.9	20.6

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	17%	6%	5%
Net Margin	15%	3%	3%
ROE	911%	20%	17%
Net Debt/Equity	0.2	0.4	0.5

Pipes Output, ths mt



* PFTS MID Price is used

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 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
 3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Net Revenues	18.5	47.6	85.2	144.2	161.2	188.3	205.6
Change y-o-y	-	157.4%	79.0%	69.2%	12.0%	16.8%	9.2%
Gross Profit	(0.8)	2.0	7.7	12.6	19.3	21.6	24.5
EBITDA	(1.9)	0.6	2.6	25.3	9.7	10.3	12.1
margin, %	-10.4%	1.3%	3.0%	17.6%	6.0%	5.5%	5.9%
Depreciation	(1.5)	(1.7)	(1.7)	(2.0)	(2)	(2)	(2)
EBIT	(3.4)	(1.0)	0.9	23.3	8	8	10
margin, %	-18.5%	-2.2%	1.1%	16.1%	4.8%	4.4%	4.8%
Interest Expense	(0.1)	(0.1)	(0.2)	(0.7)	(1.4)	(2.0)	(2.2)
Other income/(expense)	0.0	0.1	(0.4)	(0.2)	-	-	-
PBT	(3.6)	(1.1)	0.4	22.4	6.3	6.3	7.7
Tax	-	-	-	(0.4)	(1)	(1)	(2)
Effective tax rate	0.0%	0.0%	0.0%	1.7%	20.0%	20.0%	25.0%
Net Income	(3.6)	(1.1)	0.4	22.0	5.1	5.1	5.8
Net Margin, %	-19.3%	-2.3%	0.4%	15.3%	3.1%	2.7%	2.8%

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Current Assets	27.8	33.4	41.9	55.5	56.4	65.6	72.0
Cash & Equivalents	0.0	0.0	0.6	0.9	0.8	0.9	1.0
Trade Receivables	20.7	19.6	18.6	25.0	22.6	26.2	28.8
Inventories	5.6	10.3	17.4	21.5	24.2	28.1	30.8
Other	1.5	3.6	5.3	8.2	8.9	10.3	11.3
Fixed Assets	20.7	20.2	19.8	21.8	22.8	24.9	30.3
PP&E, net	16.7	16.3	15.8	18.1	19.4	21.4	25.6
Other	4.0	3.9	4.0	3.7	3.4	3.6	4.6
Total Assets	48.5	53.6	61.7	77.3	79.3	90.5	102.2
Shareholders' Equity	3.3	2.0	2.4	24.7	29.8	34.6	40.3
Share Capital	16.3	16.3	16.4	17.2	16.4	16.4	16.4
Retained Earnings	(23.9)	(24.7)	(24.5)	6.2	11.2	16.2	22.0
Other	10.9	10.4	10.5	1.3	2.2	2.0	2.0
Current Liabilities	44.9	51.4	59.3	52.6	49.5	56.0	61.9
ST Interest Bearing Debt	6.7	8.1	3.0	6.9	13.0	17.3	19.5
Trade Payables	33.5	38.5	18.7	33.7	32.2	37.5	41.1
Other	4.7	4.8	37.5	12.0	4.2	1.2	1.3
LT Liabilities	0.2	0.1	0.0	-	-	-	-
LT Interest Bearing Debt	0.1	0.1	-	-	-	-	-
Other	0.1	0.1	0.0	-	-	-	-
Total Liabilities & Equity	48.5	53.6	61.7	77.3	79.3	90.5	102.2

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	8.4	22.8	25.6	28.5	31.9	34.1	37.1	41.2	35.1	40.2	41.6
Change y-o-y	-16.7%	106.9%	68.6%	150.5%	280.9%	49.9%	44.6%	44.7%	10.3%	17.9%	12.1%
EBITDA	(0.2)	1.1	0.8	0.9	0.5	1.1	0.8	23.0	2.2	1.9	3.2
margin, %	-2.2%	4.7%	3.0%	3.2%	1.5%	3.3%	2.1%	55.8%	6.4%	4.8%	7.6%
EBIT	(0.5)	0.7	0.3	0.4	0.1	0.6	0.2	22.3	1.6	1.4	2.7
margin, %	-6.5%	3.0%	1.2%	1.5%	0.2%	1.9%	0.7%	54.2%	4.7%	3.4%	6.4%
Net Income	(0.6)	0.6	0.1	0.3	(0.1)	0.3	(0.2)	21.9	0.8	0.9	1.8
Net Margin, %	-7.1%	2.7%	0.3%	0.9%	-0.2%	0.9%	-0.4%	53.2%	2.4%	2.2%	4.2%

Kominmet

DMZK UZ

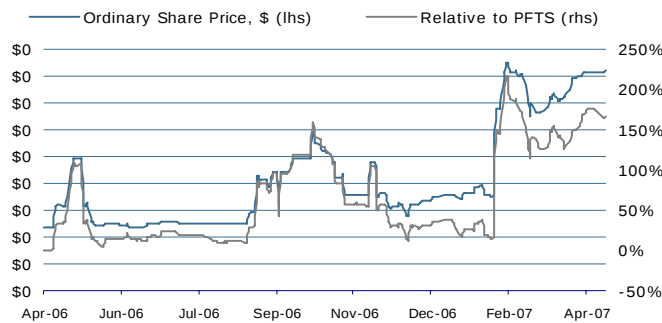
Metal Fabricate & Hardware

Target Price (USD) 0.18
Upside -56.2 %

INVESTMENT CASE

- The company's core product is galvanized small diameter welded pipes used for the construction and repair of water and gas lines
- Cheap on EV/Production metric
- Low margin commodity product
- Least transparent traded pipe maker
- Lacks internal resources for development

SHARE PRICE PERFORMANCE *



BUSINESS OVERVIEW

Kominmet is Ukraine's seventh largest pipe maker in terms of production volume, with a market share of 6.1% in 2006. The company's core product is galvanized small diameter (up to 11 mm) welded pipes that are used in the construction and repair of water and gas lines. Auxiliary production of lead steel sheets, spades and dishware make up a small portion of sales. Kominmet exports pipes mainly to FSU countries and Eastern Europe. Exports make up 50% to 80% of Kominmet's pipe shipments.

In 2006, Kominmet increased production by 26.9% yoy to 160.4 ths mt. However, it is still running far below its annual designed capacity of 282 ths mt. The company's net income decreased from USD 3.3 mln in 2005 to negative USD 2.2 mln in 2006.

In November 2006 an additional issue of 25 mln new shares was registered, which increased Kominmet's charter fund by 24.3% to USD 6.4 mln.

UPCOMING EVENTS

MARKET INFORMATION

Market price*, USD	0.56
Price impact**	3
52 Wk H/L, USD	0.43 / 0.12
Chg 3m/6m/52w	124% / 57% / 196%
Chg vs PFTS 3m/6m/52w	86% / -37% / 119%
Chg YTD	156%
Avg Mo Tr Vol 6M, USD ths	58.96
MCap, USD mln	72.7
Free float, %	19.8%
FF MCap, USD mln	14.4
No of shares, mln	128.8
Par Value, UAH	0.25
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Energopromresurs	80.2%
Other	19.8%

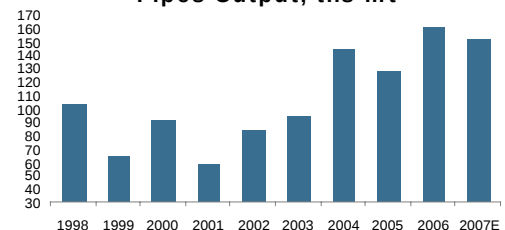
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.6	0.6
EV/EBITDA	49.8	8.3
P/E	neg	13.2
P/B	-8.2	-43.5
P/CF	88.2	10.6

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	10%	1%	7%
Net Margin	4%	-0.5%	4%
ROE	-37%	7%	-62%
Net Debt/Equity	-0.5	-0.3	-3.7

Pipes Output, ths mt



* PFTS MID Price is used

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 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
 3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Net Revenues	21.8	33.4	66.3	77.3	87.4	97.2	102.4
Change y-o-y	-	53.0%	98.6%	16.7%	13.1%	11.2%	5.3%
Gross Profit	3.1	3.0	1.6	6.1	5.4	11.7	13.7
EBITDA	1.0	0.7	(0.9)	8.0	1.1	6.9	8.5
margin, %	4.4%	2.0%	-1.4%	10.4%	1.2%	7.1%	8.3%
Depreciation	(0.8)	(0.8)	(0.8)	(1.0)	(1.1)	(1.1)	(1.2)
EBIT	0.2	(0.1)	(1.8)	7.0	(0.1)	5.7	7.4
margin, %	0.9%	-0.4%	-2.6%	9.0%	-0.1%	5.9%	7.2%
Interest Expense	(2.8)	(2.8)	(2.3)	(3.5)	(0.3)	(0.5)	(0.7)
Other income/(expense)	0.1	(0.2)	(0.1)	0.6	-	-	-
PBT	(2.5)	(3.2)	(4.2)	4.0	(0.4)	5.3	6.7
Tax	-	-	(0.1)	(0.7)	-	(1)	(2)
Effective tax rate	0.0%	0.0%	-2.7%	17.3%	20.0%	25.0%	25.0%
Net Income	(2.5)	(3.2)	(4.3)	3.3	(0.4)	4.0	5.0
Net Margin, %	-11.3%	-9.5%	-6.5%	4.3%	-0.4%	4.1%	4.9%

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Current Assets	5.6	5.6	9.5	10.7	17.9	19.8	21.5
Cash & Equivalents	0.1	0.0	0.0	0.2	0.3	0.3	0.3
Trade Receivables	2.1	2.3	0.4	1.9	2.2	2.4	3.1
Inventories	2.0	2.5	7.7	4.7	9.6	10.6	11.3
Other	1.4	0.8	1.3	3.8	5.9	6.5	6.9
Fixed Assets	20.8	20.6	20.4	20.0	19.2	19.7	20.2
PP&E, net	12.8	12.3	12.2	12.7	12.4	12.6	13.2
Other	8.0	8.3	8.2	7.3	6.9	7.0	7.0
Total Assets	26.4	26.2	29.9	30.7	37.1	39.5	41.7
Shareholders' Equity	(5.7)	(8.6)	(8.6)	(6.1)	(6.4)	(1.2)	2.3
Share Capital	4.9	4.9	4.9	5.1	4.9	6.1	6.1
Retained Earnings	(24.1)	(27.0)	(27.0)	(25.3)	(25.6)	(21.5)	(17.9)
Other	13.5	13.5	13.6	14.1	14.31	14.17	14.17
Current Liabilities	22.5	25.1	29.2	33.4	43.6	40.7	39.4
ST Interest Bearing Debt	3.0	3.0	3.0	-	2.2	4.8	6.5
Trade Payables	9.9	10.4	10.3	10.6	17.5	17.4	16.4
Other	9.5	11.7	15.9	22.8	23.9	18.5	16.6
LT Liabilities	9.5	9.7	9.2	3.4	-	-	-
LT Interest Bearing Debt	6.2	6.4	9.2	3.1	-	-	-
Other	3.4	3.4	-	0.3	-	-	-
Total Liabilities & Equity	26.4	26.2	29.9	30.7	37.1	39.5	41.7

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	11.5	15.1	18.6	21.1	18.4	18.2	19.8	20.9	20.3	22.9	31.0
Change y-o-y	88.8%	98.9%	99.0%	103.9%	59.6%	21.2%	6.4%	-0.9%	10.3%	25.7%	57.1%
EBITDA	(0.0)	(0.4)	(0.3)	(0.2)	(0.4)	0.6	0.7	7.1	0.9	(1.2)	(0.3)
margin, %	-0.4%	-2.7%	-1.4%	-1.2%	-2.3%	3.1%	3.7%	34.1%	4.7%	-5.3%	-1.0%
EBIT	(0.2)	(0.6)	(0.5)	(0.5)	(0.7)	0.3	0.5	6.9	0.7	(1.5)	(0.6)
margin, %	-2.1%	-4.0%	-2.4%	-2.1%	-3.7%	1.7%	2.4%	32.8%	3.2%	-6.6%	-1.9%
Net Income	(0.9)	(1.1)	(1.0)	(1.3)	(1.2)	0.6	(0.1)	4.1	0.5	(1.5)	(0.7)
Net Margin, %	-8.1%	-7.1%	-5.4%	-6.0%	-6.5%	3.2%	-0.6%	19.4%	2.5%	-6.5%	-2.1%

Silur

SILUR UZ

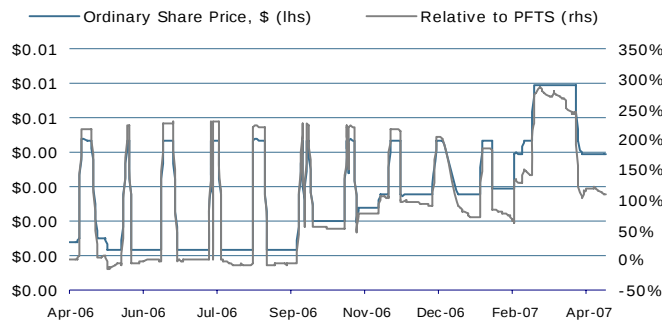
Metal Fabricate & Hardware

<http://www.silur.com>

Target Price (USD)
Upside

N/R
n/a

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Silur caters to the construction industry with around 2,000 different types and sizes of steel cables and wires used for construction purposes. Silur is one of Europe's largest producers in its segment and the only producer of metal cord used in the production of automotive tires in Ukraine. The company includes cable, metal cord, and metal grid shops and other supporting enterprises that specialize in certain products and services.

The plant's main customers are leading companies in Ukraine and all over the world. Silur exports its products to 49 countries in Western Europe, Africa, North and South America, Australia, Asia and the near East.

In 2006, the plant produced 98.4 tns mt of metal wares, a 1.3% yoy decrease. The company's financials for 9M06 reported a 15.6% yoy increase of net revenues to USD 44.7 mln, a reduction in its EBITDA margin to negative 5.2% from 11.4% in 9M05, and a decrease in its net margin to negative 15.2% from 13.5% in 9M05.

* PFTS BID Price is used

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MARKET INFORMATION

Market price*, USD	0.004
Price impact**	3
52 Wk H/L, USD	0.01 / 0.00
Chg 3m/6m/52w	43% / 100% / 233%
Chg vs PFTS 3m/6m/52w	4% / 6% / 156%
Chg YTD	41.3%
Avg Mo Tr Vol 6M, USD ths	0.18
MCap, USD mln	18.3
Free float, %	8.2%
FF MCap, USD mln	1.5
No of shares, mln	4609.4
Par Value (UAH)	0.05
XETRA	n/a
DR Ratio	n/a
Avg Mo Tr Vol 6M, USD ths	n/a

STOCK OWNERSHIP

Bank "Pivdenny" related companies	91.8%
Other	8.2%

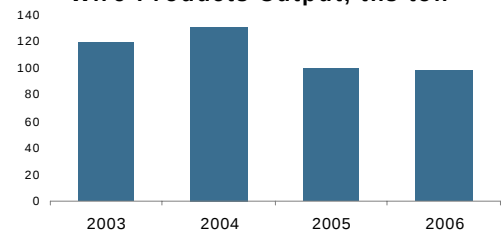
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.5	n/a
EV/EBITDA	-8.7	n/a
P/E	-2.0	n/a
P/B	-5.5	n/a
P/CF	-2.7	n/a

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	9%	-5%	n/a
Net Margin	9%	-15%	n/a
ROE	1725%	-157%	n/a
Net Debt/Equity	5.2	-2.6	n/a

Wire Products Output, tns ton



INCOME STATEMENT SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Net Revenues	41.7	39.4	59.9	55.1	44.7	n/a	n/a
Change y-o-y	-	-5.4%	51.8%	-8.0%	15.6%	n/a	n/a
Gross Profit	5.2	7.0	15.0	12.8	6.8	n/a	n/a
EBITDA	(0.1)	2.1	3.7	5.0	(2.3)	n/a	n/a
margin, %	-0.3%	5.2%	6.1%	9.0%	-5.2%	n/a	n/a
Depreciation	(2.9)	(2.6)	(2.5)	(2.5)	(1.7)	n/a	n/a
EBIT	(3.0)	(0.5)	1.2	2.5	(4.1)	n/a	n/a
margin, %	-7.3%	-1.4%	2.0%	4.6%	-9.1%	n/a	n/a
Interest Expense	(1.6)	(1.3)	(1.9)	(1.2)	(0.8)	n/a	n/a
Other income/(expense)	(6.4)	(5.0)	(3.5)	4.0	(1.8)	n/a	n/a
PBT	(11.1)	(6.9)	(4.2)	5.3	(6.7)	n/a	n/a
Tax	(0.1)	-	(0.5)	(0.2)	(0.1)	n/a	n/a
Effective tax rate	-0.6%	0.0%	-11.3%	3.5%	-2.2%	n/a	n/a
Net Income	(11.1)	(6.9)	(4.7)	5.1	(6.8)	n/a	n/a
Net Margin, %	-26.7%	-17.4%	-7.9%	9.3%	-15.2%	n/a	n/a

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	9M06	2007E	2008E
Current Assets	15.5	13.2	19.3	24.4	14.4	n/a	n/a
Cash & Equivalents	0.1	0.2	0.3	0.0	0.0	n/a	n/a
Trade Receivables	4.1	2.3	9.3	12.5	3.0	n/a	n/a
Inventories	8.4	7.5	6.9	9.4	9.6	n/a	n/a
Other	2.9	3.2	2.7	2.5	1.8	n/a	n/a
Fixed Assets	30.8	28.3	28.7	29.6	27.9	n/a	n/a
PP&E, net	27.2	24.6	24.5	26.1	24.6	n/a	n/a
Other	3.6	3.7	4.1	3.5	3.3	n/a	n/a
Total Assets	46.3	41.5	48.0	54.0	42.3	n/a	n/a
Shareholders' Equity	10.5	3.5	0.3	5.8	25.9	n/a	n/a
Share Capital	43.2	43.2	43.4	45.6	45.6	n/a	n/a
Retained Earnings	(32.8)	(39.8)	(43.2)	(39.8)	(19.8)	n/a	n/a
Other	0.1	0.1	0.1	-	-	n/a	n/a
Current Liabilities	30.9	36.5	34.1	35.0	6.5	n/a	n/a
ST Interest Bearing Debt	21.6	28.8	26.0	22.8	0.0	n/a	n/a
Trade Payables	6.5	3.5	5.9	10.9	4.4	n/a	n/a
Other	2.8	4.2	2.2	1.3	2.6	n/a	n/a
LT Liabilities	4.9	1.5	13.6	13.2	10.0	n/a	n/a
LT Interest Bearing Debt	4.8	1.5	12.8	7.2	8.7	n/a	n/a
Other	0.1	-	0.7	6.0	1.3	n/a	n/a
Total Liabilities & Equity	46.3	41.5	48.0	54.0	42.3	n/a	n/a

QUARTERLY ANALYSIS, USD mln

	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05	4Q05	1Q06	2Q06	3Q06
Net Revenues	9.9	16.6	19.4	13.9	6.4	17.0	15.3	16.4	13.4	15.3	16.0
Change y-o-y	-9.6%	50.5%	99.8%	81.0%	-35.5%	1.9%	-21.0%	18.0%	108.8%	-9.7%	4.6%
EBITDA	0.4	2.7	1.4	(0.8)	(0.2)	2.5	2.1	0.5	1.0	0.7	(4.0)
margin, %	3.9%	16.0%	7.4%	-5.8%	-3.0%	14.7%	13.8%	3.3%	7.6%	4.3%	-25.0%
EBIT	(0.2)	2.1	0.8	(1.5)	(0.8)	1.9	1.5	(0.1)	0.4	0.1	(4.6)
margin, %	-2.2%	12.4%	4.3%	-10.5%	-13.1%	11.2%	10.1%	-0.5%	3.2%	0.4%	-28.5%
Net Income	(0.1)	1.4	(1.0)	(5.0)	(0.1)	4.1	1.2	(0.1)	(0.5)	(1.1)	(5.2)
Net Margin, %	-1.2%	8.5%	-5.1%	-36.0%	-1.8%	24.3%	8.0%	-0.7%	-3.6%	-7.5%	-32.5%

Ukrnafta

UNAF UZ

Oil & Gas

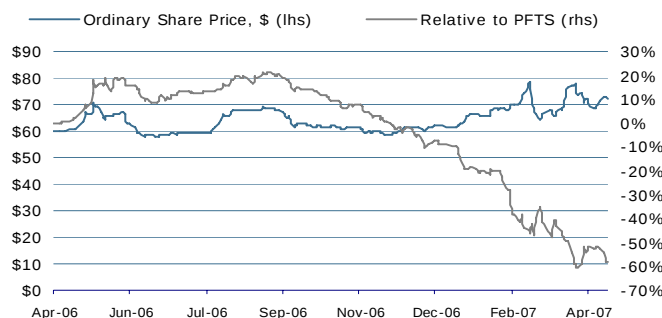
<http://www.ukrناfta.com>

Target Price (USD) **56.0**
Upside **-21.9 %**

INVESTMENT CASE

- Demand for transportation and fuel is likely to positively respond to construction of new roads in preparation to Euro-2012, that will also offer more attractive locations for filling stations
- Will be affected by yet another royalty hike and below-market gas pricing demanded by the government
- Potentially can buy into domestic fertilizer businesses, which use gas as their major input
- Revenue growth will be determined mainly by the pace of retail expansion
- Suffered from two consecutive 100% dividend payouts in 2005-06, making underinvestment a risk

SHARE PRICE PERFORMANCE*



BUSINESS OVERVIEW

Ukrnafta is the largest oil producer and the second largest gas extractor in Ukraine. In 2006 it accounted for about 71% of total domestic oil and condensate extraction (23.4 mln bbl/year). The company is majority owned by the state-owned oil & gas company Naftogaz Ukrainy (50%+1 share) and the local Privat business group (~42%). Ukrnafta is also involved in gas processing (3 plants) and is the largest fuel retailer in Ukraine with ~560 outlets. Its share in the domestic fuel retail market is about 12-14%. Thanks to the expansion of its retail business, in 9M06 the company posted sales growth of 51.5% yoy and increased its EBITDA by 36.7% yoy. However, its increased focus on fuel retail came at the expense of lower profitability. Over the same period, Ukrnafta's EBITDA margin decreased by about 5 pp to 47.1% and its net margin was down to 29.1%, a drop of about 8 pp.

UPCOMING EVENTS

May 29, 2007 AGM

* PFTS MID Price is used

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- 2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
- 3: All other stocks (quoted price is less reliable and should be considered indicative)

MARKET INFORMATION

Market price*, USD	72.72
Price impact**	1
52 Wk H/L, USD	78.2 / 58.1
Chg 3m/6m/52w	8% / 17% / 19%
Chg vs PFTS 3m/6m/52w	-30% / -77% / -58%
Chg YTD	17.8%
Avg Mo Tr Vol 6M, USD ths	5854.22
MCap, USD mln	3943.6
Free float, %	8.0%
FF MCap, USD mln	315.5
No of shares, mln	54.2
Par Value, UAH	0.25
XETRA	UKAA
DR Ratio	1:6
Avg Mo Tr Vol 6M, USD ths	2131.3

STOCK OWNERSHIP

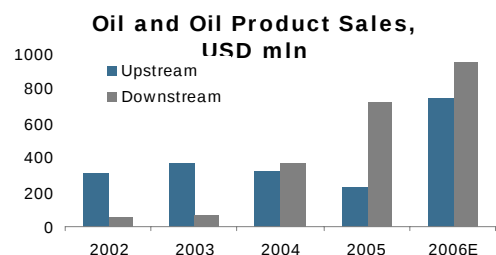
State	50%+1
Privat Group	42.0%
Other	8.0%

MARKET MULTIPLES

	2006E	2007E
EV/Sales	2.3	2.0
EV/EBITDA	5.7	6.7
P/E	9.0	11.3
P/B	3.3	2.9
P/CF	7.0	7.8

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	54%	41%	30%
Net Margin	34%	25%	17%
ROE	37%	42%	29%
Net Debt/Equity	0.1	0.1	0.2



INCOME STATEMENT SUMMARY, USD mln *

	2002	2003	2004	2005	2006E	2007E	2008E
Net Revenues	384.3	554.0	736.0	1,087.9	1,701.9	2,052.6	2,537.9
Change y-o-y	-	44.2%	32.8%	47.8%	56.4%	20.6%	23.6%
Gross Profit	259.6	353.2	509.7	691.1	823.5	767.9	845.3
EBITDA	223.9	320.7	459.0	585.9	704.4	622.2	662.5
margin, %	58.3%	57.9%	62.4%	53.9%	41.4%	30.3%	26.1%
Depreciation	(60.2)	(81.8)	(91.6)	(100.2)	(128.3)	(151.9)	(174.6)
EBIT	163.7	238.9	367.4	485.8	576.1	470.3	487.9
margin, %	42.6%	43.1%	49.9%	44.7%	33.8%	22.9%	19.2%
Interest Expense	(2.4)	(0.7)	(5.8)	(10.5)	(12.0)	(21.6)	(31.8)
Other income/(expense)	(18.8)	(4.7)	(12.2)	(13.2)	(13.3)	(13.3)	(13.3)
PBT	142.5	233.5	359.6	485.6	574.5	459.1	466.5
Tax	(58.7)	(66.6)	(106.5)	(120.7)	(143.6)	(114.8)	(116.6)
Effective tax rate	41.2%	28.5%	29.6%	24.9%	25.0%	25.0%	25.0%
Net Income	83.7	166.9	253.1	364.9	430.9	344.3	349.9
Net Margin, %	21.8%	30.1%	34.4%	33.5%	25.3%	16.8%	13.8%

BALANCE SHEET SUMMARY, USD mln

	2002	2003	2004	2005	2006E	2007E	2008E
Current Assets	197.4	237.6	422.1	340.6	591.1	688.0	871.5
Cash & Equivalents	8.1	3.9	23.8	14.9	50.8	61.6	76.1
Trade Receivables	78.9	81.1	137.3	38.5	186.3	205.3	253.8
Inventories	58.2	61.6	195.5	160.3	218.5	256.9	338.5
Other	52.2	91.0	65.5	126.8	135.5	164.2	203.0
Fixed Assets	737.5	937.8	1,122.7	1,254.7	1,484.4	1,798.4	2,071.0
PP&E, net	562.4	562.9	848.7	1,055.6	1,274.2	1,577.4	1,835.4
Other	175.1	374.9	274.0	199.1	210.3	221.1	235.6
Total Assets	934.9	1,175.4	1,544.8	1,595.3	2,075.5	2,486.4	2,942.5
Shareholders' Equity	826.4	994.3	981.1	1,030.3	1,191.7	1,329.4	1,469.3
Share Capital	2.5	2.5	2.6	2.7	2.7	2.7	2.7
Reserves and Other	824.0	992.0	978.5	1,027.6	1189.021	1326.743	1466.69
Current Liabilities	105.5	180.3	461.7	476.6	730.4	828.7	1,003.9
ST Interest Bearing Debt	18.0	-	-	-	-	-	-
Trade Payables	36.3	76.8	111.2	42.7	174.8	256.9	338.5
Other	51.2	103.6	350.6	434.0	555.6	571.7	665.3
LT Liabilities	3.0	0.8	102.0	88.4	153.4	328.3	469.3
LT Interest Bearing Debt	0.1	-	100.8	87.7	152.4	327.1	467.8
Other	3.0	0.8	1.2	0.7	1.0	1.2	1.5
Total Liabilities & Equity	934.9	1,175.4	1,544.8	1,595.3	2,075.5	2,486.4	2,942.5

* based on financials prepared according to local accounting standards; adjusted for non-recurring items

Galnaftogaz

GLNG UZ

Retail

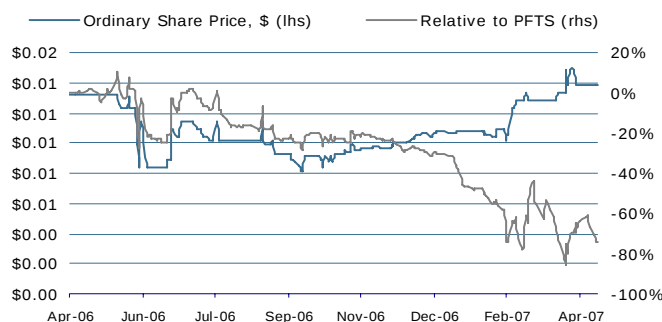
<http://www.galnaftogas.com>

Target Price (USD) **0.011**
Upside **-20.6 %**

INVESTMENT CASE

- Demand for transportation and fuel is likely to positively respond to construction of new roads in preparation to Euro-2012, that will also offer more attractive locations for filling stations
- Government price caps are likely to continue in 2007 as the government has not shifted away from market intervention
- Tight operating margins make the valuation very sensitive to profitability. Even a slight improvement in 2007 can trigger a valuation upgrade
- Competition is going to intensify due to strengthening of TNK's franchise and Shell's recent entry as Alliance's partner in operating a network of 150 outlets
- Exact timing of an IPO, to take place in 2008 at the earliest, is conditional on the company's market capitalization

SHARE PRICE PERFORMANCE *



BUSINESS OVERVIEW

Galnaftogaz is one of Ukraine's largest automobile fuel retailers and the only public company in the segment. Currently it operates the fifth largest gasoline retail chain in Ukraine with about 210 outlets. Galnaftogaz plans to double its number of filling stations by 2010. The company does not have its own refining capacity, which makes it flexible in choosing its suppliers. The company's western management style and independence from major business groups ensures transparency and high corporate governance standards.

UPCOMING EVENTS

May 2007 Audited IFRS for 2006 expected

MARKET INFORMATION

Market price*, USD	0.014
Price impact**	3
52 Wk H/L, USD	0.0149/0.008
Chg 3m/6m/52w	28% / 50% / 5%
Chg vs PFTS 3m/6m/52w	-11% / -44% / -73%
Chg YTD	30%
Avg Mo Tr Vol 6M, USD ths	12.90
MCap, USD mln	221.8
Free float, %	20.0%
FF MCap, USD mln	44.4
No of shares, mln	16000.0
Par Value, UAH	0.010
XETRA	C9Z
DR Ratio	1:500
Avg Mo Tr Vol 6M, USD ths	5.88

STOCK OWNERSHIP

F.I.E.H. and related parties	80.0%
Other	20.0%

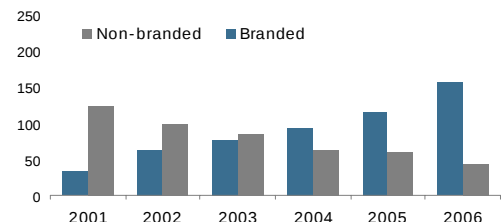
MARKET MULTIPLES

	2006E	2007E
EV/Sales	0.6	0.6
EV/EBITDA	11.2	9.0
P/E	22.3	16.9
P/B	3.1	2.7
P/CF	13.8	9.3

KEY RATIOS

	2005	2006E	2007E
EBITDA margin	4%	5%	6%
Net Margin	2%	2%	2%
ROE	20%	16%	18%
Net Debt/Equity	0.6	1.2	1.6

Number of Fuel Stations



* PFTS MID Price is used

** Price "impact" is the opinion of Concorde's trading desk on stocks to help investors estimate the reliability of quoted prices:

1: Market price reaction remains within 10% in execution of a market order of about USD 10 mln in size
2: Market price reaction remains within 10% in execution of a market order of about USD 1 mln in size
3: All other stocks (quoted price is less reliable and should be considered indicative)

INCOME STATEMENT SUMMARY*, USD mln

	2004	2005	2006E	2007E	2008E
Net Revenues	241.3	379.5	507.0	645.4	904.8
Change y-o-y	n/a	57.3%	33.6%	27.3%	40.2%
Gross Profit	14.2	25.9	37.2	48.5	66.5
EBITDA	8.4	16.0	27.2	39.5	55.1
margin, %	3.5%	4.2%	5.4%	6.1%	6.1%
Depreciation	(2.7)	(3.7)	(6.1)	(10.8)	(17.5)
EBIT	5.7	12.3	21.1	28.7	37.7
margin, %	2.4%	3.2%	4.2%	4.4%	4.2%
Interest Expense	(2.8)	(3.5)	(7.8)	(11.2)	(14.0)
Other income/(expense)	-	-	-	-	-
PBT	3.6	9.1	13.3	17.5	23.7
Tax	(1.1)	(1.9)	(3.3)	(4.4)	(5.9)
Effective tax rate	30.1%	20.9%	25.0%	25.0%	25.0%
Net Income	2.5	7.2	9.9	13.1	17.7
Net Margin, %	1.0%	1.9%	2.0%	2.0%	2.0%

BALANCE SHEET SUMMARY, USD mln

	2004	2005	2006E	2007E	2008E
Current Assets	33.8	79.3	68.8	68.5	90.2
Cash & Equivalents	2.5	3.2	6.9	2.6	2.0
Trade Receivables	17.0	47.4	19.4	19.3	27.1
Inventories	5.7	14.3	27.8	38.6	54.5
Other	8.6	14.3	14.6	8.1	6.6
Fixed Assets	54.3	83.8	131.5	192.7	251.4
PP&E, net	43.1	65.5	105.9	166.8	232.6
Other	11.2	18.3	25.6	25.8	18.8
Total Assets	88.0	163.1	200.3	261.2	341.5
Shareholders' Equity	36.6	61.2	71.2	83.5	101.2
Share Capital	28.4	31.9	33.5	33.2	33.2
Reserves and Other	8.2	29.4	37.7	50.3	68.1
Current Liabilities	26.0	65.7	48.3	52.8	68.9
ST Interest Bearing Debt	3.8	11.2	10.1	12.8	18.1
Trade Payables	21.3	30.5	28.2	35.6	48.6
Other	0.9	23.9	10.0	4.3	2.2
LT Liabilities	25.4	36.1	80.8	124.9	171.4
LT Interest Bearing Debt	23.6	30.8	79.0	123.6	170.3
Other	1.8	5.3	1.9	1.3	1.0
Total Liabilities & Equity	88.0	163.1	200.3	261.2	341.5

* based on IFRS financials

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