



*MANAGEMENT PRESENTATION*

**April, 2008**

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Business Overview

Strategy

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## Market leadership

- Western Ukraine's leading developer and builder of commercial and residential real estate - 17% market share in Western Ukraine
- First mover advantage in locations where conditions are ripe for the commercial real estate market to flourish

## Integrated business model

- Significant construction cost savings due to vertical integration in construction
- Ability to control quality and timing of construction
- Clear and efficient structure of assets

## Diversified project portfolio

- Current portfolio consists of 17 projects with a total area of 248 ths. m<sup>2</sup>
- Geographically diversified with a focus on Lviv, the largest city in Western Ukraine
- Our portfolio includes commercial and residential real estate properties

## Strong brand recognition

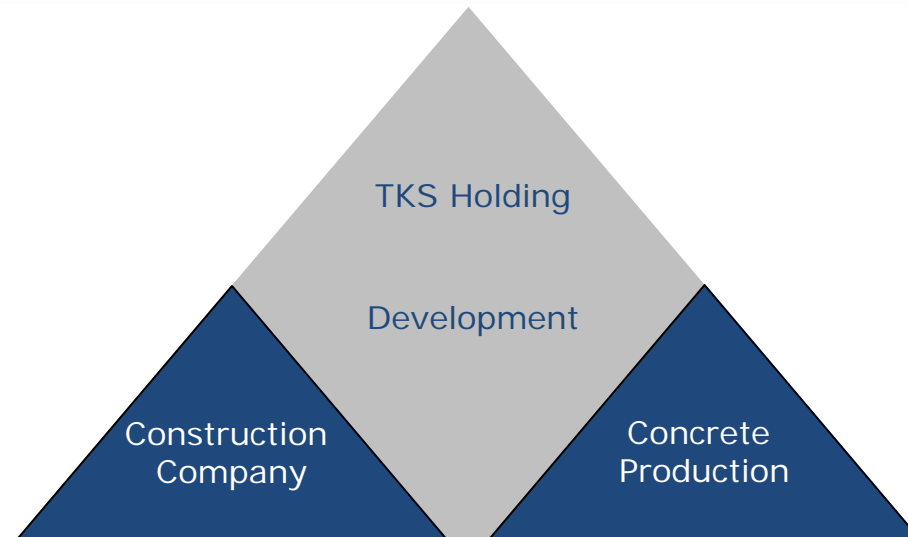
- Established in 1998 as a diversified holding to render FMCG distribution and other services. In real estate development since 2003
- Accurate construction timing and high quality of completed 68,100 m<sup>2</sup> properties earned the company a solid and respected reputation
- Works with such well-known retailers as Auchan (France), Vester (Russia), Furshet and other leading Ukrainian retailers to anchor the company's retail properties



## TKS Holding is Top-5 largest developer in Ukraine among listed companies

It has diversified business structure with three lines of activity:

- Development of commercial and residential projects supported by
  - Construction
  - Concrete production



Holding tends to be transparent and investor-friendly:

- Head of Supervisory Board is an independent director
- The 2006 and 2007 Financial Statements have been audited by the international audit firm. By 2009, the year of planned IPO, we will have 3 audited annual Financial Reports.



**Well-structured,  
vertical  
integrated  
holding**

**Development**

**Concept  
development and  
execution**

**Construction**

**Production of  
construction  
materials**

### **Efficient organizational structure:**

- Experience transfer from Central European countries
- Integration of SAP Systems

### **Vertical integration in construction:**

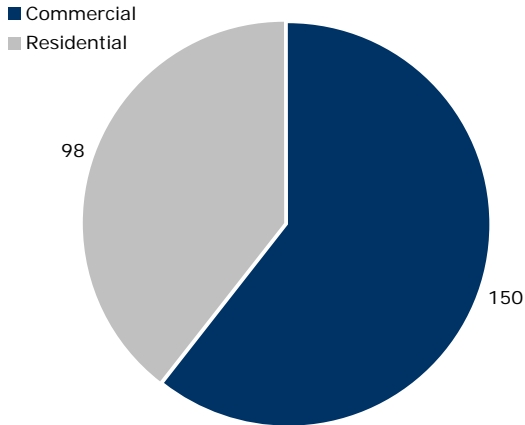
- Cost efficiency and quality control
- Internal division performs 50-70% of the total costs of the project
- Shorter-than-market-average construction timelines and disciplined execution



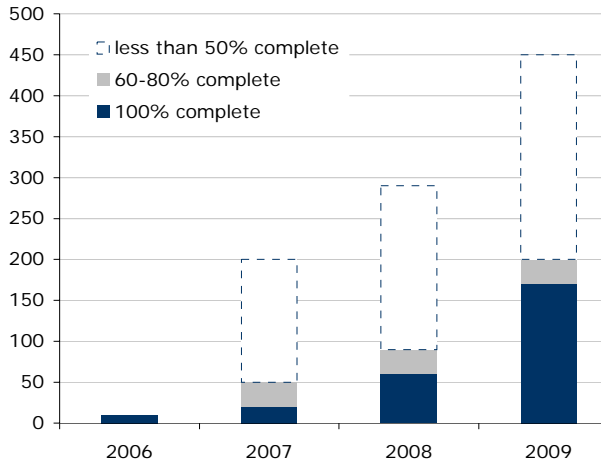
## Holding has well-balanced projects portfolio

- TKS Holding makes an efforts on development of commercial real estate – almost 60% of portfolio – to penetrate market before its saturation
- The part of constructed buildings put into operations to benefit on sustainable cash-flow and rent prices growth
- Also TKS develops and constructs residential buildings in most liquid and wide economy segment

Portfolio breakdown, ths. sq. m

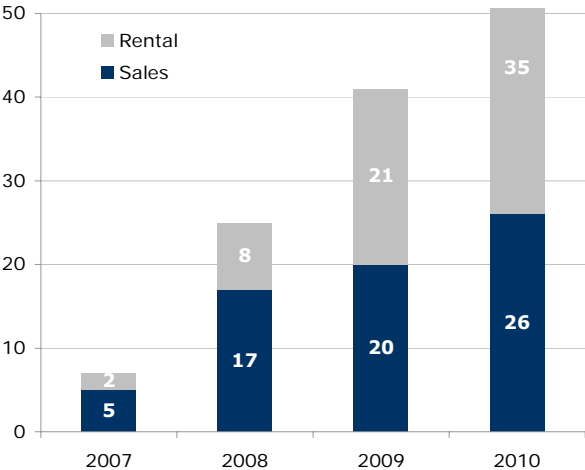


## TKS diversified its portfolio by project stages



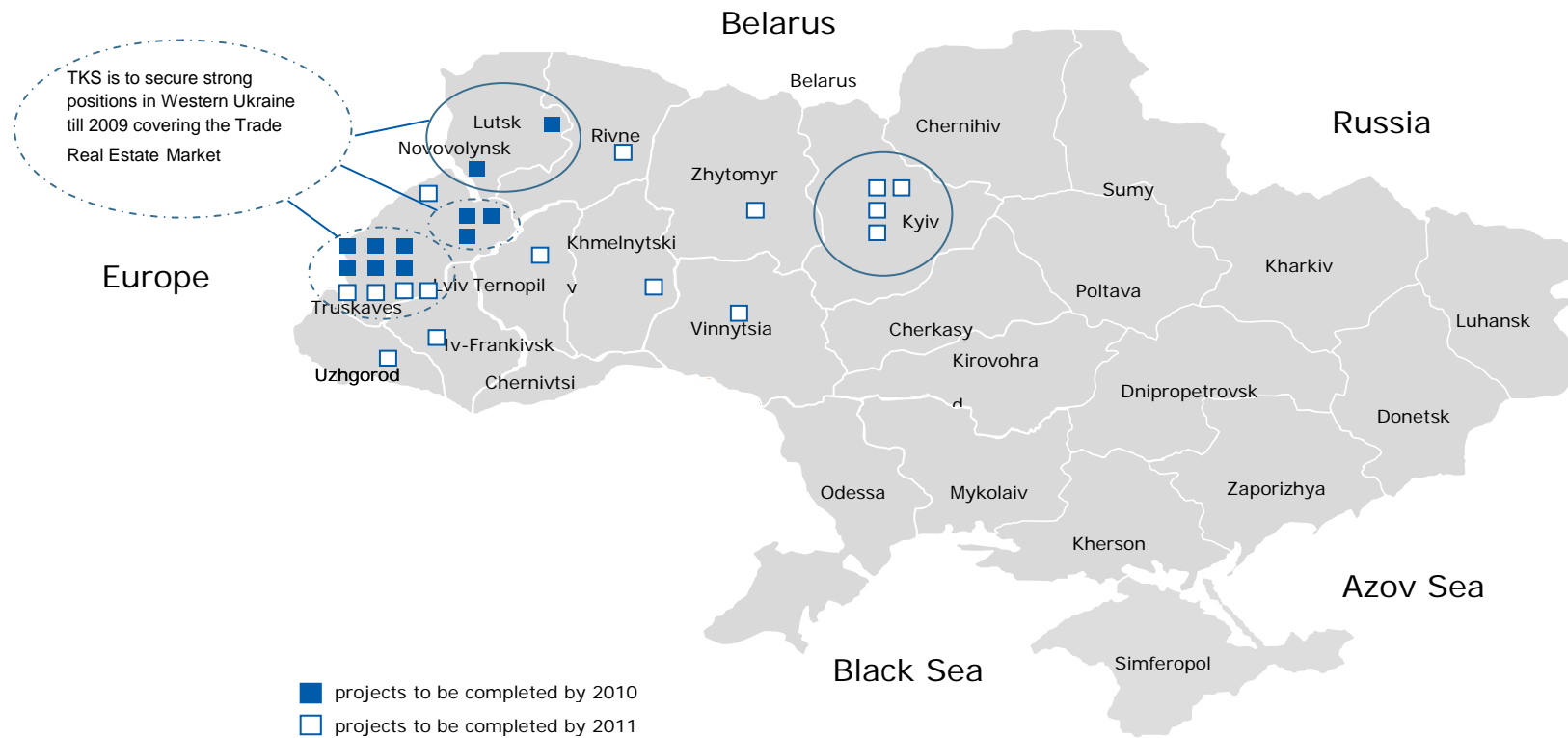
Holding adheres not less than 30% portfolio share of projects in operations in terms of total area

Revenue structure by sources





## TKS Holding plans to leverage its position in Western Ukraine and to enter Central Ukraine and Kyiv

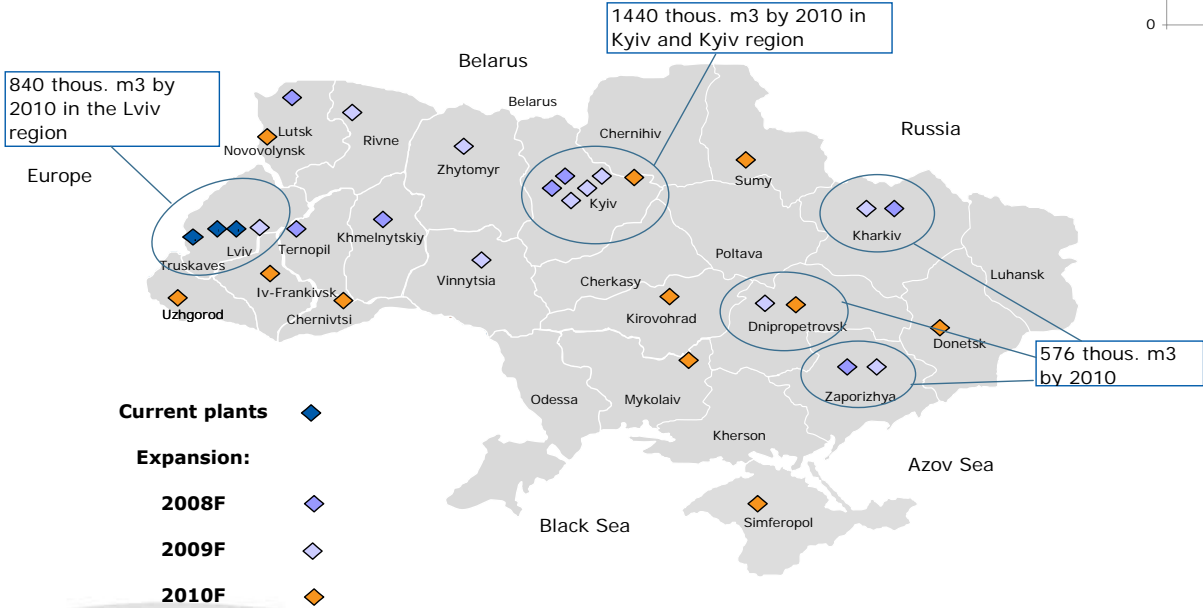
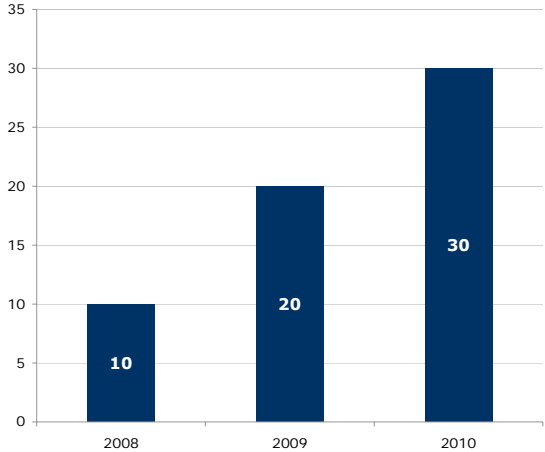






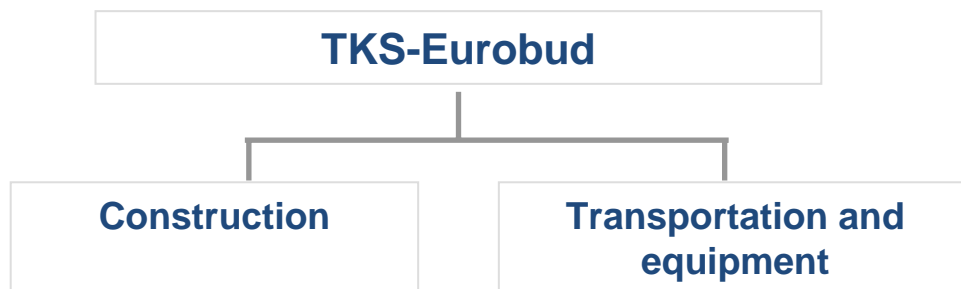
- TKS owns 3 operating and 2 launching concrete plants
- Till the end of 2010 Holding to increase the number of own plants up to 30.
- Holding use the technology of installing mobile concrete plants in 2-3 months and relocation in 1 month
- All operations are automated, implemented on-line accounting, ISO 9001 certificated

# of concrete production plants



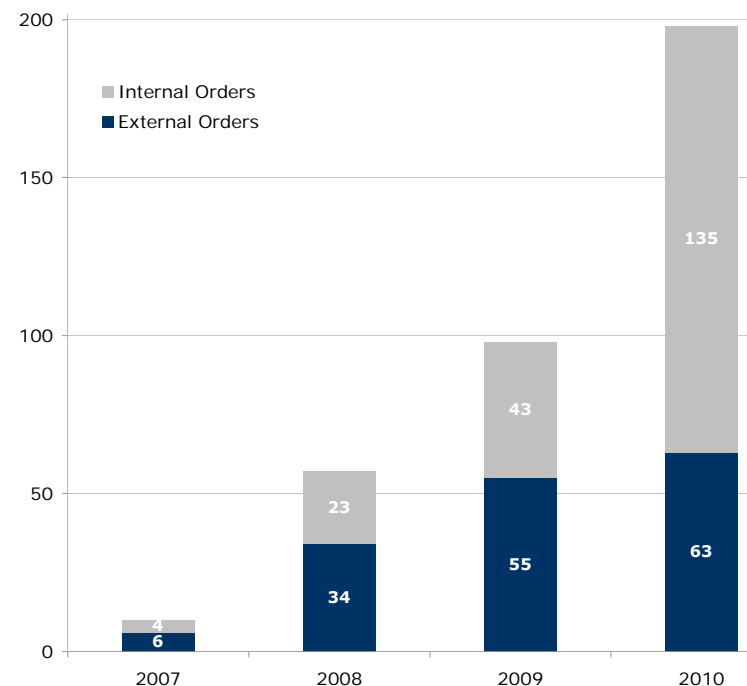


## TKS owns integrated construction company



- TKS-Eurobud is the separate part of Holding, which provides services for to TKS on market terms. The expected share of Holding in total revenue in 2008 is 50%. Eurobud tend to boost share of external customers
- The company characterizes up-to-date building technologies and high level of process automatization

Revenue dynamics, USD mln.



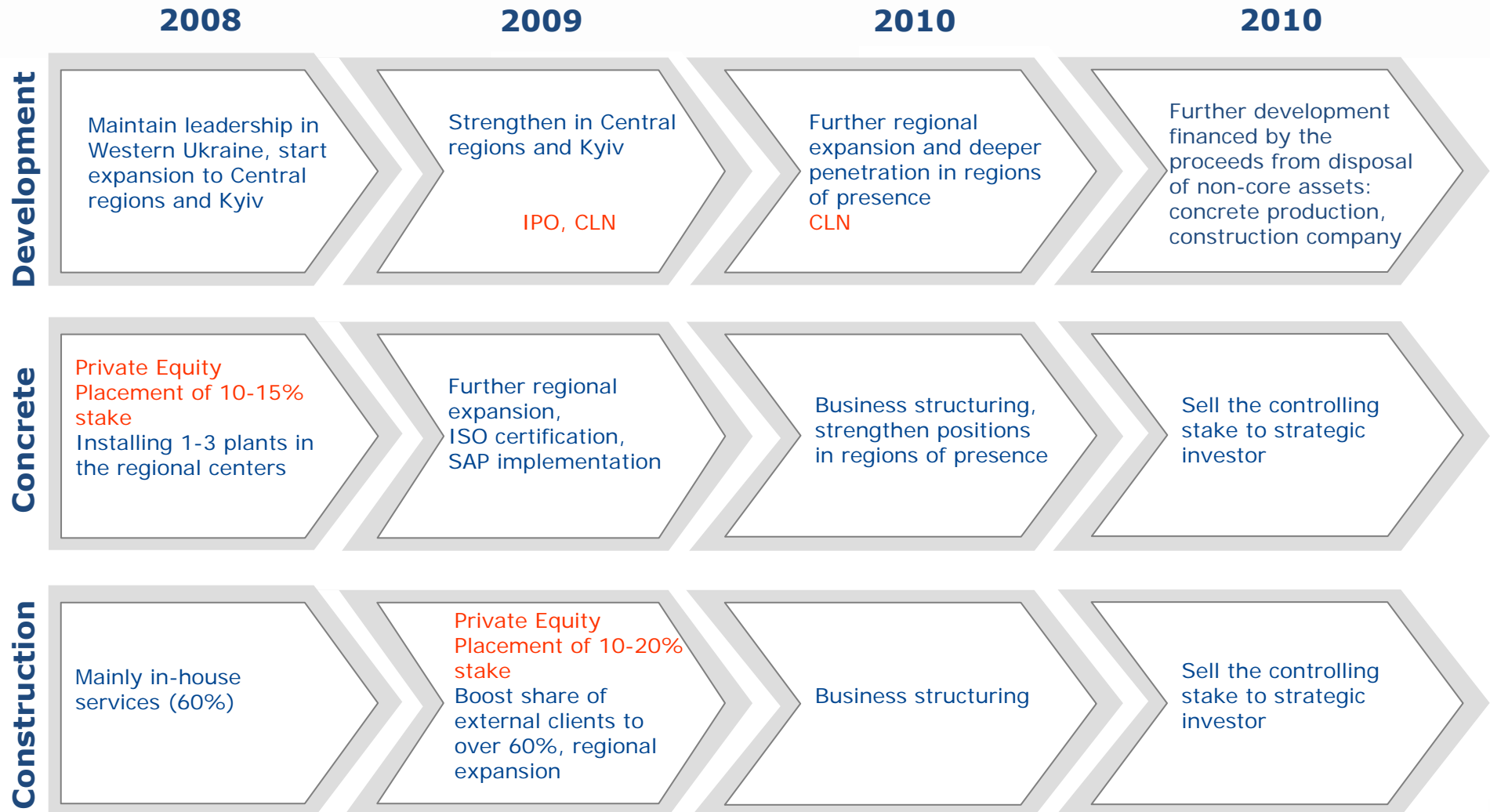


Business Overview

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# Strategy Highlights

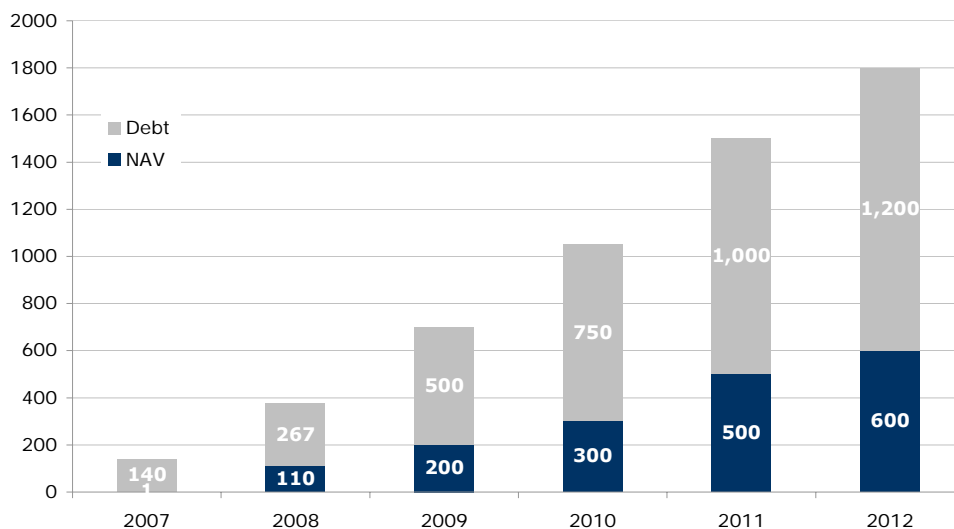




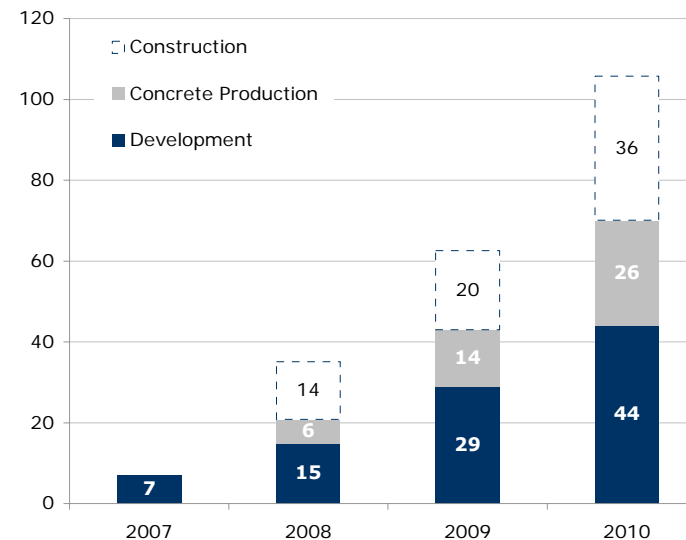
## Expected strategy results

- Following its strategy TKS Holding focused on sharply increase of Net Assets Value. It is expected that in 2010 NAV will run up to \$750 mln. and only 40% of it will be financed by debt
- The main part of profit will be generated in Development and Construction

NAV and Debt dynamics, \$ mln



EBITDA structure, \$ mln



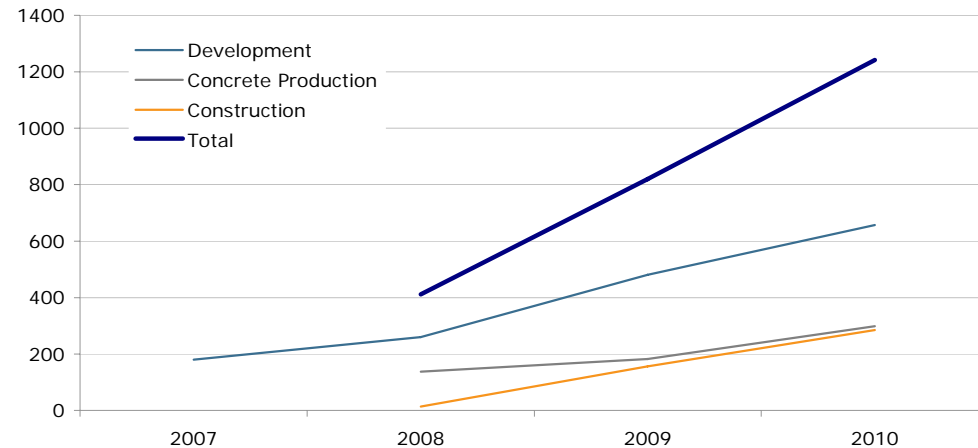


The Company develops its untapped assets:

- concrete production
- and construction

This results in the overall growth of the Company's value

**Company Market Capitalization, USD mln.**

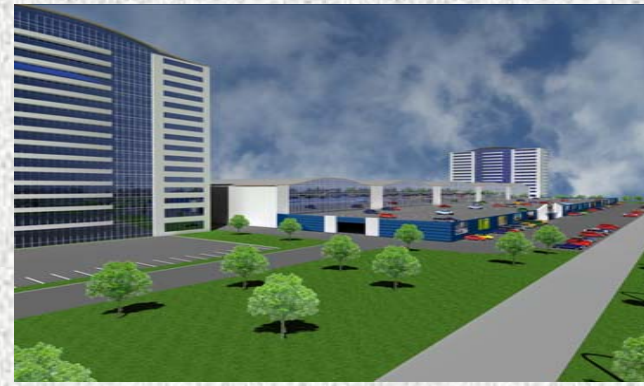


<b>TKS Holding development</b>	<b>Convertible debt</b> (\$50 mln)	<b>IPO - 10% CLN</b> (\$80 mln.) (\$100 mln.)	<b>CLN</b> (\$100 mln.)	<b>Use of proceeds of construction and concrete production sale</b>
<b>Concrete production</b>	<b>Private equity deal</b> (\$20 mln., 10%-20%)			<b>Strategic investor</b>
<b>Construction</b>		<b>Private equity deal</b> (\$45 mln., 10%-20%)		<b>Strategic investor</b>
	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>



## 2 new projects:

### Lviv mixed use 2



Status – Held for development  
Ownership – 100%  
Area, m<sup>2</sup> – 67,000  
Completion date – 2Q09

### Truskavets 3\* serviced apartments



Status – Under construction  
Ownership – 100%  
Area, m<sup>2</sup> – 5,000  
Completion date – 4Q08

## In line with our strategy we have invested USD 7 mln in developing construction capacity:

- Acquisition of a new concrete plant with a total capacity of 100 m<sup>3</sup>/hour (TKS concrete production capacity has doubled)
- 4 new tower cranes
- 40 new construction vehicles (in the future they can be transferred to finance leasing scheme)



**1. The Company is diversified:**

- by lines of activity (Development, Concrete Production, Construction)
- by types of real estate in its portfolio (commercial and residential)
- geographically (strong positions in the Western Ukraine with active expansion Eastward)

**2. The Company's assets are well-structured to raise additional finance:**

- they may be used as collateral to secure loans
- they may be disposed of

**3. The Company is increasing the profit from the commercial real estate lease and building equity**

**4. The Company develops untapped assets which results in the overall growth of the Company's value**

**5. The Company is transparent for the shareholders:**

- the Supervisory Board was gathered from minority shareholders
- the Company's financial statements are audited by the international audit firm

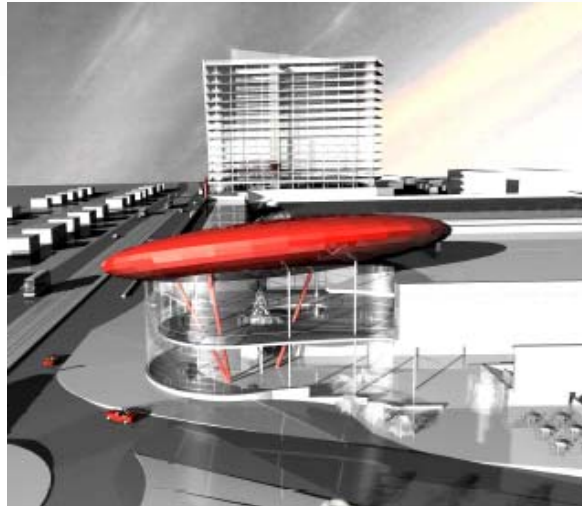




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## Knyagynya Olga

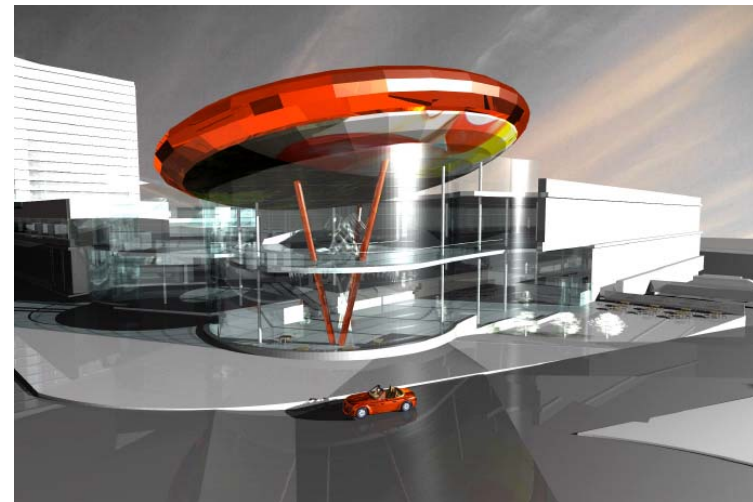
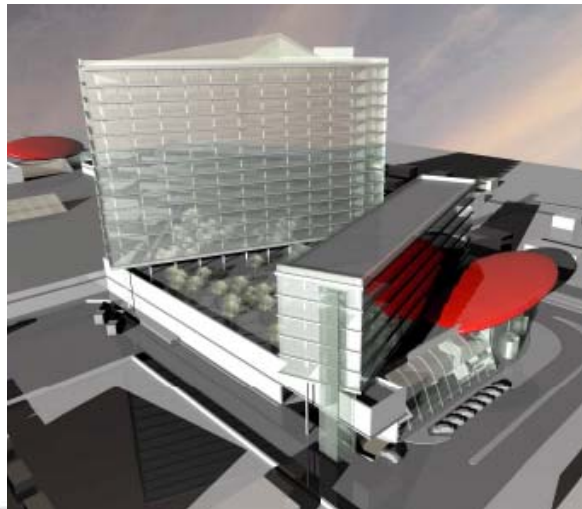
Location - Lviv

Status – Under construction

Ownership – 100%

Area, m<sup>2</sup> – 67,000

Land area, ha – 4.5





## Auchan

Location - Lviv

Status – Under construction

Ownership – 50%

Area, m<sup>2</sup> – 45,000 (22,500 owned)

Land area, ha – 1.7





## Lviv 1 (trade)



Status – Under construction  
 Ownership – 50%  
 Area, m2 – 45,000 (22,500 owned)  
 Land spot area, ha – 2.4\*\*  
 Land Status – Owned, leased

## Lviv 2 (office)



Status – Under construction  
 Ownership – 50%  
 Area, m2 – 15,000 (7,500 owned)  
 Land spot area, ha – 2.4\*\*  
 Land Status – owned, leased,

## Truskavets 1



Status – In operation  
 Ownership – 100 %  
 Area, m2 – 6,675  
 Land spot area, ha – 0.6  
 Land Status – Owned

## Truskavets 2



Status – Under construction  
 Ownership – 100%  
 Area, m2 – 1,500  
 Land spot area, ha – 0.15 h  
 Land Status – Owned

## Drohobych 1



Status – In operation  
 Ownership – 100%  
 Area, m2 – 3,528  
 Land spot area, ha – 0.68  
 Land Status - Owned

## Drohobych 2



Status – Under construction  
 Ownership – 100%  
 Area, m2 – 14,000  
 Land spot area, ha – 2.25  
 Land Status – Leased till Apr '10\*

## Novovolynsk



Status – Under construction  
 Ownership – 100%  
 Area, m2 – 8,300  
 Land spot area, ha – 2.25  
 Land Status – Leased till Apr '08\*

## Boryslav



Status – Under construction  
 Ownership – 100%  
 Area, m2 – 3,000  
 Land spot area, ha – 0.841  
 Land Status – Leased till 2012



## Lviv 1



Status – Held for development  
 Ownership – 100%  
 Area, m<sup>2</sup> – 23,300  
 Land spot area, ha – 3.32  
 Land Status – Leased till 2012

## Lviv 2 (cottage)



Status – Under development  
 Ownership – 100%  
 Area, m<sup>2</sup> – 18,000  
 Land spot area, ha – 67.80  
 Land Status – Leased till 2025

## Truskavets 1



Status – Under construction  
 Ownership – 50%  
 Area, m<sup>2</sup> – 18,822  
 Land spot area, ha – 0.64  
 Land Status - Owned

## Truskavets 2



Status – Under development  
 Ownership – 100%  
 Area, m<sup>2</sup> – 18,800  
 Land spot area, ha – 1.90  
 Land Status - Owned

## Truskavets 3 (condo)



Status – Under development  
 Ownership – 100%  
 Area, m<sup>2</sup> – 12,400  
 Land spot area, ha – 0.26  
 Land Status - Owned

## Truskavets 4 (cottage)



Status – Under development  
 Ownership – 100%  
 Area, m<sup>2</sup> – 10,600  
 Land spot area, ha – 12.96  
 Land Status – Leased till 2015

## Truskavets 3\* apartments



Status – Under construction  
 Ownership – 100%  
 Area, m<sup>2</sup> – 6,000  
 Land spot area  
 Land Status - Owned



## Balance Sheet Summary, USD mln.

	2006	2007
<b>Current Assets</b>	<b>7.8</b>	<b>19.9</b>
Cash & Equivalents	0.1	2.7
Trade Receivables	6.6	14.3
Inventories	1.1	2.9
<b>Fixed Assets</b>	<b>6.7</b>	<b>261.3</b>
PP&E. net	0.5	5.2
Capital Investments	3.2	235.5
Other Fixed Assets	3.0	20.6
<b>Total Assets</b>	<b>14.5</b>	<b>281.2</b>
<b>Shareholders' Equity</b>	<b>0.2</b>	<b>266.9</b>
Share Capital	0.0	158.0
Reserves and Other	0.2	53.3
Minority Interest	0.0	55.6
<b>Current Liabilities</b>	<b>14.3</b>	<b>12.6</b>
ST Interest Bearing Debt	6.5	1.7
Trade Payables	7.8	10.9
<b>LT Liabilities</b>	<b>0.0</b>	<b>1.7</b>
<b>Total Liabilities &amp; Equity</b>	<b>14.5</b>	<b>281.2</b>

The Fixed Assets amount has increased mainly due to Capital Investments growth, including USD 235 mln. of Construction in Progress

The major changes in the Shareholders' Equity were caused by the following factors:

- in 2007, the Company was consolidated in a single holding;
- in August, 2007, the Company has placed a 14% stake in the form of GDRs on the Frankfurt Stock Exchange having raised USD 38.6 mln.

Long-term Liabilities include Financial Lease Payments (USD 0.8 mln.) related to Equipment Lease Agreements set in 2007 and Deferred Tax Liability (USD 0.9 mln.)

The Group has cut back on debt financing in 2007. Significant part of external loans were refinanced by the Parent company



## Income Statement Summary, USD mln.

	2006	2007
Net Revenues	3.4	7.6
Cost Of Sales	(3.7)	(5.7)
<b>Gross Profit</b>	<b>(0.3)</b>	<b>1.9</b>
Investment Income	-	55.8
Other income	0.9	1.4
Other Operating Expenses, net	(0.9)	(2.6)
Financial expenses, net	(0.5)	(0.7)
<b>PBT</b>	<b>(0.7)</b>	<b>55.8</b>
Tax	0.2	(1.7)
<b>Net Income</b>	<b>(0.5)</b>	<b>54.2</b>
Minority Interest	(0.1)	1.1
<b>Shareholders' Income, net</b>	<b>(0.4)</b>	<b>53.1</b>