



CONCORDE CAPITAL

Ukraine / Agriculture

Mriya Agroholding

USD 90.1 mln raised for 20% stake

June 24, 2008

Current price: N/A
12M Target: N/R

N/R

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Tickers

Bloomberg N/A

Market information

DRs per common share 5:1
No of shares, mln 4.25
Free float 20%

Corporate Governance

Concorde Rating* N/R

- Mriya Agroholding raised USD 90.1 mln via placement of a 20% equity stake
- Trading is to commence on the Frankfurt Stock Exchange July 1
- Mriya's accession to the traded agro stock group reveals that the market tends to rely on the EV/ha Harvested Land metric when valuing domestic land plays

Market appetite still whet for agriculture

On June 19, Mriya Agroholding, which manages 102 ths ha of land in Western Ukraine, announced it attracted USD 90.1 mln through the placement of a 20% stake, putting its MCap at USD 450.5 mln. Mriya's valuation at placement ranked second in terms of EV/ha of land under lease.

Placement statistics

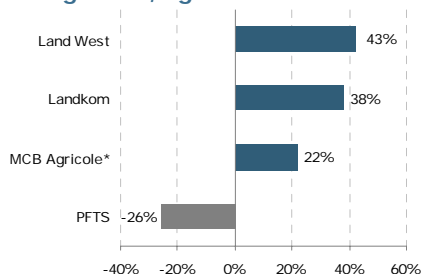
Company	Date	MCap, USD mln	Land bank, ths ha	EV/ha, USD*
Landkom	Nov 07	202	37	5,460
Land West	Nov 07	215	164	1,323
MCB Agricole	Mar 08	230	71	3,295
Mriya Agroholding	June 08	451	102	4,716
Median				4,006

* Pre money EV and land leased at placement are used

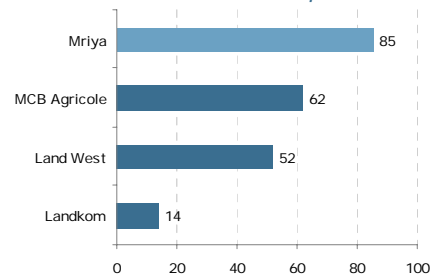
Source: Bloomberg, Thomson, Company data, Concorde Capital estimates

In our view, two factors set the stage for successful placement: the solid YTD performance of Ukrainian agricultural stocks, and company-specific sweeteners, particularly the largest harvested area among domestic land plays.

YTD growth, agro stocks vs. PFTS



Harvested area in 2008E, ths ha



* Performance since placement in March 08

Source: Bloomberg, Thomson, Company data

Both controlled & harvested land are factored into valuation

In our view, market is starting to recognize the EV/ha Harvested land metric as a more accurate valuation gauge than EV/ha Land Controlled. We ascribe this to the fact that EV/ha Harvested better reflects a company's ability to generate cash streams in the near term.

With Mriya's placement, we observe that the three domestic land plays (except Landkom) trade in the narrow range of 4,594-5,391 USD/ha (17% spread) on the EV/ha Harvested multiple, while valuation by EV/ha Controlled is much wider – 1,524-2,557 USD/ha (68% spread).

Peer valuation

	Landkom	Land West	MCB Agricole	Mriya
Leased land, ths ha, 2008E	115	210	161	190
Harvested land, ths ha, 2008E	14	52	62	85
EV/ha Leased, 2008E	2,557	1,524	1,741	2,371
EV/ha Harvested, 2008E	21,000	5,391	4,594	5,300

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

We relate Landkom's singular case to it being floated first and by the market's belief that Landkom will be able to expand its harvested area fast enough to catch up to its peers.

FLASH NOTE

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Appendix - Disclosures

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	56	49%
Hold	22	19%
Sell	19	17%
Under Review	18	16%
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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