

# Railcar Manufacturers

## 3Q results solid at Kryukiv but Stakhaniv disappoints

### Kryukiv Wagon: Solid results despite rising costs

Kryukiv Wagon's 3Q top line was in line with our expectations, up by 21% q-o-q to USD 160.1 mln (11% of the growth was attributable to increased output and 9% to price appreciation). The 3Q EBITDA margin was surprising because of its stability: 14% (in line with 13-14% for 1Q-2Q10) despite growth in steel casting prices. However, we expect the EBITDA margin to decline temporarily to 12% for 2010E and 11% in 2011E due to cost pressure.

### Stakhaniv Wagon: Mystical margin decline

Stakhaniv Wagon, meanwhile, posted a disappointing 3% EBITDA margin in 3Q10, due to 18% q-o-q growth in materials costs, which we find economically unjustified. We link the figure to profit transferring to VTB-Leasing, the plant's sole supplier of steel casting, which recently said it is ready to order all of Stakhaniv's railcars produced and acquire the whole plant.

#### 3Q10 financial results

	Revenue	q-o-q	EBITDA	mgn	q-o-q	Net Income	mgn	q-o-q
Kryukiv Railcar	159.9	21%	21.6	14%	24%	11.4	7%	-24%
Stakhaniv Wagon	85.9	-2%	2.3	3%	-74%	1.7	2%	-78%

Source: Company data, Concorde Capital

### 2011 view: Cost side pressure from steel casters

With output at historical highs and anticipated strong demand in 2011-2015, we see maintaining margins as the key question for railcar producers. Railcar prices have stabilized since summer 2010 at USD 58,000-62,000 per gondola, but steel casting (1/3 of railcar costs) has continued to grow – USD 22,000 per wagon now vs. USD 15,700 this summer and USD 10,700 in the spring. This was partly due to VTB-Leasing buying all the steel casting from Kremenchug Steel Casting Plant, the largest supplier in the CIS. We expect cost pressure to continue in 2011 until new casting capacities launch in 2011-12, which should boost total CIS capacity by 50%.

### Implication: Downgrade to HOLD on strong performance

We continue to value railcar manufacturers by averaging the results of a DCF analysis and a comparative valuation based on EV/EBITDA using global peers. Given the strong performance of both stocks since our last report in September and the 11%-17% downgrades in our target prices, we assign a HOLD recommendation to both stocks. We downgrade our target for Kryukiv Wagon to USD 5 per share, an 11% decrease, and for Stakhaniv Wagon to USD 1 per share, a 17% decrease.

#### Valuation summary, USD per share

	EV/EBITDA		P/E		Implied Price EV/EBITDA		Target	Upside	Rec.
	2010E	2011E	2010E	2011E	2010E	DCF			
Kryukiv Wagon	7.6	7.9	11.3	12.2	4.7	5.2	5.0	17%	HOLD
Stakhaniv Wagon	9.1	6.9	18.6	12.5	0.9	1.1	1.0	6%	HOLD
<b>Peer median</b>	<b>8.4</b>	<b>7.2</b>	<b>21.8</b>	<b>16.5</b>					

Source: Company data, Bloomberg, Concorde Capital

Report date **1 Dec 2010**

#### Kryukiv Wagon

Bloomberg	KVBZ UK
Reuters	KVBZ=UA
<b>Recommendation</b>	<b>HOLD</b>
Price (30 Nov 10), USD	4.26
12M price target, USD	5.0

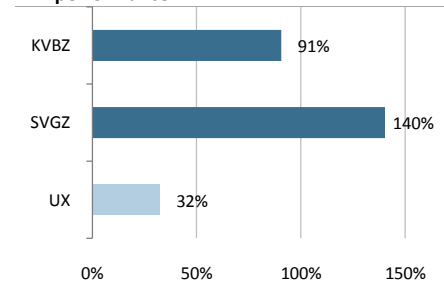
No of shares, mln	114.68
Market Cap, USD mln	489.1
52-week performance	99%
52-week range, USD	4.42/1.47
ADT, 12M, USD mln	1.5
Free float, %	4.7%
Free float, USD mln	23.0

#### Stakhaniv Wagon

Bloomberg	SVGZ UK
Reuters	SVGZ=UA
<b>Recommendation</b>	<b>HOLD</b>
Price (30 Nov 10), USD	0.94
12M price target, USD	1.0

No of shares, mln	226.39
Market Cap, USD mln	212.0
52-week performance	200%
52-week range, USD	1.09/0.31
ADT, 12M, USD mln	3.9
Free float, %	8.0%
Free float, USD mln	17.0

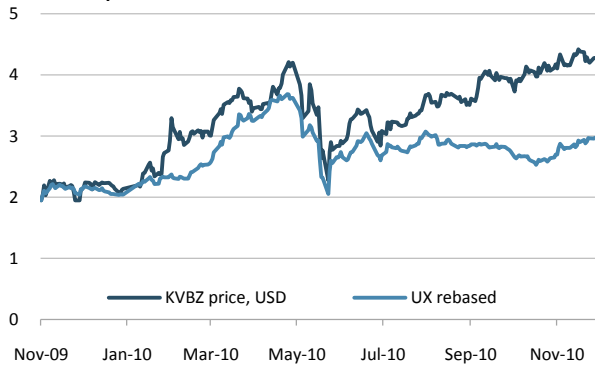
#### YTD performance



Source: Bloomberg

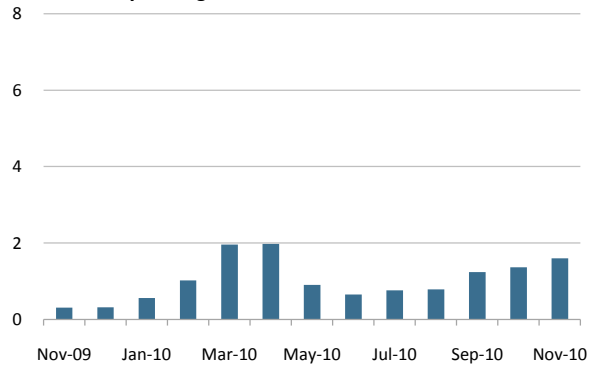
## Stock market

**KVBZ stock price, USD**



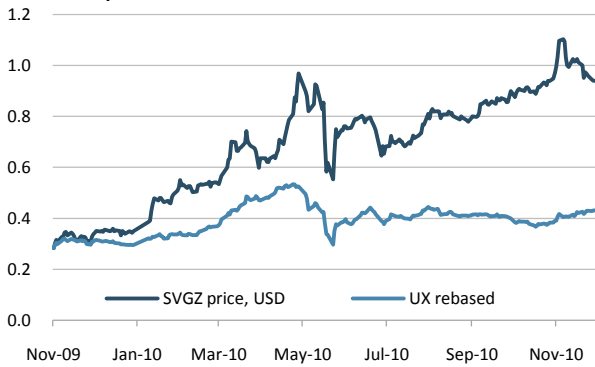
Source: UX

**KVBZ monthly trading volume, USD mln**



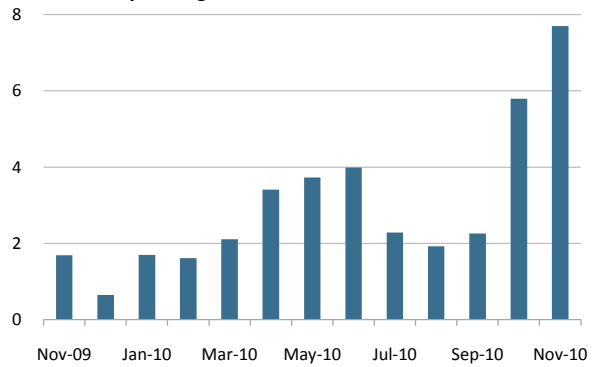
Source: UX

**SVGZ stock price, USD**



Source: UX

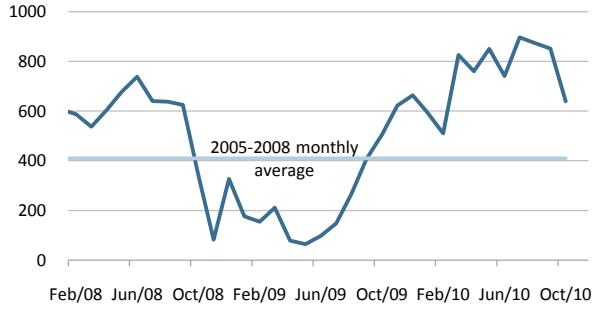
**SVGZ monthly trading volume, USD mln**



Source: UX

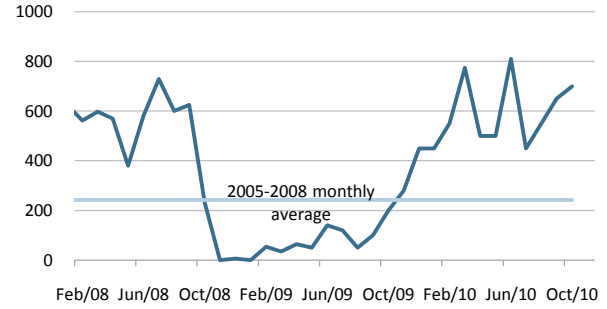
## Railcar market

**Kryukiv Wagon output, freight cars, units**



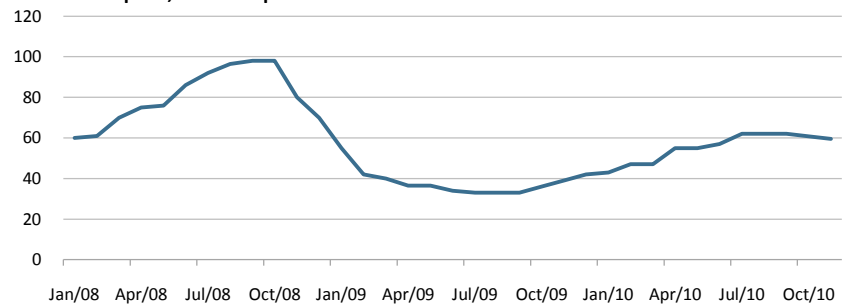
Source: Promishlennie Gruz, Company data

**Stakhaniv Wagon output, freight cars, units**



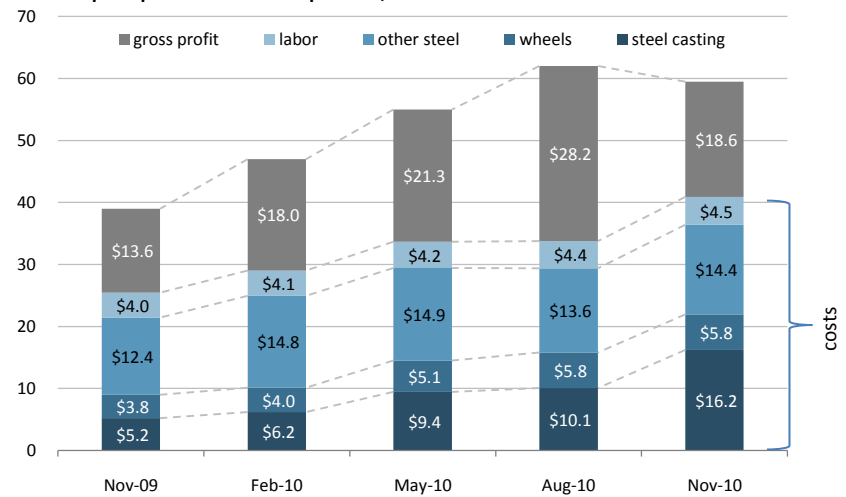
Source: Promishlennie Gruz, Company data

**Gondola car price, '000 USD per unit\***



\*Kryukiv Wagon's price is taken as indicative. Gondola railcars comprise approximately 2/3 of total freight car output  
Source: Promishlennie Gruz, Company data

**Gondola price per car and its composition, '000 USD \***



\*Based on open market prices  
Source: Concorde Capital

## Kryukiv Wagon, quarterly financial statements

### Income statement, quarterly, cumulative, USD mln

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
<b>Net Revenues</b>	<b>122.8</b>	<b>324.5</b>	<b>551.7</b>	<b>637.0</b>	<b>36.2</b>	<b>56.5</b>	<b>98.5</b>	<b>182.0</b>	<b>97.8</b>	<b>229.9</b>	<b>389.8</b>
<i>Change y-o-y</i>	39.0%	83.7%	90.4%	55.8%	-70.5%	-82.6%	-82.1%	-70.5%	170.0%	306.6%	295.8%
Cost Of Sales	(88.2)	(233.6)	(407.1)	(483.5)	(31.7)	(48.9)	(86.4)	(162.4)	(81.5)	(192.3)	(325.5)
Gross Profit	34.7	90.9	144.6	153.5	4.6	7.7	12.1	23.9	17.3	39.6	68.3
<i>Gross Margin, %</i>	28.2%	28.0%	26.2%	24.1%	12.6%	13.5%	12.3%	12.7%	17.7%	17.2%	17.5%
Other Operating Income/Costs, net	(3.5)	(8.8)	(14.6)	(18)	(0.5)	(0.0)	2.0	4.6	(0.2)	(1.0)	(3.8)
SG&A	(3.8)	(8.7)	(13.5)	(15.9)	(1.7)	(4.7)	(7.1)	(10.2)	(3.6)	(7.7)	(12.0)
<b>EBITDA</b>	<b>27.4</b>	<b>73.4</b>	<b>116.6</b>	<b>119.8</b>	<b>2.4</b>	<b>2.9</b>	<b>7.0</b>	<b>18.2</b>	<b>13.5</b>	<b>31.0</b>	<b>52.6</b>
<i>EBITDA margin, %</i>	22.3%	22.6%	21.1%	18.8%	6.7%	5.1%	7.1%	9.7%	13.8%	13.5%	13.5%
Depreciation	(1.2)	(2.6)	(4.5)	(5.8)	(1.2)	(2.2)	(3.1)	(4.3)	(1.0)	(2.0)	(4.0)
<b>EBIT</b>	<b>26.2</b>	<b>70.8</b>	<b>112.0</b>	<b>114.0</b>	<b>1.2</b>	<b>0.7</b>	<b>3.9</b>	<b>14.0</b>	<b>12.6</b>	<b>29.0</b>	<b>48.6</b>
<i>EBIT margin, %</i>	21.4%	21.8%	20.3%	17.9%	3.4%	1.3%	4.0%	7.4%	12.9%	12.6%	12.5%
Interest Expense	(0.2)	(0.3)	(0.7)	(1.3)	(0.3)	(0.6)	(1.8)	(1.9)	(1.4)	(2.7)	(4.3)
Financial income/(expense)	0.1	0.5	0.9	1.1	0.2	0.3	0.4	0.6	0.1	0.3	0.6
Other income/(expense)	(0.6)	(1.4)	(2.3)	(3.3)	(0.2)	(0.4)	(0.7)	(0.9)	(0.3)	(0.7)	(1.1)
<b>PBT</b>	<b>25.5</b>	<b>69.6</b>	<b>109.9</b>	<b>110.4</b>	<b>0.9</b>	<b>0.1</b>	<b>1.9</b>	<b>11.7</b>	<b>11.0</b>	<b>25.9</b>	<b>43.8</b>
Tax	(7.3)	(22.7)	(34.1)	(30.5)	-	-	-	(2.6)	(3.5)	(3.5)	(10.0)
Minority Interest	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Income/(loss)	-	-	-	-	-	-	-	-	-	-	-
<b>Net Income</b>	<b>18.3</b>	<b>46.9</b>	<b>75.8</b>	<b>79.9</b>	<b>0.9</b>	<b>0.1</b>	<b>2.9</b>	<b>9.2</b>	<b>7.5</b>	<b>22.4</b>	<b>33.8</b>
<i>Net Margin, %</i>	14.9%	14.4%	13.7%	12.5%	2.6%	0.2%	2.9%	4.9%	7.7%	9.8%	8.7%

### Balance sheet summary, USD mln

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
<b>Current Assets</b>	<b>166.3</b>	<b>220.0</b>	<b>249.3</b>	<b>148.7</b>	<b>136.5</b>	<b>134.8</b>	<b>124.8</b>	<b>140.0</b>	<b>159.7</b>	<b>161.7</b>	<b>149.3</b>
Cash & Equivalents	15.9	37.9	30.9	7.1	9.6	5.0	7.6	8.2	12.4	7.3	4.6
Trade Receivables	6.2	16.5	29.2	45.6	39.1	34.0	23.9	26.4	17.3	9.6	9.0
Inventories	89.7	97.5	110.7	74.0	63.0	63.1	59.2	66.1	72.4	77.8	73.1
Other current assets	54.6	68.2	78.6	21.8	24.8	32.7	34.1	39.3	57.7	67.0	62.6
<b>Fixed Assets</b>	<b>53.4</b>	<b>62.4</b>	<b>67.3</b>	<b>48.1</b>	<b>50.6</b>	<b>51.2</b>	<b>48.5</b>	<b>51.6</b>	<b>52.2</b>	<b>52.4</b>	<b>72.5</b>
PP&E, net	45.0	46.6	52.0	38.9	38.6	39.7	37.5	37.9	38.2	40.8	40.8
Other Fixed Assets	8.4	15.8	15.3	9.2	12.1	11.5	11.0	13.7	14.0	11.6	31.8
<b>Total Assets</b>	<b>219.7</b>	<b>282.4</b>	<b>316.6</b>	<b>196.8</b>	<b>187.1</b>	<b>186.0</b>	<b>173.3</b>	<b>191.6</b>	<b>211.9</b>	<b>214.1</b>	<b>221.8</b>
<b>Shareholders' Equity</b>	<b>176.6</b>	<b>210.9</b>	<b>239.1</b>	<b>154.3</b>	<b>155.2</b>	<b>155.9</b>	<b>154.2</b>	<b>150.5</b>	<b>159.3</b>	<b>174.7</b>	<b>186.2</b>
Share Capital	17.0	17.7	17.7	11.2	11.2	11.3	10.7	10.8	10.9	10.9	10.9
Reserves and Other	83.7	126.0	125.7	79.3	79.3	80.1	117.6	106.6	107.5	107.7	107.7
Retained Earnings	75.9	67.1	95.8	63.8	64.7	64.5	25.9	33.1	41.0	56.0	67.7
<b>Current Liabilities</b>	<b>43.1</b>	<b>71.5</b>	<b>63.8</b>	<b>33.5</b>	<b>24.8</b>	<b>30.2</b>	<b>30.4</b>	<b>41.1</b>	<b>52.6</b>	<b>39.4</b>	<b>35.6</b>
ST Interest Bearing Debt	4.1	7.2	12.5	11.2	9.0	6.0	5.4	6.0	11.4	16.3	9.5
Trade Payables	6.4	5.1	6.7	18.6	13.5	11.5	7.3	6.9	4.1	5.2	4.1
Accrued Wages	2.2	2.5	3.2	0.8	1.0	2.0	1.1	1.2	2.6	2.2	1.8
Accrued Taxes	0.4	9.1	11.2	0.1	0.2	0.4	0.3	0.5	4.0	0.4	5.4
Other Current Liabilities	30.0	47.6	30.2	2.8	1.2	10.3	16.3	26.5	30.6	15.3	14.9
<b>LT Liabilities</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LT Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-	-
Other LT	0.0	0.0	0.0	-	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>219.7</b>	<b>282.4</b>	<b>302.9</b>	<b>187.8</b>	<b>180.0</b>	<b>186.0</b>	<b>184.6</b>	<b>191.6</b>	<b>211.9</b>	<b>214.1</b>	<b>221.8</b>
<b>Net Debt</b>	<b>(11.7)</b>	<b>(30.7)</b>	<b>(18.3)</b>	<b>4.0</b>	<b>(0.6)</b>	<b>1.1</b>	<b>(2.2)</b>	<b>(8.2)</b>	<b>-1.0</b>	<b>9.1</b>	<b>4.9</b>

## Kryukiv Wagon, annual financial statements

### Income statement summary, USD mln

	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E
<b>Net Revenues</b>	<b>617</b>	<b>182</b>	<b>547</b>	<b>563</b>	<b>629</b>	<b>675</b>	<b>697</b>	<b>737</b>
<i>Change y-o-y</i>	<i>N/M</i>	<i>-70.5%</i>	<i>200.5%</i>	<i>2.9%</i>	<i>11.7%</i>	<i>7.4%</i>	<i>3.2%</i>	<i>5.8%</i>
Cost Of Sales	(471)	(158)	(449)	(467)	(502)	(537)	(552)	(582)
Gross Profit	146	24	98	96	127	138	145	156
Other Operating Income/Costs. net	(18)	5	(14)	(14)	(16)	(17)	(17)	(18)
SG&A	(16)	(10)	(19)	(20)	(22)	(24)	(24)	(26)
<b>EBITDA</b>	<b>113</b>	<b>18</b>	<b>66</b>	<b>62</b>	<b>89</b>	<b>97</b>	<b>103</b>	<b>111</b>
<i>EBITDA margin. %</i>	<i>18.3%</i>	<i>10.0%</i>	<i>12.0%</i>	<i>11.0%</i>	<i>14.2%</i>	<i>14.4%</i>	<i>14.8%</i>	<i>15.1%</i>
Depreciation	(6)	(4)	(5)	(5)	(5)	(6)	(6)	(6)
<b>EBIT</b>	<b>107</b>	<b>14</b>	<b>61</b>	<b>57</b>	<b>84</b>	<b>92</b>	<b>97</b>	<b>105</b>
<i>EBIT margin. %</i>	<i>17.4%</i>	<i>7.7%</i>	<i>11.1%</i>	<i>10.1%</i>	<i>13.4%</i>	<i>13.6%</i>	<i>13.9%</i>	<i>14.2%</i>
Interest Expense	(1)	(2)	(3)	(4)	(2)	(2)	(3)	(3)
Financial income	1	1	-	-	-	-	-	-
Other income/(expense)	(3)	(1)	-	-	-	-	-	-
<b>PBT</b>	<b>104</b>	<b>12</b>	<b>58</b>	<b>53</b>	<b>82</b>	<b>90</b>	<b>95</b>	<b>102</b>
Tax	(28)	(3)	(14)	(13)	(20)	(22)	(24)	(25)
<i>Effective tax rate</i>	<i>27%</i>	<i>22%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
<b>Net Income</b>	<b>75.9</b>	<b>9.2</b>	<b>43.4</b>	<b>39.9</b>	<b>61.2</b>	<b>67.2</b>	<b>70.9</b>	<b>76.3</b>
<i>Net Margin. %</i>	<i>12.3%</i>	<i>5.0%</i>	<i>7.9%</i>	<i>7.1%</i>	<i>9.7%</i>	<i>10.0%</i>	<i>10.2%</i>	<i>10.4%</i>

### Balance sheet summary, USD mln

	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E
<b>Current Assets</b>	<b>149</b>	<b>144</b>	<b>247</b>	<b>241</b>	<b>241</b>	<b>246</b>	<b>254</b>	<b>268</b>
Cash & Equivalents	7	8	16	17	19	20	21	22
Trade Receivables	46	26	33	34	38	41	42	44
Inventories	74	66	121	117	115	118	121	128
Other current assets	22	44	77	73	69	68	70	74
<b>Fixed Assets</b>	<b>48</b>	<b>52</b>	<b>58</b>	<b>60</b>	<b>62</b>	<b>64</b>	<b>65</b>	<b>65</b>
PP&E. net	39	38	42	45	46	47	47	47
Other Fixed Assets	9	14	16	16	16	17	17	18
<b>Total Assets</b>	<b>197</b>	<b>196</b>	<b>305</b>	<b>301</b>	<b>304</b>	<b>310</b>	<b>319</b>	<b>333</b>
<b>Shareholders' Equity</b>	<b>154</b>	<b>151</b>	<b>150</b>	<b>156</b>	<b>159</b>	<b>159</b>	<b>163</b>	<b>167</b>
Share Capital	11	11	11	11	11	11	11	11
Reserves and Other	143	139	139	145	148	148	152	155
<b>Current Liabilities</b>	<b>42</b>	<b>46</b>	<b>155</b>	<b>145</b>	<b>144</b>	<b>151</b>	<b>156</b>	<b>167</b>
ST Interest Bearing Debt	11	6	26	16	13	15	21	25
Trade Payables	19	7	58	56	50	48	44	47
Accrued Wages	1	1	4	4	4	5	5	5
Accrued Taxes	0	0	1	1	2	2	2	2
Other Current Liabilities	12	31	66	68	75	81	84	88
<b>LT Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LT Interest Bearing Debt	-	-	-	-	-	-	-	-
Other LT	-	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>197</b>	<b>196</b>	<b>305</b>	<b>301</b>	<b>304</b>	<b>310</b>	<b>319</b>	<b>333</b>
Net Debt	4.0	(2.2)	9.4	(0.9)	(6.0)	(5)	0	3

## Stakhaniv Wagon, quarterly financial statements

### Income statement, quarterly, cumulative

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
<b>Net Revenues</b>	<b>90.8</b>	<b>182.5</b>	<b>335.2</b>	<b>353.6</b>	<b>4.3</b>	<b>14.5</b>	<b>25.1</b>	<b>58.6</b>	<b>73.4</b>	<b>161.1</b>	<b>246.9</b>
<i>Change y-o-y</i>	67.4%	53.3%	92.6%	50.3%	-95.3%	-92.1%	-92.5%	-83.3%	16x	10x	8.8x
Cost Of Sales	(77.1)	(150.8)	(266.4)	(289.5)	(1.5)	(11.3)	(21.4)	(53.8)	(59.1)	(135.4)	(216.5)
Gross Profit	13.8	31.7	68.8	64.1	2.8	3.2	3.7	7.5	15.0	27.1	32.6
<i>Gross Margin, %</i>	15.2%	17.4%	20.5%	18.1%	64.8%	22.0%	14.7%	12.7%	20.5%	16.8%	13.2%
Other Operating Income/Costs, net	(0.4)	(2.7)	(4.6)	(7)	(0.2)	(0.4)	(0.1)	4.2	(0.5)	(0.8)	(1.0)
SG&A	(3.9)	(8.2)	(23.1)	(24.8)	(1.0)	(2.5)	(3.9)	(6.2)	(3.7)	(6.7)	(9.7)
<b>EBITDA</b>	<b>9.5</b>	<b>20.8</b>	<b>41.2</b>	<b>32.5</b>	<b>1.6</b>	<b>0.3</b>	<b>(0.3)</b>	<b>5.5</b>	<b>10.8</b>	<b>19.5</b>	<b>21.9</b>
<i>EBITDA margin, %</i>	10.5%	11.4%	12.3%	9.2%	36.5%	1.8%	-1.3%	9.4%	14.6%	12.1%	8.9%
Depreciation	(0.8)	(1.6)	(2.5)	(3.3)	(0.7)	(1.4)	(2.0)	(2.7)	(0.7)	(1.4)	(2.2)
<b>EBIT</b>	<b>8.7</b>	<b>19.2</b>	<b>38.6</b>	<b>29.2</b>	<b>0.9</b>	<b>(1.1)</b>	<b>(2.4)</b>	<b>2.8</b>	<b>10.1</b>	<b>18.1</b>	<b>19.7</b>
<i>EBIT margin, %</i>	9.6%	10.5%	11.5%	8.3%	20.5%	-7.6%	-9.4%	4.8%	13.7%	11.3%	8.0%
Interest Expense	(2.1)	(4.0)	(6.0)	(8.9)	(2.6)	(5.5)	(8.6)	(10.9)	(2.1)	(4.3)	(6.6)
Financial income/(expense)	-	-	-	-	-	0.1	0.2	1.0	2.0	3.9	6.2
Other income/(expense)	0.3	0.7	2.4	2.3	0.1	0.1	(0.0)	(0.1)	(0.1)	(0.1)	0.0
<b>PBT</b>	<b>6.9</b>	<b>15.9</b>	<b>35.0</b>	<b>22.6</b>	<b>(1.6)</b>	<b>(6.4)</b>	<b>(9.8)</b>	<b>(7.2)</b>	<b>9.9</b>	<b>17.7</b>	<b>19.4</b>
Tax	-	-	-	-	-	-	-	-	-	-	-
Minority Interest	-	-	-	-	-	-	-	-	-	-	-
Extraordinary Income/(loss)	-	-	-	-	-	-	(0.0)	-	-	-	-
<b>Net Income</b>	<b>6.9</b>	<b>15.9</b>	<b>35.0</b>	<b>22.6</b>	<b>(1.6)</b>	<b>(6.4)</b>	<b>(9.8)</b>	<b>(7.2)</b>	<b>9.9</b>	<b>17.7</b>	<b>19.4</b>
<i>Net Margin, %</i>	7.6%	8.7%	10.4%	6.4%	-36.6%	-44.1%	-39.2%	-12.2%	13.5%	11.0%	7.8%

### Balance sheet summary, USD mln

	1Q08	2Q08	3Q08	4Q08	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
<b>Current Assets</b>	<b>175.2</b>	<b>173.3</b>	<b>219.4</b>	<b>114.5</b>	<b>100.5</b>	<b>99.9</b>	<b>90.1</b>	<b>135.3</b>	<b>164.3</b>	<b>211.3</b>	<b>247.6</b>
Cash & Equivalents	0.1	12.7	11.8	1.8	1.3	11.9	17.5	60.4	71.4	70.0	69.4
Trade Receivables	18.6	6.1	5.7	5.4	6.9	6.4	7.3	1.7	2.5	1.6	1.7
Inventories	17.5	30.9	26.7	20.4	22.2	16.1	11.3	13.3	6.8	5.2	7.7
Other current assets	138.9	123.7	175.1	86.8	70.0	65.5	54.0	59.8	83.6	134.5	168.9
<b>Fixed Assets</b>	<b>32.6</b>	<b>36.5</b>	<b>43.1</b>	<b>30.5</b>	<b>31.6</b>	<b>32.4</b>	<b>30.8</b>	<b>31.0</b>	<b>31.6</b>	<b>31.9</b>	<b>34.5</b>
PP&E, net	31.7	34.8	37.2	27.5	27.1	27.6	26.5	26.5	26.9	27.5	28.0
Other Fixed Assets	0.9	1.7	5.9	3.0	4.5	4.9	4.3	4.5	4.6	4.4	6.5
<b>Total Assets</b>	<b>207.8</b>	<b>209.8</b>	<b>262.4</b>	<b>145.0</b>	<b>132.1</b>	<b>132.4</b>	<b>120.8</b>	<b>166.3</b>	<b>195.8</b>	<b>243.2</b>	<b>282.1</b>
<b>Shareholders' Equity</b>	<b>38.5</b>	<b>49.1</b>	<b>74.6</b>	<b>37.1</b>	<b>35.4</b>	<b>51.7</b>	<b>44.9</b>	<b>48.4</b>	<b>58.8</b>	<b>66.7</b>	<b>68.1</b>
Share Capital	7.8	8.2	16.3	10.3	10.3	31.2	29.7	29.8	30.0	30.1	30.0
Reserves and Other	31.7	32.9	31.3	19.7	19.6	19.8	18.8	18.9	19.0	19.1	18.9
Retained Earnings	(1.1)	8.1	27.1	7.1	5.5	0.7	(3.6)	(0.2)	9.8	17.6	19.2
<b>Current Liabilities</b>	<b>169.3</b>	<b>160.7</b>	<b>187.5</b>	<b>107.8</b>	<b>96.7</b>	<b>80.7</b>	<b>75.9</b>	<b>68.2</b>	<b>87.0</b>	<b>126.3</b>	<b>170.8</b>
ST Interest Bearing Debt	61.8	32.8	75.3	58.1	56.1	62.8	60.8	-	5.3	12.5	14.6
Trade Payables	20.3	19.1	24.1	7.3	7.7	4.6	4.6	1.5	2.2	3.0	7.0
Accrued Wages	1.6	2.1	2.3	0.2	0.4	0.4	0.4	0.9	1.2	1.2	1.5
Accrued Taxes	0.3	0.4	0.6	0.0	0.0	0.2	0.1	0.2	0.2	0.2	0.3
Other Current Liabilities	85.3	106.2	85.2	42.0	32.5	12.7	10.1	65.6	78.0	109.3	147.4
<b>LT Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49.6</b>	<b>50.0</b>	<b>50.1</b>	<b>43.1</b>
LT Interest Bearing Debt	-	-	-	-	-	-	-	49.6	50.0	50.1	43.1
Other LT	-	-	-	-	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>207.8</b>	<b>209.8</b>	<b>262.2</b>	<b>144.9</b>	<b>132.1</b>	<b>132.4</b>	<b>120.8</b>	<b>166.3</b>	<b>195.8</b>	<b>243.2</b>	<b>282.1</b>
<b>Net Debt</b>	<b>61.6</b>	<b>20.2</b>	<b>63.5</b>	<b>56.3</b>	<b>54.8</b>	<b>50.9</b>	<b>43.2</b>	<b>(10.8)</b>	<b>(16.1)</b>	<b>(7.4)</b>	<b>(11.7)</b>

## Stakhaniv Wagon, annual financial statements

### Income statement summary, USD mln

	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E
<b>Net Revenues</b>	<b>336</b>	<b>59</b>	<b>336</b>	<b>387</b>	<b>426</b>	<b>447</b>	<b>460</b>	<b>470</b>
<i>Change y-o-y</i>	<i>N/M</i>	<i>-82.5%</i>	<i>473.9%</i>	<i>15.0%</i>	<i>10.0%</i>	<i>5.0%</i>	<i>3.0%</i>	<i>2.0%</i>
Cost Of Sales	(277)	(51)	(286)	(325)	(353)	(366)	(377)	(385)
Gross Profit	59	8	50	62	72	80	83	85
Other Operating Income/Costs. net	(7)	4	-	-	-	-	-	-
SG&A	(24)	(6)	(24)	(27)	(30)	(31)	(32)	(33)
<b>EBITDA</b>	<b>28</b>	<b>6</b>	<b>27</b>	<b>35</b>	<b>43</b>	<b>49</b>	<b>51</b>	<b>52</b>
<i>EBITDA margin. %</i>	<i>8.4%</i>	<i>9.4%</i>	<i>8.0%</i>	<i>9.0%</i>	<i>10.0%</i>	<i>11.0%</i>	<i>11.0%</i>	<i>11.0%</i>
Depreciation	(3)	(3)	(3)	(4)	(5)	(5)	(6)	(6)
<b>EBIT</b>	<b>25</b>	<b>3</b>	<b>24</b>	<b>30</b>	<b>37</b>	<b>44</b>	<b>45</b>	<b>45</b>
<i>EBIT margin. %</i>	<i>7.4%</i>	<i>4.8%</i>	<i>7.0%</i>	<i>7.9%</i>	<i>8.8%</i>	<i>9.8%</i>	<i>9.7%</i>	<i>9.7%</i>
Interest Expense	(9)	(11)	(8)	(8)	(5)	(3)	(1)	(1)
Financial income	-	1	-	-	-	-	-	-
Other income/(expense)	2	(0)	-	-	-	-	-	-
<b>PBT</b>	<b>18</b>	<b>(7)</b>	<b>15</b>	<b>23</b>	<b>32</b>	<b>41</b>	<b>43</b>	<b>44</b>
Tax	-	-	(4)	(6)	(8)	(10)	(11)	(11)
<i>Effective tax rate</i>	<i>0%</i>	<i>0%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>	<i>25%</i>
<b>Net Income</b>	<b>18.1</b>	<b>(7.2)</b>	<b>11.4</b>	<b>17.0</b>	<b>24.0</b>	<b>30.6</b>	<b>33</b>	<b>33</b>
<i>Net Margin. %</i>	<i>5.4%</i>	<i>-12.3%</i>	<i>3.4%</i>	<i>4.4%</i>	<i>5.6%</i>	<i>6.9%</i>	<i>7.1%</i>	<i>7.1%</i>

### Balance sheet summary, USD mln

	2008	2009	2010E	2011E	2012E	2013E	2014E	2015E
<b>Current Assets</b>	<b>114</b>	<b>136</b>	<b>167</b>	<b>176</b>	<b>185</b>	<b>189</b>	<b>190</b>	<b>190</b>
Cash & Equivalents	2	60	13	15	17	18	18	19
Trade Receivables	5	2	10	15	17	18	18	19
Inventories	20	13	26	29	32	33	34	35
Other current assets	87	60	118	116	119	121	120	117
<b>Fixed Assets</b>	<b>30</b>	<b>31</b>	<b>41</b>	<b>49</b>	<b>50</b>	<b>51</b>	<b>52</b>	<b>52</b>
PP&E. net	28	26	33	43	48	49	49	49
Other Fixed Assets	3	5	8	7	2	2	2	2
<b>Total Assets</b>	<b>145</b>	<b>167</b>	<b>208</b>	<b>225</b>	<b>235</b>	<b>241</b>	<b>242</b>	<b>241</b>
<b>Shareholders' Equity</b>	<b>37</b>	<b>48</b>	<b>58</b>	<b>70</b>	<b>88</b>	<b>104</b>	<b>105</b>	<b>102</b>
Share Capital	10	31	31	31	31	31	31	31
Reserves and Other	27	18	27	39	57	73	74	71
<b>Current Liabilities</b>	<b>108</b>	<b>69</b>	<b>100</b>	<b>155</b>	<b>147</b>	<b>137</b>	<b>137</b>	<b>139</b>
ST Interest Bearing Debt	58	11	(3)	45	27	11	7	7
Trade Payables	7	4	34	39	42	44	45	46
Accrued Wages	0	1	1	1	1	1	1	1
Accrued Taxes	0	0	0	0	0	0	0	0
Other Current Liabilities	42	53	67	70	77	80	83	85
<b>LT Liabilities</b>	<b>-</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
LT Interest Bearing Debt	-	50	50	-	-	-	-	-
Other LT	-	-	-	-	-	-	-	-
<b>Total Liabilities &amp; Equity</b>	<b>145</b>	<b>167</b>	<b>208</b>	<b>225</b>	<b>235</b>	<b>241</b>	<b>242</b>	<b>241</b>
Net Debt	56.3	(0.2)	34.1	29.7	9.6	(7)	(11)	(12)

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