



CONCORDE CAPITAL

Ukraine / Pasture & Agriculture

Myronivskiy Hliboproduct

USD 322.5 mln raised in London IPO

May 14, 2008

Current price: USD 16.88/ GBP 8.67
12M Target: N/R

N/R

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- MHP became the first Ukrainian poultry producer to hold an IPO, 2nd domestic company to float shares on LSE main board
- \$322.5 mln was raised for 19.4% stake despite uneasy market, at 30% premium to EM poultry peers on EV/EBITDA 2008E

Tickers

Bloomberg MHPC LI

Market information

Market price, GBP	8.67
USD	16.88
MCap, GBP mln	960.2
USD mln	1,869.5
Chg YTD	12.5%
Hi/Lo YTD, GBP	8.67/7.67
USD	16.88/15.00
DRs/ ord.	1:1
No of shares, mln	110.8
Free float	19.4%
Free float, GBP mln	186.3
USD mln	362.7

Prices as of May, 13, 2008

Shareholders

WTI Trading Limited*	80.6%
Institutional investors	19.4%

*Owned by Mr. Yuriy Kosyuk (MHP S.A. CEO)

Key financials and ratios

USD mln	2005	2006	2007
Sales	266.6	314.6	477.7
EBITDA	147.1	140.8	163.8
Net income	128.1	105.7	46.8
EV/S	7.1	6.9	4.5
EV/EBITDA	13.0	15.4	13.2
P/E	14.6	17.7	40.0

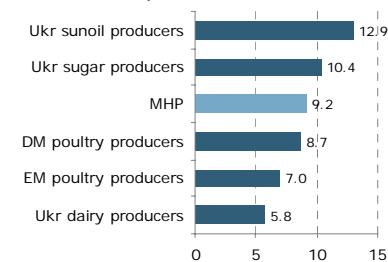
Successful IPO despite cautious market

On May 9 Myronivskiy Hliboproduct (MHPC LI), Ukraine's leading poultry producer with a ~36% market share, announced the results of its IPO on the LSE main board. MHP became the second Ukrainian company after Ferrexpo (FXPO LN) to list there. The company raised USD 322.5 mln for a 19.4% equity stake, implying MCap at placement of USD 1.7 bln. MHP conducted the placement within its initially targeted indicative price range despite the uneasy market. The company's shares were up 8% to USD 16.2 in the first day of trading, attesting to investors' positive view of the company.

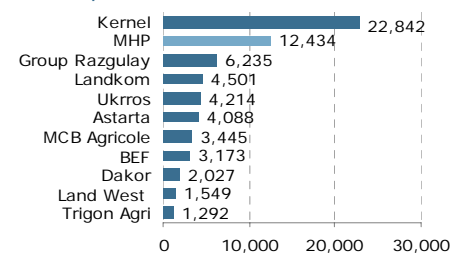
Food processing & agriculture combo commands premiums

MHP placed its equity at a 30% and 6% premium to EM and developed market (DM) poultry producers respectively on EV/EBITDA 2008E. We attribute this to MHP's vertical integration and agro exposure. The company currently holds 148.5 ths ha of land and cultivates agricultural crops on 110 ths ha of that, making it the second largest public Ukrainian landholder and #1 by cultivated area. On the other hand, by current EV/ha, MHP was placed 5x higher than pure agricultural peers and around 3x than sugar makers, putting it behind only Kernel.

EV/EBITDA, 2008E



EV/ha, current

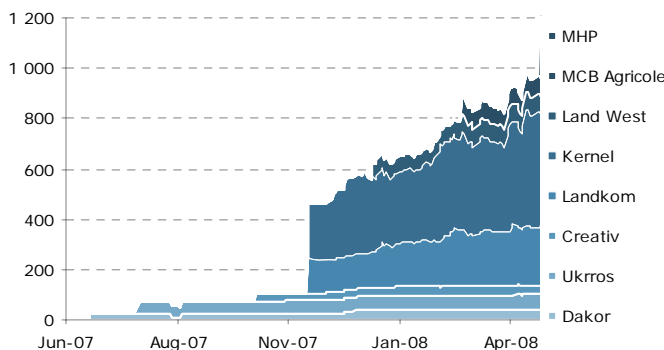


Source: Bloomberg, Thomson, Company data, Concorde Capital estimates

Food & agriculture sectors' free float expanded by 36%

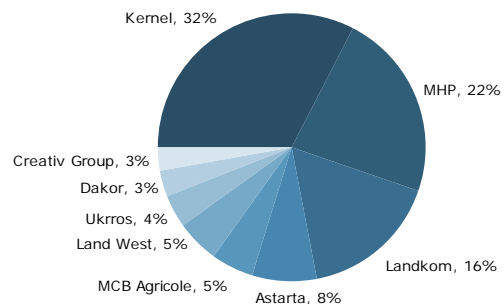
With MHP's placement, available free float in food processing and agriculture expanded 36% to USD ~1.4 bln, or to ~13% of total free float of Ukrainian stocks traded both locally and abroad. MHP becomes the second largest (after Kernel) sector play by free float in monetary terms. With this placement, we estimate that Ukrainian food processing and agricultural companies attracted USD ~905 mln in equity in 2007 and 5M08 vs. USD 32 mln in 2006.

Placement statistics in food and agricultural sectors



Source: Bloomberg, Thomson, Company data, Concorde Capital estimates

Current free float breakdown



FLASH NOTE

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Buy	52	45%
Hold	24	21%
Sell	20	17%
Under Review	19	17%
Total	115	100%

Investment banking clients*		
Buy	6	100%
Hold	0	0%
Sell	0	0%
Under Review	0	0%
Total	6	100%

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

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