



CONCORDE CAPITAL

Ukraine / Agriculture

# Land West/MCB Agricole/Sintal

Conference call round-up

August 08, 2008

**Anna Dudchenko**  
ad@concorde.com.ua

+380 44 391 5577

Yesterday Concorde Capital held a conference call with three public Ukrainian agricultural companies: MCB Agricole, Land West, Sintal presenting the interim results of their harvesting campaigns.

**Key points:**

- **30%-56% of area sown is already harvested**
- **Yields are higher than initially expected**
- **Companies will upgrade financial forecasts for 2008**

### Yields above expectations, financial forecasts will be upgraded

All three companies confirmed that their actual yields are higher than we initially expected. The companies are currently revising upward their financial forecasts to account for superior yields and higher than expected prices, they promised to present the updated forecasts shortly.

Company	Bloomberg
Sintal	SNPS GR
Land West	4K1A GR
MCB Agricole	4GW1 GR

### Price per sh/DR, USD

Sintal	8.6
Land West	23.0
MCB Agricole	15.4

### MCap, USD mln

Sintal	282.2
Land West	287.9
MCB Agricole	265.4

### Free float

	%	USD mln
Sintal	15.0	41.7
Land West	24.0	69.1
MCB Agricole	24.4	64.8

Prices as of August 7, 2008

### Interim harvest results as of August 06, 2008

	Sintal	Land West	MCB Agricole
<b>Land data</b>			
Land under lease	77.9	184.3	70.8
Sown area for 2008 harvest	65.2	52.3	63.2
Harvested as of Aug. 06	<b>33.4</b>	<b>15.8</b>	<b>34.6</b>
% harvested	51%	30%	55%

### Production

Crops gathered, ths mt	<b>134.0</b>	<b>55.1</b>	<b>129.6</b>
------------------------	--------------	-------------	--------------

### Yields, mt/ha

	Sintal			Land West			MCB Agricole		
	plan	fact	chg. %	plan	fact	chg. %	plan	fact	chg. %
Winter wheat	4.0	<b>4.9</b>	23%	4.0	<b>4.2</b>	5%	3.5	<b>4.6</b>	31%
Winter rapeseed	-	-	-	3.5	<b>3.3</b>	-6%	3.0	<b>2.6</b>	-13%
Winter barley	-	-	-	-	-	-	2.9	<b>3.8</b>	31%
Spring barley	3.0	<b>3.6</b>	20%	3.0	<b>3.4</b>	13%	2.3	<b>3.5</b>	52%
Pea	2.2	<b>2.8</b>	27%	-	-	-	-	-	-
Rye	-	-	-	3.0	<b>2.7</b>	-10%	-	-	-

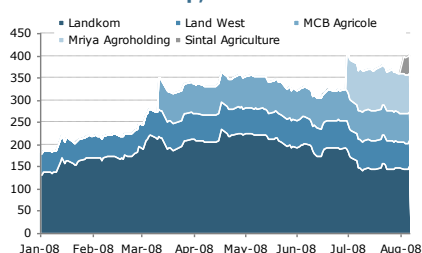
Source: Companies data, Concorde Capital estimates

### Key multiples, USD/ha

	Landkom	Land West	MCB Agricole	Mriya Agroholding	Sintal
EV/ha under lease	1,745	1,543	1,650	2,264	2,703
EV/ha harvested	14,336	6,195	4,356	5,061	4,125

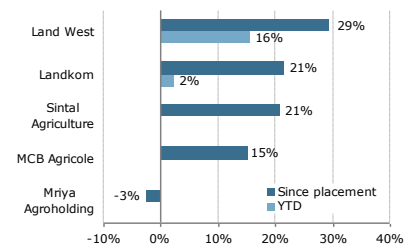
Source: Company data, Bloomberg, Concorde Capital estimates

### Free float build up, USD mln

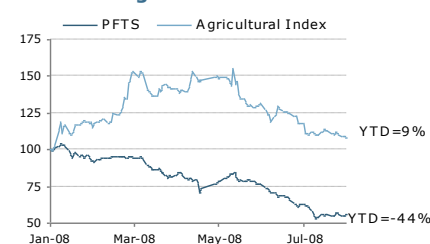


Source: Bloomberg, Thomson

### Sector Performance



### Ukrainian agricultural index vs. PFTS



FLASH NOTE

FLASH NOTE

FLASH NOTE

## Appendix: interim harvest results

### Sintal

Crop	Sown area, ths ha	Initially expec. yield, mt/ha	Harvested as of Aug.06, ths ha	% harvested area	Crop gathered, ths mt	Actual yield, mt/ha
<b>Winter crops</b>						
Wheat	14.6	4.0	11.7	80%	57.0	4.9
<b>Spring crops</b>						
Corn	10.2	7.0	0	0%	0	-
Barley	23.3	3.0	21.2	91%	76.0	3.6
Sugar beet	2.8	32.3	0	0%	0	-
Pea	1.4	2.2	0.4	27%	1.0	2.8
Buckwheat	0.5	2.1	0	0%	0	-
Sunseed	7.2	2.4	0	0%	0	-
Soy	5.2	2.0	0	0%	0	-
<b>Total</b>	<b>65.2</b>		<b>33.4</b>		<b>134.0</b>	

Source: Company data, Concorde Capital estimates

### MCB Agricole

Crop	Sown area, ths ha	Initially expec. yield, mt/ha	Harvested as of Aug.06, ths ha	% harvested area	Crop gathered, ths mt	Actual yield, mt/ha
<b>Winter crops</b>						
Wheat	26.4	3.6	16.8	64%	78.1	4.6
Rapeseed	12.7	2.7	12.5	98%	32.4	2.6
Rye	2.7	2.8	0	0%	0	-
Barley	1.7	2.7	1.7	100%	6.6	3.8
<b>Spring crops</b>						
Wheat	1.3	2.1	0	3%	0	-
Corn	7.4	5.3	0	0%	0	-
Barley	6	2.6	3.6	60%	12.5	3.5
Sunseed	5	1.9	0	0%	0	-
<b>Total</b>	<b>63.2</b>		<b>34.6</b>		<b>129.6</b>	

Source: Company data, Concorde Capital estimates

### Land West

Crop	Sown area, ths ha	Initially expec. yield, mt/ha	Harvested as of Aug.06, ths ha	% harvested area	Crop gathered, ths mt	Actual yield, mt/ha
<b>Non organic</b>						
<b>Winter crops</b>						
Wheat	8.3	4.0	5.4	65%	22.8	4.2
Rape	3.8	3.5	3.8	100%	12.6	3.3
Barley	2.9	2.5	1.7	59%	4.5	2.7
<b>Spring crops</b>						
Wheat	1.6	3.2	0	0%	0	-
Corn	5.5	6.0	0	0%	0	-
Mustard	3.1	1.5	0	0%	0	-
Barley	3.1	3.0	1.8	59%	6.2	3.4
Brewer's barley	1.3	3.2	0.9	73%	3.7	3.9
Sugar beet	5.6	55.0	0	0%	0	-
Buckwheat	4.3	1.2	0	0%	0	-
<b>Organic</b>						
<b>Winter crops</b>						
Wheat	1.0	2.8	0.6	58%	1.7	2.9
<b>Spring crops</b>						
Barley	1.0	2.5	0.3	29%	0.7	2.3
Buckwheat	2.0	1.2	0	0%	0	-
Oat	3.9	2.5	0.9	24%	2.4	2.6
Millet	4.0	2.0	0	0%	0	-
Pea	0.5	1.8	0.2	45%	0.5	1.9
Vech	0.5	1.8	0	0%	0	-
<b>Total</b>	<b>52.3</b>		<b>15.8</b>		<b>55.1</b>	

Source: Company data, Concorde Capital estimates

## Investment Ratings

The time horizon for target prices in Concorde Capital's research is 12 months unless otherwise stated. Concorde Capital employs three basic investment ratings: Buy, Hold and Sell. Typically, Buy recommendation is associated with an upside of 15% or more from the current market price; Sell is prompted by downside from the current market price (upside <0%); Hold recommendation is generally for limited upside within 15%. Though investment ratings are generally induced by the magnitude of upside, they are not derived on this basis alone. In certain cases, an analyst may have reasons to establish a recommendation where the associated range given above does not correspond. Temporary discrepancies between an investment rating and its upside at a specific point in time due to price movement and/or volatility will be permitted; Concorde Capital may revise an investment rating at its discretion. A recommendation and/or target price might be placed Under Review when impelled by corporate events, changes in finances or operations. Investors should base decisions to Buy, Hold or Sell a stock on the complete information regarding the analyst's views in the research report and on their individual investment objectives and circumstances.

### Concorde Capital ratings distribution

Buy	80	70%
Hold	19	17%
Sell	7	6%
Under Review	8	7%
<b>Total</b>	<b>114</b>	<b>100%</b>

### Investment banking clients\*

Buy	7	100%
Hold	0	0%
Sell	0	0%
Under Review	0	0%
<b>Total</b>	<b>7</b>	<b>100%</b>

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

**Concorde Capital, Head office**

2 Mechnikova Street, 21st Floor  
Parus Business Centre  
Kyiv 01601, Ukraine  
Tel.: +380 44 391 5577  
Fax: +380 44 391 5571

[www.concorde.ua](http://www.concorde.ua)

**CEO**

Igor Mazepa [im@concorde.com.ua](mailto:im@concorde.com.ua)

**Head of Equity Sales**

Roman Nasirov [rn@concorde.com.ua](mailto:rn@concorde.com.ua)

**Equity Sales**

Anastasiya Nazarenko [an@concorde.com.ua](mailto:an@concorde.com.ua)  
Marina Martirosyan [mm@concorde.com.ua](mailto:mm@concorde.com.ua)  
Andriy Supranonok [sap@concorde.com.ua](mailto:sap@concorde.com.ua)  
Marina Cherednichenko [cmg@concorde.com.ua](mailto:cmg@concorde.com.ua)  
Alyona Degrik [dav@concorde.com.ua](mailto:dav@concorde.com.ua)

**Director of Research**

Konstantin Fisun, CFA [kf@concorde.com.ua](mailto:kf@concorde.com.ua)

**Concorde Capital**

4 Fourth Lesnoy Pereulok, 5th Floor  
Capital Plaza  
Moscow 125047, Russia  
Tel.: +7 495 642 87 15  
Fax: +7 495 225 85 00

[office@concorde.com.ua](mailto:office@concorde.com.ua)

**RESEARCH**

**Strategy**

Konstantin Fisun [kf@concorde.com.ua](mailto:kf@concorde.com.ua)  
Oleksandr Klymchuk [ok@concorde.com.ua](mailto:ok@concorde.com.ua)

**Metals & Mining**

Eugene Cherviachenko [ec@concorde.com.ua](mailto:ec@concorde.com.ua)  
Andriy Gerus [ga@concorde.com.ua](mailto:ga@concorde.com.ua)

**Utilities (Telecom, Energy)**

Alexander Paraschiy [ap@concorde.com.ua](mailto:ap@concorde.com.ua)

**Oil & Gas, Chemicals, Pharmaceuticals**

Vladimir Nesterenko [vn@concorde.com.ua](mailto:vn@concorde.com.ua)

**Real Estate/Construction**

Andriy Gostik, CFA [ag@concorde.com.ua](mailto:ag@concorde.com.ua)  
Alexander Romanov [ar@concorde.com.ua](mailto:ar@concorde.com.ua)

**Consumer-related**

Olha Pankiv [op@concorde.com.ua](mailto:op@concorde.com.ua)  
Anna Dudchenko [ad@concorde.com.ua](mailto:ad@concorde.com.ua)

**Machinery**

Inna Perepelytsya [pi@concorde.com.ua](mailto:pi@concorde.com.ua)

**Financial Services, Retail**

Alexander Viktorov [av@concorde.com.ua](mailto:av@concorde.com.ua)

**Economics**

Polina Khomenko [pk@concorde.com.ua](mailto:pk@concorde.com.ua)  
Andrii Parkhomenko [pav@concorde.com.ua](mailto:pav@concorde.com.ua)

**Fixed Income**

Oleksandr Klymchuk [ok@concorde.com.ua](mailto:ok@concorde.com.ua)

**Editor**

Brad Wells [bw@concorde.com.ua](mailto:bw@concorde.com.ua)

**Disclaimer**

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

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

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

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

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

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

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