

# Power Generators

## Privatization to be announced by year-end

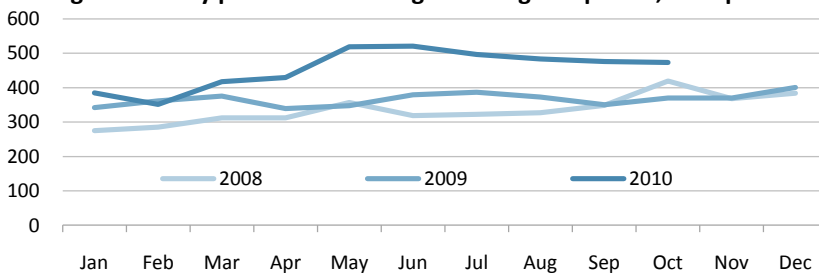
### Catalyst: first privatization in electricity generation

Yesterday the Cabinet of Ministers removed thermal power generators from the list of strategically important companies (read “the list of companies excluded from privatization”). We expect the government to announce the first generator privatization this month or next, with Zakhidenergo the likely to go first. We expect this to be a strong catalyst for the whole sector, as this will be the first privatization in the industry. The dire need for upgrades to the capital investment-starved generators will drive privatization of the remaining generating companies over 2011-12.

### Fundamentals: electricity price rises by 28% y-o-y

Electricity tariffs for thermal GenCos have been around USD 60-65 per MWh since May, a 28-49% y-o-y increase vs. a 15% increase in the price of fuel. As a result, EBITDA margins have rebounded from negative in 2009 to positive single digits in 9M10. While this is far from the healthy global range of 20-30%, it is sufficient to cover maintenance CapEx. We anticipate sector reforms that would allow margins to rise to healthy levels will be forthcoming following the privatization of Dniproenergo and Zakhidenergo, two assets of interest to local energy and lobbying leader DTEK.

### Average electricity price for thermal generating companies, UAH per MWh



Source: Energorynok

### Action: BUY CEEN, DNEN and DOEN

We view Centrenergo, the most liquid generator trading at a 35% discount to Russian peers on EV/Capacity, as the best privatization play. Our second choice is Donbasenergo, a BUY with 148% upside potential. We also assign a BUY recommendation to Dniproenergo, with an upside of 71%, but note the stock is very illiquid. We rate Zakhidenergo a SELL as it is trading at fair value even as liquidity dries up on continued buying by a strategic investor.

### Valuation summary, USD per share

	Current Price	Implied Price EV/Capacity	Implied Price Replacement cost model	12M target price	Upside	Rec.
Centrenergo	1.7	2.5	2.6	2.6	54%	BUY
Dniproenergo	130.0	204.6	239.8	200	54%	BUY
Donbasenergo	7.2	23.4	12.1	17.8	148%	BUY
Zakhidenergo	66.8	70.5	63.4	66.9	0%	SELL

Source: Bloomberg, Concorde Capital

Report date **5 Nov 2010**

Company name	Ticker	Rec.
Centrenergo	CEEN UK	BUY
Dniproenergo	DNEN UK	BUY
Donbasenergo	DOEN UK	BUY
Zakhidenergo	ZAEN UK	SELL

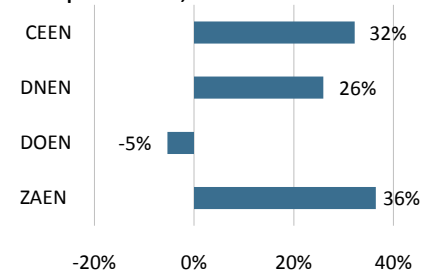
### Market capitalization, USD mln

Centrenergo	613.1
Dniproenergo	775.7
Donbasenergo	169.6
Zakhidenergo	854.6

### Free float

	%	USD mln
Centrenergo	21.7%	133.1
Dniproenergo	2.45%	19.0
Donbasenergo	14.2%	24.1
Zakhidenergo	4%	34.2

### Price performance, 12M



Source:UX

## GenCo privatization free to move ahead

Removing thermal power generation companies from the list of strategically important enterprises (read “the list of enterprises excluded from privatization”), the Cabinet of Ministers yesterday unshackled the sector and set in motion long-awaited privatization.

We expect the government to announce the first company to be privatized in November-December, with Zakhidenergo most likely to be named. The long-standing dearth of capital spending in the power generation sector will drive privatization of the remaining generation companies over 2011-12.

Olexander Ryabchenko, head of the State Property Fund, said this summer that privatization of the first electricity generator would be announced in 4Q10. The auction is slated to take place 75 days after publication of the official announcement.

We expect the first privatization to be a strong catalyst for the whole sector; privatization of electricity generators has been discussed for ten years with no concrete action. We see the current unity among the SPF, the Fuel & Energy Ministry, the Cabinet of Ministers and the President, coupled with the budget deficit and the GenCo’s thirst for CapEx, as a unique combination of factors favoring privatization in the nearest future.

### Privatization should increase efficiency and profitability

Across the industry, generation companies suffer from high levels of depreciation and depend on outdated and inefficient equipment. With the state unable to finance the capital expenditures necessary to modernize generation facilities, privatization is essential to improving efficiency in the sector. As generators are privatized, new owners should be able to make investments in equipment that will help lower costs while increasing output, thus positively influencing industry profitability.

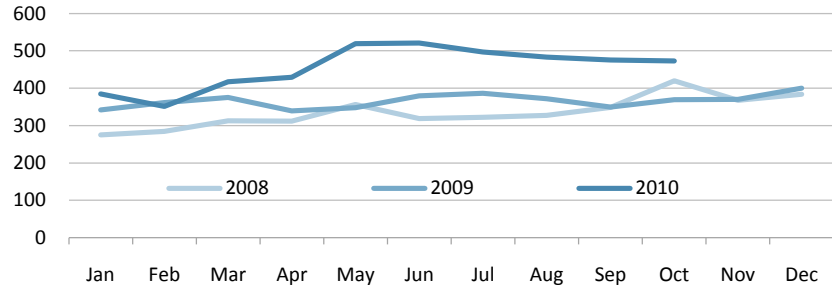
### Privatization should unlock sector reform

We view DTEK’s (owner of 100% of Vostokenergo, a 48% stake in Dniproenergo and 25% in Zakhidenergo) desire to buy controlling stakes in Zakhidenergo and Dniproenergo at low prices as the only barrier to sector reform since DTEK can use its considerable influence on the government to keep circumstances favorable to its aims. With no evidence of sector reform yet, global energy players are pricing in future uncertainty regarding the ultimate market model, thus providing little competition to DTEK in forthcoming privatization auctions for Dniproenergo and Zakhidenergo. Meanwhile, the National Electricity Regulatory Committee is currently working on the technical parameters of the future electricity market model.

## Fundamentals: electricity price rises by 28% y-o-y

Electricity tariffs for thermal GenCos have been around USD 60-65 per MWh since May, a 28-49% y-o-y increase vs. only a 15% increase in fuel prices.

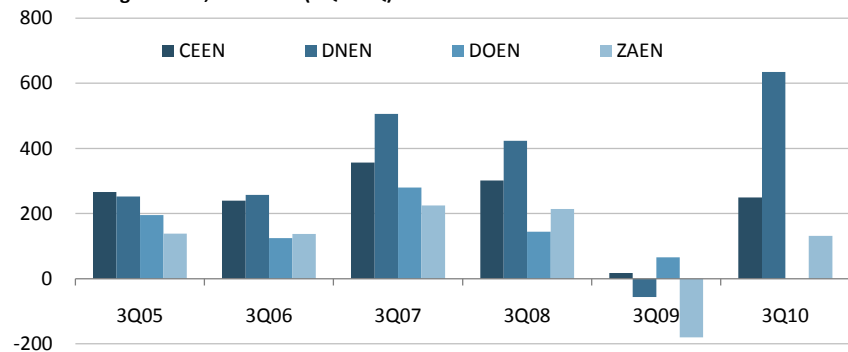
### Average electricity price for thermal generating companies, UAH per MWh



Source: Energorynok

With the rise in electricity prices outpacing fuel price growth, generation companies have seen EBITDA margins rebound from negative in 2009 to the positive single digits in 9M10. Though these numbers are still far from the healthy 20-30% global range, they are sufficient to cover maintenance CapEx. We think sector reform that would allow margin growth to healthy levels will be forthcoming after the privatizations of Dniproenergo and Zakhidenergo, two assets of interest to local energy and lobbying leader DTEK.

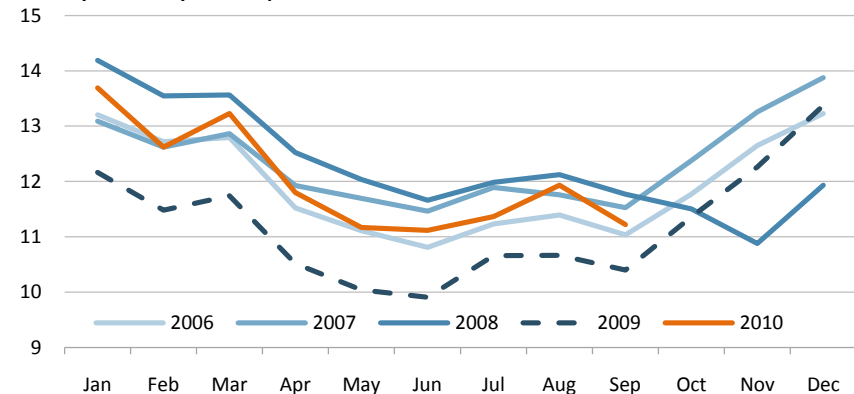
### 12M trailing EBITDA, UAH mln (4Q – 3Q)



Source: Company data, Concorde Capital calculations

Electricity consumption is up 9.8% y-o-y in 9M10, in line with 10.8% y-o-y increase in industrial production.

### Monthly electricity consumption, TWh

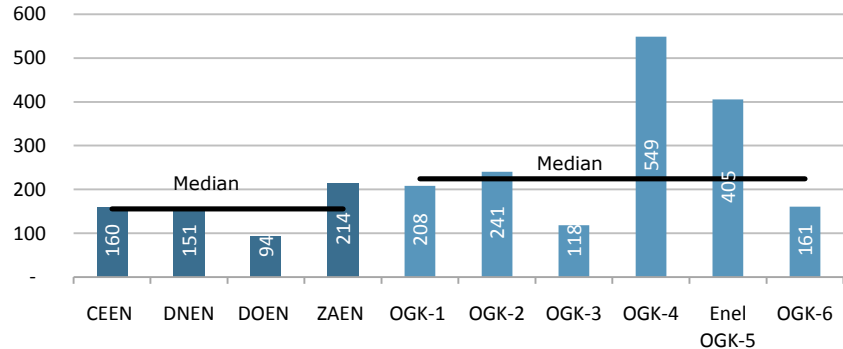


Source: Interfax

## Valuation

With regulatory uncertainty and reform lagging, we continue to value generation companies using asset-based models. We use the average of EV/capacity for Russian peers and the replacement cost model. This model is easier to understand than the previously used economic profit model, though both rely on similar assumptions and produce similar results. We favor asset-based models over DCF valuation as they rely on fewer assumptions, which are difficult to make given the high level of uncertainty regarding the future regulatory and reform action.

EV/Capacity, USD per kW

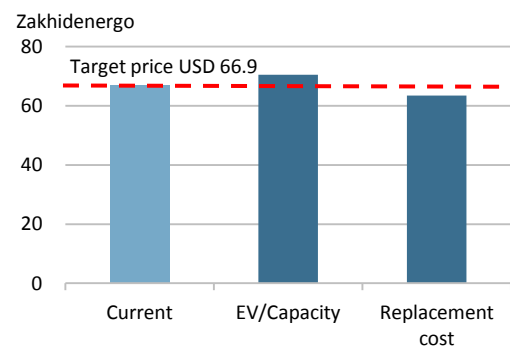
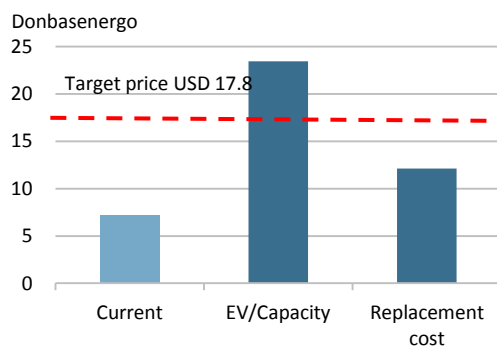
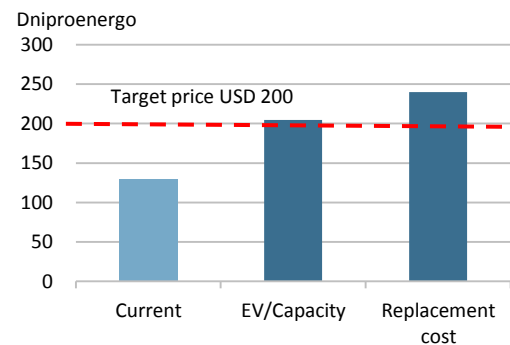
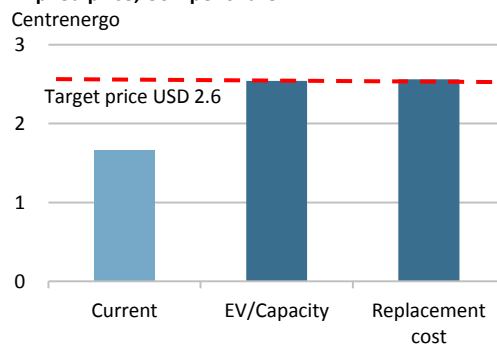


\* We account for only the coal-fired capacity of Ukrainian GenCos, assuming gas-fired blocks have no value  
 Source: Company data, Bloomberg, Concorde Capital

We arrived at our target prices by averaging the results from our replacement cost model and a comparative valuation.

For Dniproenergo, we set a target based on comparison with Zakhidenergo, the other candidate for privatization. We use EV/capacity, which is conservative given Dniproenergo's greater level of efficiency and lower fuel costs. Our target of USD 200 per share implies 54% upside.

Implied price, USD per share



Source: Bloomberg, Concorde Capital

## Comparative valuation

Ukrainian generation companies are trading at USD 94-214 EV/kW of installed capacity for discounts of 5-58% to the Russian OGK median and a 70%-90% discount to emerging market peers. We consider comparison to Russian peers appropriate as we believe that the huge upside relative to the EM peer group is not realizable over the medium term given the prohibitive regulatory environment in Ukraine.

However, we believe the discount of liquid Ukrainian power generators relative to Russian peers based on EV/capacity is unjustified because:

- Higher electricity prices in Ukraine (double prices in Russia) suggest that, other factors held equal, margins even half those of Russian generators could result in equivalent profit.
- Ukraine's existing electricity market is more advanced than the Russian market, despite 13 years of reform in Russia. One hundred percent of electricity produced by Ukrainian thermal generation companies is sold on the open market (though with regulatory intervention) vs. 80% in Russia.

### GenCo market multiples

	EV/S		EV/EBITDA		EV/Capacity	
	2010E	2011E	2010E	2011E	coal-fired	total capacity
Centrenerg	0.9	0.7	9.1	6.6	159.6	96.4
Dniproenerg	1.1	0.8	9.0	10.2	151.1	106.8
Donbasenerg	0.6	0.5	28.8	12.1	93.5	93.5
Zakhidenerg	1.4	1.1	n/m	18.5	213.8	213.8
<b>Median</b>	<b>1.0</b>	<b>0.8</b>	<b>9.1</b>	<b>11.1</b>	<b>155.3</b>	<b>101.6</b>
OGK-1	1.4	1.1	10.7	7.9		208.5
OGK-2	1.6	1.3	15.8	11.2		240.8
OGK-3	0.9	0.8	6.8	9.5		118.5
OGK-4	3.6	2.8	19.7	12.4		548.6
Enel OGK-5	2.6	2.1	13.1	11.3		405.2
OGK-6	1.1	1.0	8.2	11.3		160.7
<b>Russian peer median</b>	<b>1.5</b>	<b>1.2</b>	<b>11.9</b>	<b>11.3</b>		<b>224.6</b>

Source: Bloomberg, Company data, Concorde Capital calculations

### Comparative valuation, USD mln

	EV implied by EV/Capacity	Net Debt	Implied MCap	# shares, mln	Implied price per share, USD
Centrenerg	1,028	89	939	369.41	2.54
Dniproenerg	1,299	78	1,221	5.97	204.63
Donbasenerg	596	43	554	23.64	23.42
Zakhidenerg	988	87	902	12.79	70.49

Source: Company data, Concorde Capital calculations

## Replacement cost model

We use the following assumptions in our replacement cost model:

The *value of company* is equal to the replacement value of its generation capacity in 2011, adjusted by depreciation.

**Depreciation** is calculated based on the hours worked by each power unit divided by a normative working life of 280,000 hrs of operation. Figures are provided by NERC for 1 Jan 2010 + our estimation for 2010 output. For units in operation for more than 280,000 hours, depreciation is taken as 100%.

We additionally apply a **75% discount to gas-fired power units** as we do not see them operational in the near future

**Replacement cost** in 2010 is assumed to be 1,500 USD/kW of capacity for coal-fired power units and 1,000 USD/kW for gas-fired power units.

$$(A) \text{ EV} = 1,500 \text{ USD} * \text{Coal-fired capacity} * (1 - \text{hours worked}/280,000) + 1,000 \text{ USD} * \text{Gas-fired capacity} * (1 - \text{hours worked}/280,000) * (1-75\%)$$

### Replacement cost calculation

	Coal-fired units				Gas-fired units			
	Installed capacity, MW	Accumulated depreciation	Adjusted capacity, MW	Replacement costs, USD mln	Installed capacity, MW	Accumulated depreciation	Adjusted capacity, MW	Replacement costs, USD mln
Centrenergo	4,575	90%	438	656	3,000	50%	1,511	378
Dniproenergo	5,785	86%	801	1,202	2,400	49%	1,230	308
Donbasenergo	2,655	92%	219	329	-	-	-	-
Zakhidenergo	4,400	86%	598	897	-	-	-	-

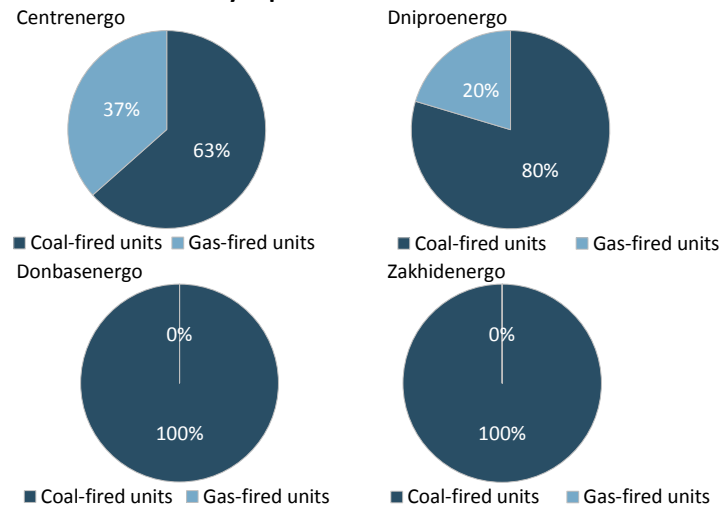
Source: NC ECU, Energobusiness, Company data, Concorde Capital calculations

### Replacement cost valuation, USD mln

	Coal-fired units replacement cost	Gas-fired units replacement cost	Implied EV	Net Debt	Implied MCap	# shares, mln	Implied price per share, USD
Centrenergo	656	378	1,034	89	945	369.4	2.56
Dniproenergo	1,202	308	1,509	78	1,431	6.0	239.80
Donbasenergo	329	-	329	43	286	23.6	12.12
Zakhidenergo	897	-	897	87	811	12.8	63.37

Source: Company data, Concorde Capital calculations

### Value breakdown by replacement cost model



Source: Bloomberg, Concorde Capital

# Centrenerg

**BUY**

Bloomberg: CEEN UK | Reuters: CEEN.PFT

<http://www.centrenerg.com/>

12M target (USD)

2.6

Upside

54%

## INVESTMENT CASE

### Most liquid GenCo stock

With average monthly turnover of USD 15.7 mln, Centrenerg is the most liquid Ukrainian power generator. As we believe the entire sector will react to privatization, we view Centrenerg as the safest way to leverage the privatization play.

### Technical signal to BUY

Technically speaking, Centrenerg broke through its resistance level in the last few weeks and is trading close to its support level, which suggests taking a long position in the stock.



## MARKET INFORMATION

<b>Market Price, USD</b>	1.7
52 Wk H/L USD	2.48/1.15
Chg 3m/6m/52w	-7%/-23%/26%
Avg M Tr Vol 6M, USD mln	15.7
<b>MCap, USD mln</b>	613.1
Free float	21.7%
FF Mcap, USD mln	133.1
<b>No of shares, mln</b>	369.4
Par Value, UAH	1.3
<b>XETRA</b>	DBG
DR Ratio	1:10

## MARKET MULTIPLES

	2010E	2011E
EV/S	0.9	0.7
EV/EBITDA	9.1	6.6
EV/Capacity, USD per kW	159.6	159.6

## KEY FINANCIALS, USD mln

	2009	2010E	2011E
Net Revenues	574	798.1	977.8
EBITDA	-0.2	79.8	111.1
Net Income	-32.1	35.1	56.3
Net Debt	90.12	88.7	88.7

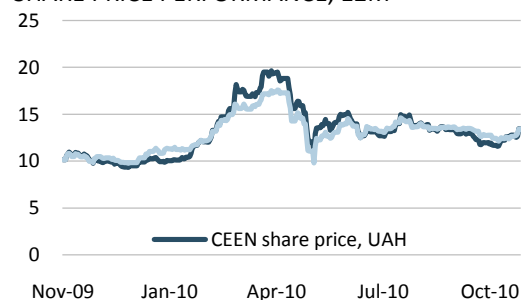
## KEY RATIOS

	2009	2010E	2011E
EBITDA Margin	0%	10%	11%
Net Margin	-6%	4%	6%
ROE	-14%	14%	18%
Net Debt to Equity	41%	35%	29%

## STOCK OWNERSHIP

State (NC ECU)	78.3%
Other	21.7%

## SHARE PRICE PERFORMANCE, 12M

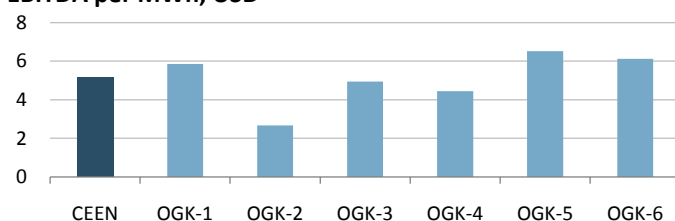


Source: Bloomberg

### Earnings on par with Russian peers

The 29% increase in the electricity price resulted in the company earning USD 5.2 per MWh vs. USD 2.7-6.5 for Russian peers. Given Centrenerg's potential for output growth and higher margins, we don't believe that the 35% discount to Russian peers is justified.

### EBITDA per MWh, USD



Source: State Securities Commission, Concorde Capital projections

## BUSINESS OVERVIEW

Operates three power units located in different regions of Ukraine: Trypillia TPP near Kyiv (installed capacity 1.8 GW, 0.6 GW is gas-fired); Zmiiv TPP near Kharkiv (2.18 GW) and Ulegorsk TPP in Donetsk region (3.6 GW, 2.4 GW is gas-fired). Has the largest share of gas-fired power units among GenCos (almost 40%). Zmiiv TPP's unit #8 is the only fully reconstructed modern unit among GenCos. Considering reconstruction of other units at Zmiiv and Ulegorsk TPPs.

# Dniproenergo

**BUY**

Bloomberg: DNEN UK | Reuters: DNEN.PFT

[http:// dniproenergo.ua/](http://dniproenergo.ua/)

12M target (USD)

200

Upside

54%

## INVESTMENT CASE

### Illiquid stock

After DTEK bought up shares on the market in 2007-2009, the stock became illiquid, with monthly average turnover of only USD 0.5 mln. DTEK owns a 47.55% stake, while 50% is owned by the state. We expect DTEK to reveal an even higher stake in its annual report in March 2011.

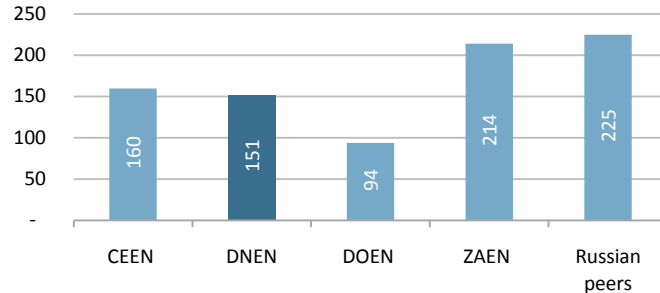
### Strongest fundamentals among local peers

Dniproenergo is the most efficient generator in the sector, using 381 g of fuel equivalent per kWh vs. 426 g for the least efficient Donbasenergo in 1H10. Given this level of efficiency, the company is also the most profitable. Its EBITDA margin was 13% in 9M10, versus -1 to 5% for other generators.

### Speculative BUY

We established our target for Dniproenergo based on comparison with Zakhidenergo, the other candidate for privatization. We use EV/capacity, which is conservative given Dniproenergo's greater level of efficiency and lower fuel costs. Our target of USD 200 per share implies 54% upside. We recommend this stock only to investors ready to face illiquidity risk.

### Dniproenergo vs. peers by EV/Capacity, USD per kW



Source: Bloomberg, Company data, Concorde Capital calculations

## BUSINESS OVERVIEW

Dniproenergo is the largest GenCo by installed capacity. Operates three power units located in the Dnipropetrovsk and Zaporizhyya regions: Zaporizhyya TPP (installed capacity 3.6 GW, 2.4 GW is gas-fired), Prydniprovsk TPP (1.74 GW) and Kryvyi Rih TPP (2.82 GW). One of two GenCos operating gas-fired power units. Fuel efficiency is the highest in the sector.

## MARKET INFORMATION

Market Price, USD	130.0
52 Wk H/L USD	190/84
Chg 3m/6m/52w	0%/-15%/18%
Avg M Tr Vol 6M, USD mln	0.5

MCap, USD mln	775.7
Free float	2.45%
FF Mcap, USD mln	19.0

No of shares, mln	6.0
Par Value, UAH	25

XETRA	DPG
DR Ratio	4:01

## MARKET MULTIPLES

	2010E	2011E
EV/S	1.1	0.8
EV/EBITDA	9.0	10.2
EV/Capacity, USD per kW	151.1	151.1

## KEY FINANCIALS, USD mln

	2009	2010E	2011E
Net Revenues	540	812	1071
EBITDA	5	97	86
Net Income	-30	45	17
Net Debt	45	78	78

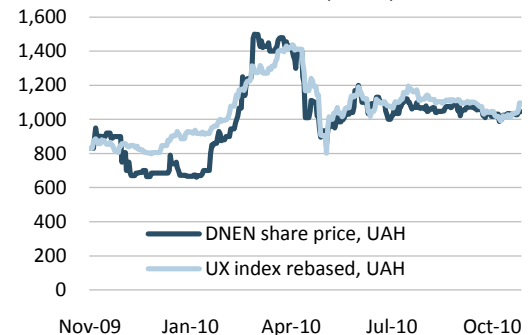
## KEY RATIOS

	2009	2010E	2011E
EBITDA Margin	1%	12%	8%
Net Margin	-6%	6%	2%
ROE	-13%	19%	7%
Net Debt to Equity	23%	33%	30%

## STOCK OWNERSHIP

State (NC ECU)	50%
DTEK	47.5%
Other	2.5%

## SHARE PRICE PERFORMANCE, UAH, 12M



Source: Bloomberg



## Donbasenergo

**BUY**

Bloomberg: DOEN UK | Reuters: DOEN.PFT

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

12M target (USD)

17.8

Upside

148%

### INVESTMENT CASE

#### Unfairly penalized for low profitability in the short-term

The stock has fallen by 48% from its 12M highs (vs. 3-35% decline for other generators), punished by the market for weak 1H10 financial results. Given that reviving profitability for all generation companies is highly dependent on new investors providing funds for CapEx, we believe the company was singled out unfairly over the short-term.

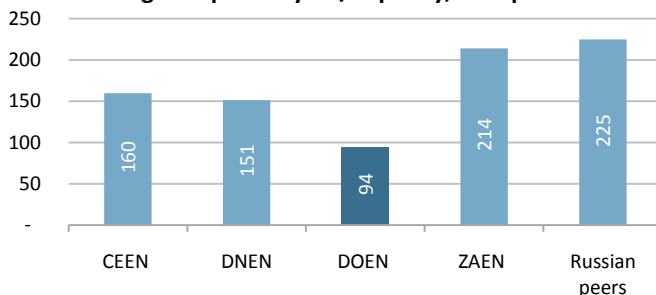
#### Second most liquid stock among electricity generators

After active buying of Zakhidenergo on the open market, Donbasenergo is the second most liquid stock in the sector, with average monthly trading volume of USD 1.6 mln over the last six months.

#### Valuation

We used the average of EV/capacity to Russian peers and the replacement cost model to set the target price of USD 17.8.

#### Donbasenergo vs. peers by EV/Capacity, USD per kW



Source: Bloomberg, Company data, Concorde Capital calculations

### BUSINESS OVERVIEW

Donbasenergo is the smallest thermal generation company in Ukraine – it operates two power units located in Donetsk region: Starobeshev TPP (installed capacity 1.78 GW) and Slaviansk TPP (0.88 GW) with a single working power unit.

### MARKET INFORMATION

Market Price, USD	7.2
52 Wk H/L USD	14.0/5.8
Chg 3m/6m/52w	-13%/-39%/-17%
Avg M Tr Vol 6M, USD mln	1.6

MCap, USD mln	169.6
Free float	14.2%
FF Mcap, USD mln	24.1

No of shares, mln	23.6
Par Value, UAH	10

### MARKET MULTIPLES

	2010E	2011E
EV/S	0.6	0.5
EV/EBITDA	28.8	12.1
EV/Capacity, USD per kW	93.5	93.5

### KEY FINANCIALS, USD mln

	2009	2010E	2011E
Net Revenues	331	431	528
EBITDA	12	9	21
Net Income	-4	-13	-6
Net Debt	72	43	43

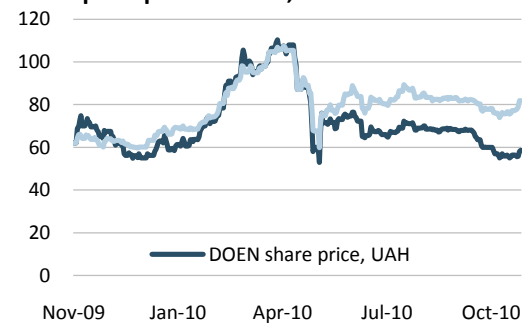
### KEY RATIOS

	2009	2010E	2011E
EBITDA Margin	4%	2%	4%
Net Margin	-1%	-3%	-1%
ROE	-4%	-8%	-4%
Net Debt to Equity	38%	24%	25%

### STOCK OWNERSHIP

State (NC ECU)	85.8%
Other	14.2%

### Share price performance, 12M



Source: Bloomberg

## Zakhidenergo

**SELL**

Bloomberg: ZAEN UK | Reuters: ZAEN.PFT

12M target (USD)

66.9

<http://www.zakhidenergo.ua/>

Upside

0%

### INVESTMENT CASE

#### Becoming illiquid

Following DTEK's efforts to buy shares on the market in 2009-2010, trading volume declined to USD 3 mln per month. The stock is becoming illiquid and exclusion from the UX Index (now ~10%) is being considered.

#### Trades at a premium to local peers on DTEK's buyout

Rumors about DTEK buying Zakhidenergo stock have been swirling, and in October DTEK announced that it would increase its share from the 11.3% reported earlier to 24.9%. We view this as an indication that DTEK will complete buying up most of the available stock, leaving 1-2% as free float.

#### We recommend selling the stock while it trades at a premium

We believe Zakhidenergo is likely to be removed from the UX Index in early December, which will be a strong downside catalyst. DTEK's announcement that it plans to accumulate a higher share of the free float might be another catalyst: we saw a similar story with Dniproenergo, another electricity generation company that DTEK bought up on the market in 2007-2008. Dniproenergo was trading at a 50-100% premium to the local peer average on EV/Capacity while DTEK was buying the stock in the market. Dniproenergo returned to the peer average soon thereafter with free float limited to 2.5%.

### BUSINESS OVERVIEW

Operates three power units in Western Ukraine: Burstyn TPP (installed capacity 2.3 GW); Dobrotvir TPP (0.6 GW) and Ladyzhyn TPP (1.8 GW). Burstyn TPP is separated from the energy system of Ukraine and works on the so-called Burstyn Energy Island – an energy system that works in parallel with the UCTE, with monopoly access to export markets in Hungary, Romania and Slovakia. Export capacity is 500-550 MW. Dobrotvir TPP is located near the Polish border and can be connected to the Polish energy system.

### MARKET INFORMATION

<b>Market Price, USD</b>	66.8
52 Wk H/L USD	75.8/38.2
Chg 3m/6m/52w	-6%/5%/28%
Avg M Tr Vol 6M, USD mln	3
<b>MCap, USD mln</b>	854.6
Free float	4.0%
FF Mcap, USD mln	34.2
<b>No of shares, mln</b>	12.8
Par Value, UAH	10
<b>XETRA</b>	WT7
DR Ratio	4:01

### MARKET MULTIPLES

	2010E	2011E
EV/S	1.4	1.1
EV/EBITDA	n/m	18.5
EV/Capacity, USD per kW	213.8	213.8

### KEY FINANCIALS, USD mln

	2009	2010E	2011E
Net Revenues	574	653	847
EBITDA	-26	0	27
Net Income	-51	-27	-9
Net Debt	85	87	87

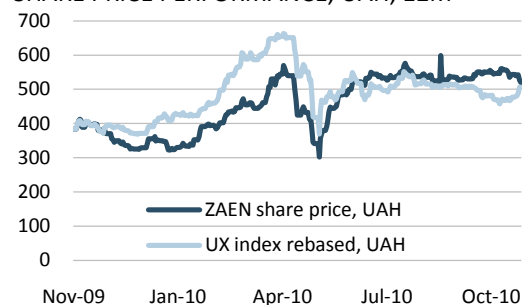
### KEY RATIOS

	2009	2010E	2011E
EBITDA Margin	-5%	5%	6%
Net Margin	-9%	1%	2%
ROE	-42%	4%	11%
Net Debt to Equity	74%	73%	64%

### STOCK OWNERSHIP

State (NC ECU)	70.1%
DTEK	11.4%
Other	18.5%

### SHARE PRICE PERFORMANCE, UAH, 12M



Source: Bloomberg

## Disclosures

### Analyst certification

I, Yegor Samusenko, hereby certify that the views expressed in this research report accurately reflect my personal views about the subject securities and issuers. I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

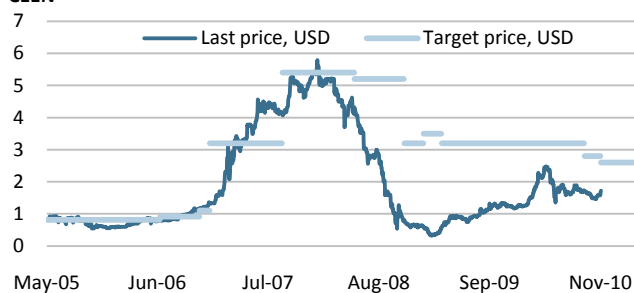
#### GenCos rating history

Date	CEEN price, USD		DNEN price, USD		DOEN price, USD		ZAEN price, USD	
	Closing	Target	Closing	Target	Closing	Target	Closing	Target
13-May-05	0.8	0.8	75	88	4.2	6.8	27.7	29
30-May-05							27.7	30.5
4-Jul-05					4.4	6		
19-Jul-05							24	30.5
26-Sep-05	0.8	0.8	67	99	4.2	6.6	26	34
3-Jan-06	0.5	0.8						
26-Jun-06	0.8	0.9	76	123	5.2	7.4	26.5	34
25-Sep-06							32	34
26-Sep-06					7.2	7.4		
15-Nov-06	1.2	1.1	109	131	7.8	9.6	40	35.4
28-Nov-06	1.2	1.1	109	131	8	9.6	41	35.4
22-Dec-06	1.4	1.4	126	134	8.7	11.3	52.8	41.2
21-Mar-07	2.8	3.2	288	383	17.1	27.6	73.4	94.3
2-Apr-07	3.3	3.2	347	383	21.4	27.6	88.1	94.3
22-Jun-07			400	432				
23-Jul-07			366	432				
31-Aug-07			373	410				
10-Sep-07	4.1	4.2	383	410	27.6	27.6	103.8	94.3
10-Oct-07	5.0	5.4	512	516	32.3	43.2	121.7	130.4
24-Mar-08			424	516				
10-Apr-08			430	516				
28-May-08	4.0	5.2	417	580	23.6	40	89.1	125
27-Jun-08			385	460				
24-Nov-08	0.8	3.2	69	260	4.0	19.3	51.5	88
26-Nov-08	0.8	3.2	70	266	4.0	19.3	53.0	88
03-Feb-09	0.6	3.5	62	284	3.1	22.6	45.7	96.6
24-Mar-09			53	284				
08-Apr-10	2.2	3.2	183	326	12.4	27.0	56.9	86.7
19-Aug-10			133	200				
06-Sep-10	1.7	2.8	136	200	8.7	22.7	66.8	74.3
05-Nov-10	1.7	2.6	130	200	7.2	17.8	66.8	66.9

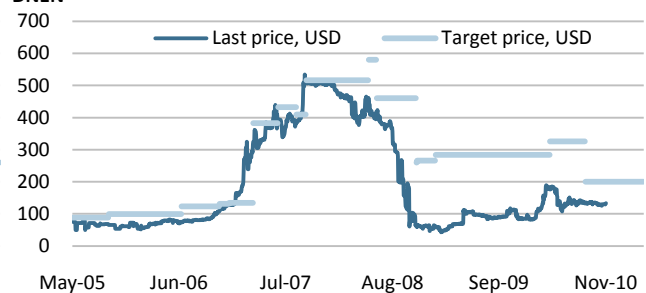
\* In July 2009, Yegor Samusenko took over coverage; prior to that point, it was covered by other Concorde analysts.

#### Target price history

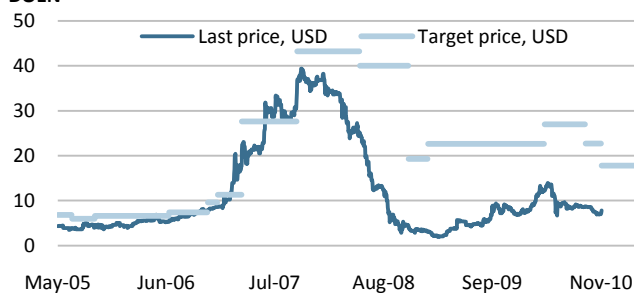
##### CEEN



##### DNEN



##### DOEN



##### ZAEN



Source: Bloomberg, Concorde Capital

## 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.

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