



CONCORDE CAPITAL

Ukraine / Real Estate

XXI Century Investments TMM Real Estate Development KDD Group

Conference call notes

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Alexander Romanov
ar@concorde.com.ua

Andriy Gostik, CFA
ag@concorde.com.ua

+380 44 391 5577

XXI Century Investments

Bloomberg ticker	XXIC LN
Market price, USD	5.8
MCap, USD mln	222.1
Chg YTD	-77%
No of shares, mln	38.3
Free float	35.4%
Free float, USD mln	78.6
Avg Mon Tr Vol YTD, USD mln	13.4

Shareholders

Mr. Partzkhaladze	53.2%
Management	9.4%
Portfolio investors	37.4%

TMM Real Estate Development

Bloomberg ticker	TR61 GR
Market price, USD	8.3
MCap, USD mln	429.9
Chg YTD	-64%
No of shares, mln	51.8
Free float	13.1%
Free float, USD mln	56.3
Avg Mon Tr Vol YTD, USD mln	0.2

Shareholders

Mr. Tolmachov	70.4%
Management	16.5%
Portfolio investors	13.1%

KDD Group

Bloomberg ticker	KDDG LN
Market price, USD	0.76
MCap, USD mln	123.7
Chg YTD	-79%
No of shares, mln	162.7
Free float	23%
Free float, USD mln	28.4
Avg Mon Tr Vol YTD, USD mln	1.7

Shareholders

Group of seven individuals	77.1%
Portfolio investors	22.9%

Prices as of Sept. 17, 2008

Last week Concorde Capital hosted a conference call with three major public Ukrainian real estate developers. Among the participants were Lev Partzkhaladze (CEO, XXI Century Investments), Mykola Tolmachov (CEO, TMM Real Estate Development), Petro Slipets (CEO, KDD Group).

Market fundamentals remain strong, according to developers

Company representatives, during the call, were unanimous in their assessment of the fundamentals of the Ukrainian real estate market: strong. According to Jaroslav Kinach (Executive Director, XXI Century), the commercial segment remains fundamentally attractive, with high rental rates, nearly 100% occupancy rates and cap rates at 9%-10%.

According to Tolmachov, investment grade residential developments will be little affected by the recent contraction in mortgage financing due to the specifics of the demand structure for this type of property. The speakers stressed that the dominant share of public companies' residential projects are in the high-end residential segment, for which 100% advance payments are typical.

Companies announce investment plans for next 12M

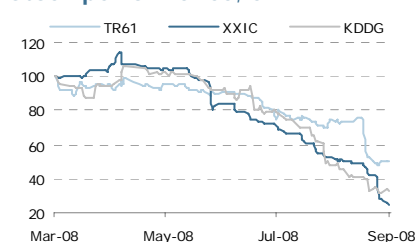
During the conference call, all companies confirmed that under current tight capital market conditions, they will focus on the development of their most liquid projects, with secured financing and that they could shift forward lower priority projects within their portfolios.

TMM. According to Tolmachov, TMM plans to invest USD 250 mln on its projects by June 2009, which the company managed to secure both in the form of project financing from a local bank and presales of residential premises. The company also plans to attract local bonds by the end of this year (the volume was not disclosed).

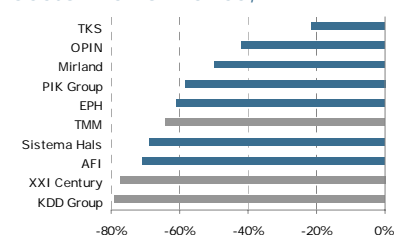
XXI Century. Partskhaladze announced that XXI Century intended to inject USD ~100 mln over the next year into its portfolio. The management also confirmed that XXI Century will dispose of its logistics and hotel projects and concentrate on its core competence, the development of retail properties, specifically construction of Kvadrat retail centers in Kyiv and Simferopol.

KDD Group. According to Petro Slipets, KDD Group currently has USD 257 mln available for project development, USD 63 mln in cash and USD 194 mln in credit lines. Within the next twelve months, the company is planning to invest no less than USD 150 mln. KDD Group is currently negotiating funding options with a few financial institutions, attempting to raise the amount of investments to USD 250 mln for the same period. The company confirmed its intention to sell a 49%-stake in its World Trade Center office project to a foreign investor by end-2008. In the longer term, KDD Group plans to direct USD 400 mln, including USD 300 mln from loans, into project development by 2010.

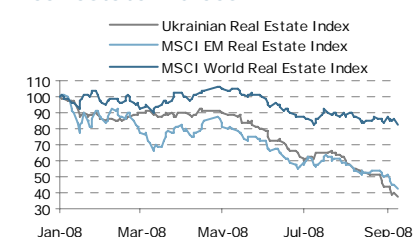
Stock performance, 6M



Sector Performance, YTD



Real estate indices



Source: Bloomberg, PFTS. Note: Ukrainian Real Estate Index is MCap-weighted; includes XXI Century, TMM, DUPD

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Concorde Capital ratings distribution

Buy	93	76%
Hold	19	15%
Sell	7	6%
Under Review	4	3%
Total	123	100%

Investment banking clients*

Buy	7	100%
Hold	0	0%
Sell	0	0%
Under Review	0	0%
Total	7	100%

* 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

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

CEO

Igor Mazepa im@concorde.com.ua

Head of Equity Sales

Roman Nasirov rn@concorde.com.ua

Equity Sales

Anastasiya Nazarenko an@concorde.com.ua
Marina Martirosyan mm@concorde.com.ua
Andriy Supranonok sap@concorde.com.ua
Marina Cherednichenko cmg@concorde.com.ua
Alyona Degrik dav@concorde.com.ua

Director of Research

Konstantin Fisun, CFA kf@concorde.com.ua

RESEARCH

Strategy

Konstantin Fisun kf@concorde.com.ua
Oleksandr Klymchuk ok@concorde.com.ua

Metals & Mining

Eugene Cherviachenko ec@concorde.com.ua
Andriy Gerus ga@concorde.com.ua

Utilities (Telecom, Energy)

Alexander Paraschiy ap@concorde.com.ua

**Oil & Gas, Chemicals,
Pharmaceuticals**

Vladimir Nesterenko vn@concorde.com.ua

Real Estate/Construction

Andriy Gostik, CFA ag@concorde.com.ua
Alexander Romanov ar@concorde.com.ua

Consumer-related

Olha Pankiv op@concorde.com.ua
Anna Dudchenko ad@concorde.com.ua

Machinery

Inna Perepelytsya pi@concorde.com.ua

Financial Services, Retail

Alexander Viktorov av@concorde.com.ua

Economics

Polina Khomenko pk@concorde.com.ua
Andrii Parkhomenko pav@concorde.com.ua

Fixed Income

Oleksandr Klymchuk ok@concorde.com.ua

Editor

Brad Wells bw@concorde.com.ua

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