CONCORDE CAPITAL

Ukraine / Energy Construction

Khmelnitsk Nuclear Construction

A Bird In The Hand & Eyeing The Bush

May 5, 2006

BUY

12m Target
***in case of additional issuance**

29.2 USD
(14.7 USD)*

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Market Information	
No of Shares, mln (after dilution)	**0.822**
Target MCap USD mln	**12.0**
Free Float	15 %

Stock Ownership	
Management	60 %
Large holders	25 %
Other	15 %

Ratios 2005E	
EBITDA Margin	4.0%
EBIT Margin	2.9%
Net Margin	2.2%
Net Debt/Equity	0.04

We are initiating coverage of Khmelnitsk Nuclear Construction, a company with unique experience in building nuclear objects in Ukraine and a near shoe-in to take part in a new USD 1.5 bln project. This, combined with the company's main task of providing maintenance services at Khmelnitsk NPP warrants a USD 12 mln target MCap. The opportunity for the company to use its experience in a variety of other energy and construction ventures, not accounted for in our valuation model, offers additional contingent value.

The Administration of Khmelnitsk Nuclear Power Plant Construction (**UB HAES**) was created in 1978 to construct four power reactors at Khmelnitsk NPP. So far the company has completed only half of this task. After finishing construction of power unit #2 at Khmelnitsk NPP, the company is the number one candidate to manage the construction process for power units #3 and #4 - expected to start in 2009-2010.

In addition to the "bread & butter" functions of UB HAES, the company is seeking opportunities to use its unique assets (equipment, staff, and experience) in other building and energy projects. We have not included these potential activities in the valuation model and they can be considered as an "option" to the stock.

We are conservative in estimating UB HAES's target value, solely assuming its shoe-in projects. This leaves room for a value increase should Khmelnitsk NPP decide to construct more than four energy units, or if the company gets involved in other construction deals.

We apply high discount rates (similar to those for private equity projects) to UB HAES's future cash flows in order to capture the existing investment risks, namely: the absence of trading history, complicated ownership structure with multiple subordinated companies, poor corporate governance, conflicts between shareholders, and the poor transparency of the nuclear construction business. The abatement of these risks will also offer potential valuation improvements.

Company Brief

Khmelnitsk Nuclear Power Plant Construction (in Ukrainian abbreviated as **UB HAES**) works as a general contractor for construction works at Khmelnitsk Nuclear Power Plant (Khmelnitsk NPP, or HAES in Ukrainian). In addition to UB HAES, similar construction companies work at Rivne Nuclear Power Plant (UB RAES) and at Yuzhno-Ukrainsk Nuclear Power Plant. All the companies are tied to their power plants.

UB HAES's main activities include: providing construction services at Khmelnitsk NPP, producing construction materials (concrete components, metal structures, finish etc), construction of auxiliary objects for Khmelnitsk NPP, social infrastructure buildings, maintenance of equipment at the power station.

The Company's Main Assets Include:

- its staff which is certified for the provision of construction work at Khmelnitsk NPP (in fact they have monopolistic rights to do construction work there). The company's employees are trained, examined by the State Security Service and certified to be on the territory of the power plant. On average it takes three years to train and certify new staff

- the company's unique crane which is located at the plant, and is ready to be used for the construction of new power units

- its intangible asset –unique experience in nuclear construction: the company just finished the construction of a new unit one year ago

These assets give the company a significant competitive advantage in the provision of construction works at Khmelnitsk NPP. The future of the company is closely connected to the future of the power plant.

Currently the company has an agreement with Energoatom according to which UB HAES will implement two lucrative projects:

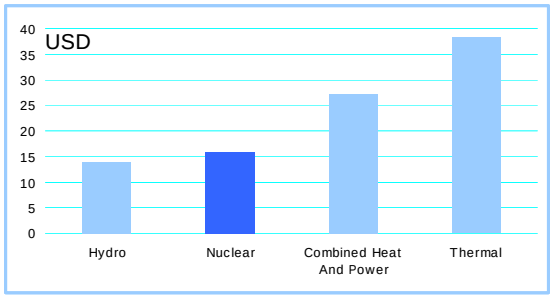
- examining the current condition of semi-finished buildings for two nuclear power reactors at Khmelnitsk NPP

- finishing the construction of two power units at Khmelnitsk NPP

The Future Of Nuclear Power In Ukraine

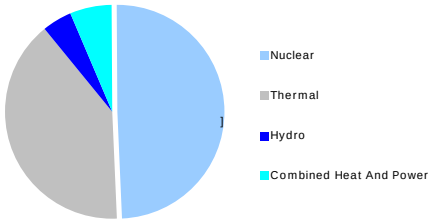
The development of nuclear power has been put forward as a strategic direction for Ukraine (the country has its own uranium deposits), and because nuclear power is the cheapest and the most environment friendly, Ukraine will continue to develop its nuclear capacities.

Cost of MWh Of Electricity (Ukraine, Jan-Feb 2006)



Source: Energorynok

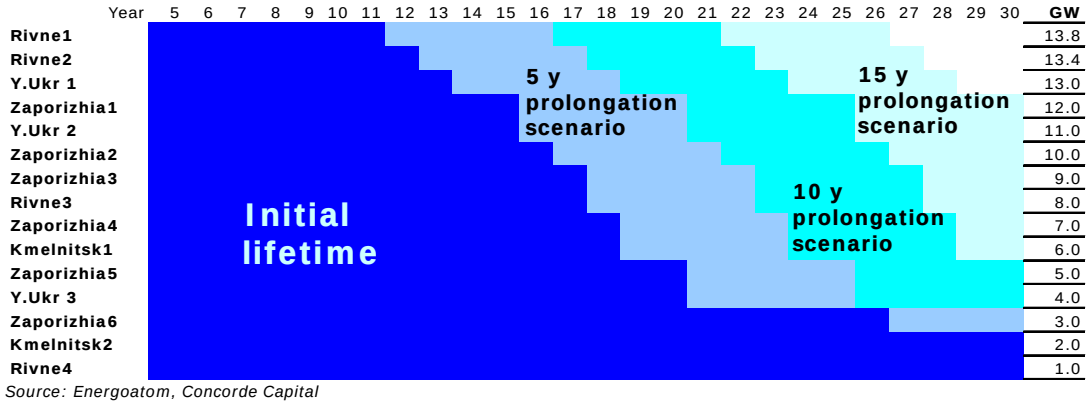
Share In Electricity Output, 2005



According to the Energy Strategy for Ukraine Until 2030, (the government's resolution) two new power units are to be commissioned in 2009-2016, and an additional **three to seven units** are to be constructed between 2020 and 2030. These power units are to substitute the existing nuclear capacities which are due to exceed their working life.

The elongation of the life spans of existing power units (with a designed lifetime of 30 years) is, according to different scenarios, 5 to 15 years. The costs of prolongation for power unit work, according to the Russian experience, is 10-20% of the initial costs of power unit construction, therefore prolongation looks like the least costly strategy for the development of nuclear power sector in the midterm.

Existing Nuclear Units: Lifetime And Total Capacity

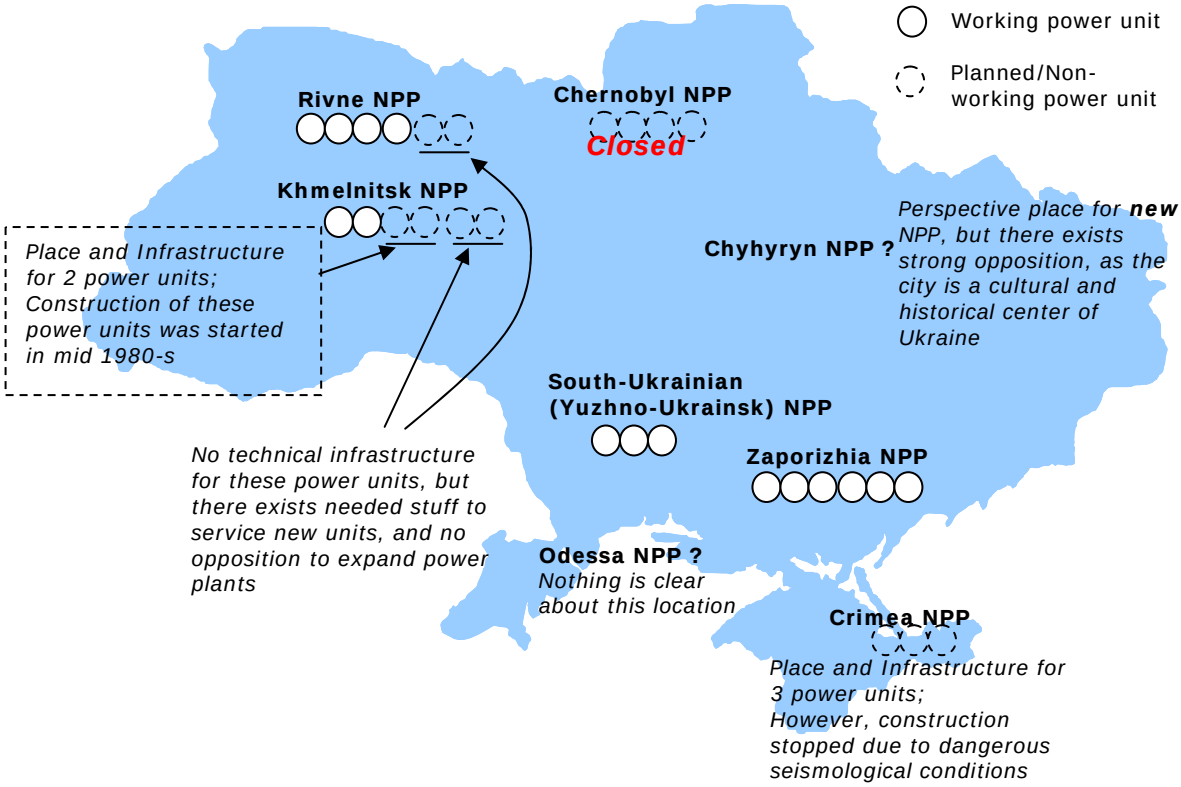


Source: Energoatom, Concorde Capital

Where To Construct New Power Units?

In Soviet times, construction of nuclear power plants in Ukraine was planned in eight places. Two of these places (Chernobyl and Crimea) have no future, installed capacity at two other power plants (South-Ukrainian and Zaporizhia) have reached their projected capacity, so it is unlikely that new units will be constructed there.

The construction of new power plants in Chyhyryn or Odessa will demand large CapEx into infrastructure, and will lead to clashes with opponents of the construction of nuclear objects in new locations, making this a long term option at best. Thus, the most likely places for new power unit construction in the short-run are the places where the units were initially projected to be constructed, and infrastructure exists for these units: the first candidate is Khmelnitsk NPP (2 power units).

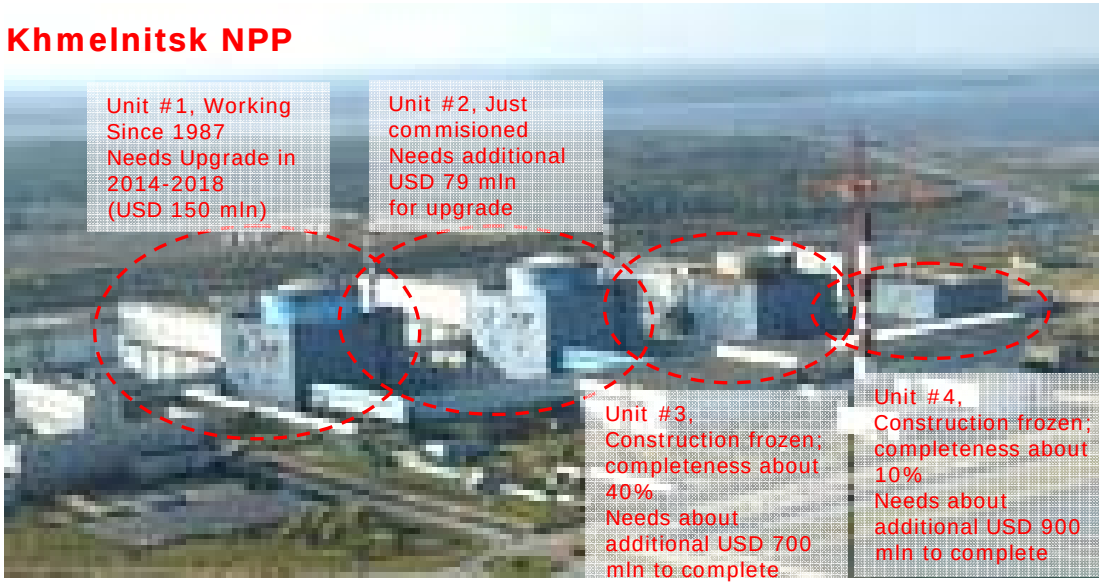


Taking into account all of the above, in July of 2005, the government ordered preparations to be made for the construction of power units #3 and #4 at Khmelnitsk NPP.

In addition, “Ukraine’s Energy Strategy Until 2030”, which has already been approved by the government, envisions studying the possibility of constructing units #5 and #6 at Khmelnitsk and Rivne NPPs. The feasibility analysis is expected to be conducted by the government by 2010. Note that there is no infrastructure on these power plants for the fifth and six’s power units, so that their building is a green-field project. But, the advantage of these projects is the absence of local opposition to the construction of new units at these locations, as the local population and administration (which already depend on NPPs) are interested in the expansion of power plants. Thus, policy makers look ready to approve these projects. If so, UB HAES can obtain the USD 2-2.5 bln contract for the construction of the additional two reactors in the mid 2010s.

Khmelnitsk NPP: Cost Efficient Construction Potential

Khmelnitsk NPP operates two nuclear reactors BBEP-1000 each with installed capacity of 1GW. The construction of an additional two power units started in the mid 1980-s, and the government is pushing for the continuation of these projects. Currently units #3 and #4 are 41% and 10% complete correspondingly. Thus the completion of these projects would be less expensive that starting from scratch.



Another reason to finish the construction of the third and fourth power units is the availability of other needed infrastructure at the power station for nuclear units, as Khmelnistk NPP's infrastructure was designed to service four units.

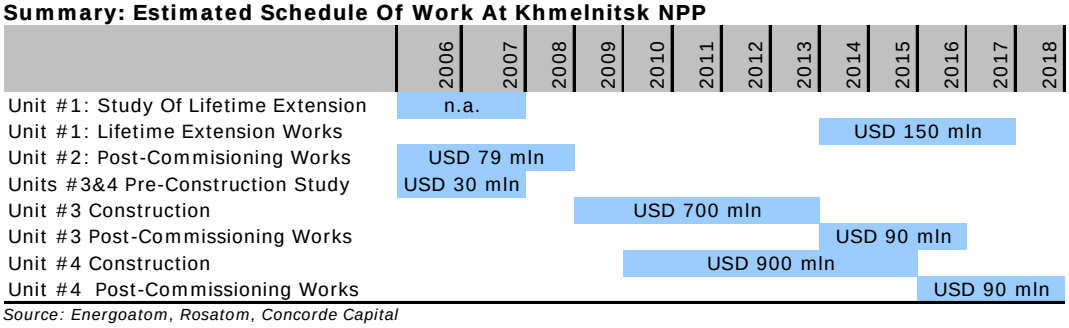
The first power unit was commissioned in December 1987. With a planned working life of 30 years, this unit will need additional CapEx to expand its life expectancy (projected lifetime finishes in 2018) of about USD 100-200 mln (depending on the term of prolongation, 5 to 15 years). As the construction of a new power unit is 7-10 times more expensive, the prolongation scenario is the most cost efficient. We expect the process of expanding the unit's lifespan to begin in 2013-2014.

The second power unit was officially commissioned in 2004, but currently is in the process of being put into operation and needs a post-commissioning upgrade because of increased requirements for nuclear objects' security. This upgrade requires additional CapEx of USD 79 mln, planned to be spent in 2006-2008. UB HAES is likely to participate in this project either as the main contractor, or a sub-contractor.

The estimated construction costs for the **third** power unit are USD 700-800 mln, and for the **fourth** power unit about USD 900 mln. The exact numbers will be available after the special commission (including the Kiev Institute Energoproekt, UB HAES and the Russian subcontractor Orgenergostroy) work out a technical and economic assessment for the further construction of two power units at Khmelnitsk NPP. UB HAES has a contract to study the semi-finished units in 2006, worth USD 12 mln.

It is estimated that the third power unit will be constructed during 2009-2015, and the fourth in 2010-2016.

Summary: Estimated Schedule Of Work At Khmelnitsk NPP



Source: Energoatom, Rosatom, Concorde Capital

UB HAES And Khmelnitsk NPP Projects

Although UB HAES and Energoatom have an agreement on the construction of new power units at Khmelnitsk NPP, it is not clear at the moment which role UB HAES will play. The company may serve as a general contractor or a sub-contractor in this project. The key determining factor here will be the source of financing for the project:

- If Energoatom finances the construction using its own sources, or the state budget (as it was with construction of Khmelnitsk NPP #2), then UB HAES has a better chance of being the general contractor
- If main source of financing comes from international bank loans, then the role of general contractor may go to an international company, as banks tend to support their national producers:

Case Study: German Banks and Siemens

Cnetrenergo (**CEEN**) has just finished reconstruction of power unit #8 at Zmiiv power plant. A consortium of international (mainly German) banks financed the project, and therefore the main contractor of the project was German concern Siemens. Ukrainian construction companies and equipment suppliers worked as subcontractors on the project.

Project financing from abroad means that UB HAES has a lower probability of being the general contractor, however, in any case it is likely to be engaged in the project as a sub-contractor, because of its unique staff which is the only group licensed for doing special types of work on the power plant, and its building equipment is already installed at the NPP. This option however, would be bittersweet, as the company is specially designed for managing construction projects at Khmelnitsk NPP.

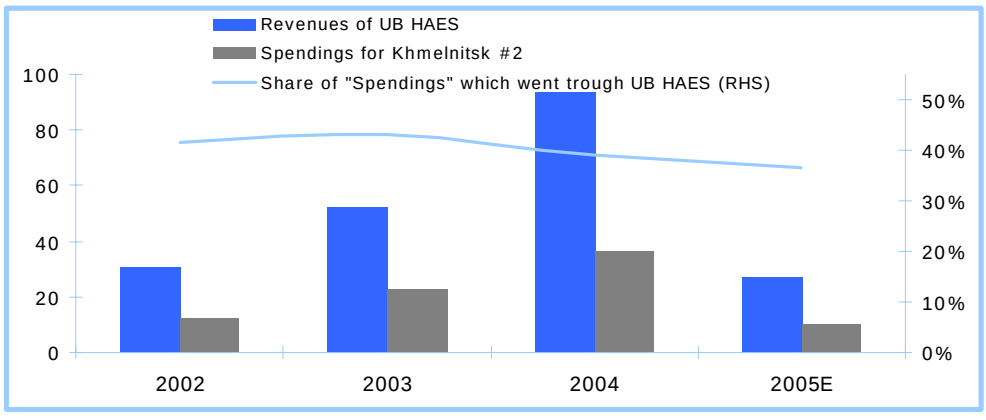
The experience of building two nuclear power units, Khmelnitsk NPP #2 and Rivne NPP #4 (finished a year ago) suggests that Ukraine is likely to count mainly on its own capital for the construction of new power units. Therefore, UB HAES looks like a shoe-in to lead the project.

Our optimism is also fueled by the government's decree "On the preparation for construction of further units at Khmelntsk NPP," where it has begun studying the possibility of Ukrainian companies participating in the construction of parts and components for the new units, which means Ukrainian contractors will be given preference.

Case Study: Khmelnitsk NPP Construction and UB HAES Sales

On average, about 40% of all the money spent on finishing the construction of unit #2 (including equipment purchased, construction work, installation and commissioning) went trough UB HAES accounts. The other roughly 15% of the money went through UB HAES' subsidiaries, which are not consolidated in the company financials (refer to page 9).

UB HAES And Khmelintsk NPP Unit#2 Project



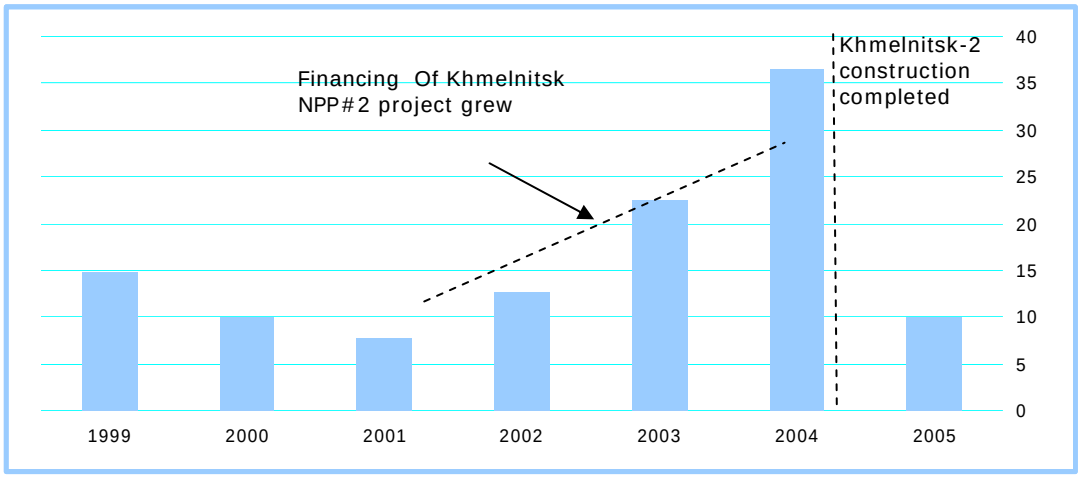
Source: company data, Ministry of Fuel And Energy, Concorde Capital estimates

We expect the same proportion (40%) of money will go through UB HAES accounts during the construction of reactors #3 and #4.

Construct And Die?

Due to the company's narrow field of business, it is highly dependant on construction contracts from Khmelnitsk NPP. This explains the volatility of UB HAES' sales in recent years, and this creates the risk that the company might significantly decrease its sales after finishing construction of the fourth unit at Khmelnitsk NPP (as happened in 2001 and 2005, when there were no construction projects at NPP).

Revenue Volatility Of UB HAES, USD mln



Source: company data

Still, finishing the construction of energy objects at Khmelnitsk NPP does not necessarily mean the company would concentrate solely on the maintenance of power units. The company has already started alternative projects, one example is the use of its resources in residential construction: UB HAES is currently engaged in construction deals in the cities of Khmelnitskiy and Zhytomir. This year three multiple-dwelling houses constructed by UB HAES will be put into commission there.

In addition, UB HAES is seeking construction projects at other energy plants in Ukraine.

Case Study: UB RAES And The Chernobyl Shelter Project

The Rivne NPP Construction Company (UB RAES) which completed construction of its last power unit at Rivne NPP has not stopped its nuclear activities. It is now involved in the construction of the shelter for the Chernobyl nuclear reactor.

UB HAES has plans to participate in lucrative projects in the construction of power generation equipment for Ukrainian metal works, which may become an important source of profits in the long-term. However, the future of these projects are not clear, and thus we do not have enough ground to include this possibility in our valuation model.

After 2018, in our valuation model we explicitly account for only the maintenance of equipment at Khmelnitsk NPP. Due to the high discount factor, this assumption does not affect valuation much. On the other hand, any activity which is currently non-core, if undertaken in the mid-term, will contribute to the additional value of the company.

Investment Risks

The Low Transparency Of The Construction Business

The construction business is rather non-transparent in Ukraine, meaning that it is hard to control the money spent on construction projects and for the purchase of materials. As a result, construction companies tend to intentionally over-report their costs.

Case Study: Money Spent For Waste Ruber

The newspaper Rabochaya Gazeta cited a claim made by the Ukrainian Prosecutors Office about the misuse of money at UB HAES: the company paid about USD 0.1 mln to a private company to have the door of a reactor compressed using rubber, however the quality of rubber did not meet safety requirements. As a result, the rubber was thrown away, and the money was lost.

Lack Of Ability To Control Activity And Results

In the case of UB HAES, low transparency is exaggerated by the fact that the company works at on the grounds of a nuclear power station, and this territory is only accessible to people who have permission to enter this special zone. This complicates control over the money spent on construction, even for the controlling agencies.

Moreover, if one invests into UB HAES, he invests in a company which works in an area with limited access for any investor.

Complicated Corporate Structure

The complicated structure of the company could pose some risks to investors.

UB HAES is the main company in a construction holding. UB HAES owns 60% in 30 limited liability companies and two closed joint stock companies. In turn, each of the 32 affiliated companies have small stakes (0.1% to 7%) in UB HAES, so that all the affiliated companies altogether own about 60% of UB HAES.

This ownership structure implies that people which govern UB HAES (i.e. the current management) have control of each of the affiliated companies, and through all of them, they control about 60% of UB HAES. This means the dismissal of the current management is impossible: none of the separate holders of a 60%-stake (the affiliated companies) can do it, as they are all subordinated to UB HAES. In addition, none of the external investors can change the management, because it would be impossible for them to get more than 40% of the vote at a shareholder meeting. Refer to the next section describing the conflict in UB HAES.

Another aspect of this structure is that the management has the flexibility to re-allocate cash flows from the main company to the subsidiaries, thus making the stability of unconsolidated financial results from UB HAES questionable (the company reports only unconsolidated financials).

One positive in all this is that the consolidated results of UB HAES (top and bottom line) under IFRS would be much higher than those (unconsolidated) reported by the company. Thus, UB HAES has significant upside potential related to the possible consolidation of the holding.

Corporate Conflict: Lust For Power

On October 8 2005, UB HAES held an EGM. Earlier a court banned the owners with a controlling stake from voting at the EGM. As a result, the minority shareholders of the company made a decision to change the current top management at UB HAES. The "dismissed" top management refused to acknowledge the EGM's decision. In the end, in mid November, the fight for control of the company resulted in a brawl in the company's administrative building.

The "old" management won the fight, as it was supported by the subordinated companies. Thus, the old managers retook control over the company's operations.

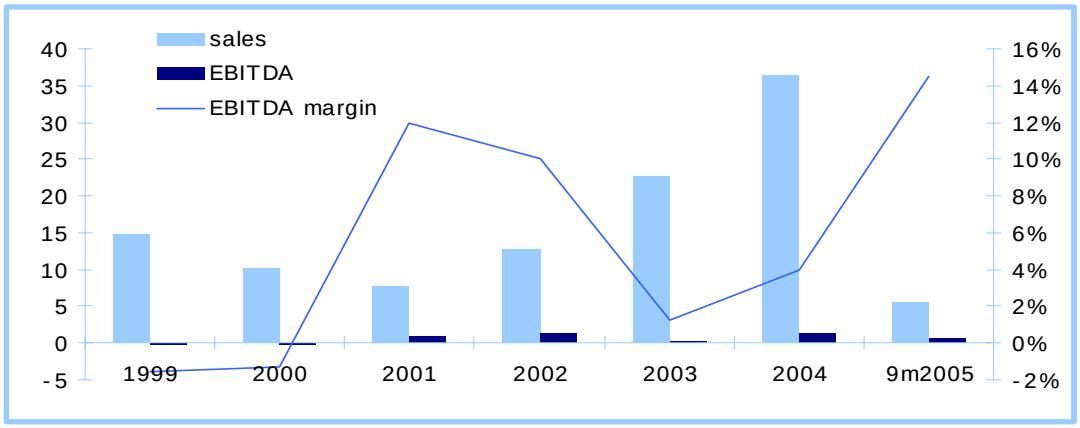
This conflict demonstrates the extreme difficulty potential investors would have trying to take control of the company – implying UB HAES would only be attractive for "passive" portfolio investors.

We capture all the risks by applying "plain" WACC of 18% to the company's expected cash flows. For comparison, we apply average long-term WACC of 9%-13% for Ukrainian companies.

Financial Overview

The company's EBITDA margin appeared highly volatile, by becoming close to that of international peers during the last couple of years.

UB HAES Data



Source: company data, Concorde Capital calculation

UB HAES vs Peers*: Margins, 2004

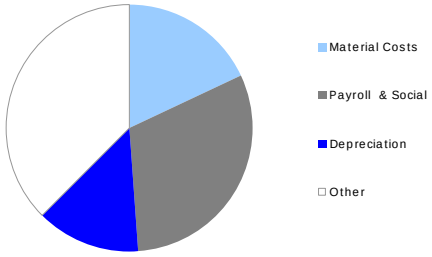
		EBITDA	Net
Yamaka Electric Construction	Japan	n/a	6%
Adhi Karya	Indonesia	5%	4%
AF Gruppen	Norway	4%	2%
Daewoo Engineering and Construction	Korea	10%	5%
GEA Group	Germany	4%	neg.
Porr	Austria	4%	4%
Peer Average		**5%**	**4%**
Peer Median		**5%**	**5%**
UB HAES		4%	2%

Source: Bloomberg, company data
** Peers are companies specialized in construction of power plants and power lines*

We expect UB HAES's margins to remain at the level shown in 2003 and 2004.

The company's main costs are staff-related payments, equipment purchases and materials for construction.

UB HAES Operating Cost Structure, 2004



Source: company data

Additional Share Issuance

On March 10, 2006 the company's AGM voted for an additional share issuance to double the number of the company's shares. The ex-rights date was March 11, 2006.

Subscription for additional shares is to take place between May 22 and June 7.

Note that the AGM's decision on the ex-rights date contradicts Ukrainian legislation. According to the State Securities and Exchange Commission (SSEC), those shareholders **included in the register at the first day of subscription** for the additional emission have preferential rights.

There are two possible outcomes in this situation:

- The SSEC refuses to approve the AGM's decision, no additional issuance, at least until a new AGM is held

- The SSEC approves the decision after an amendment is made to comply with Ukrainian legislation (i.e. with ex-rights date of May 23)

As both outcomes look equally probable, we post separate target prices for each case.

Valuation

Valuation using multiples from UB HAES' peers (international companies involved in the construction of power stations), suggests a wide range for the company's implied price.

Peer Multiples

		Sales 2004 USD mln	EBITDA margin	EV/S	EV/EBITDA	P/E	P/B
Yamaka Electric Construction	Japan	49.2	neg	0.29	neg	neg	1.11
Adhi Karya	Indonesia	297.8	5.5%	0.77	14.17	19.1	4.2
AF Gruppen	Norway	555.1	3.9%	0.25	6.32	13.2	n/a
Daewoo Engineering and Const.	Korea	4204.3	10.0%	0.90	8.99	16.4	1.96
Porr	Austria	1904.7	3.8%	0.49	13.01	12.7	1.5
average				**0.54**	**10.62**	**15.35**	**2.42**
median				**0.49**	**11.00**	**14.80**	**1.96**
UB HAES	Ukraine	36.5	4.0%	n/a	n/a	n/a	n/a

Source: Bloomberg, company data, Concorde Capital estimates

Implied UB HAES MCap At Median Peer Multiples

	2004	2005E
EV/S	17.5	3.9
EV/EBITDA	15.6	10.5
P/E	11.4	11.8
P/B	21.0	23.2

Source: Bloomberg, company data, Concorde Capital estimates

To narrow the target range we apply DCF modeling.

DCF Model

The key assumptions of the model are based on the historical performance of the company. They are following:

- Sales of UB HAES in each particular year between 2006 and 2018 is 40% of spending on Khmelnitsk NPP construction, plus revenues from services of existing power plant equipment maintenance (USD 6 to 12 mln, depending on the number of power units at work at Khmelnitsk NPP). We conservatively assume that no other activities will be implemented by UB HAES
- EBITDA margin is 4%, and rises to 4.5% during periods with a large scope of construction works at new power reactors
- The company's CapEx and Depreciation are constant, both stand at USD 0.2 mln, which implies free cash flow to firm (FCFF) equal UH HAES net income
- Efficient income tax rate is 25%
- Operating working capital is constant
- WACC is constant during the lifetime of the company, equals to 18%
- Terminal value is equal to the book value of fixed assets in 2018, or USD 5.5 mln

Operating Model And DCF Valuation, USD mln

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Spendings Of Khmelnitsk NPP													
Unit #1: Study Of Lifetime Extension	2	2											
Unit #1: Lifetime Extension Works									45	40	35	30	
Unit #2: Post-Commisioning Upgrade	21	28	30										
Units #3&4 Pre-Construction Study	12	8											
Unit #3 Construction				145	160	160	145	140					
Unit #4 Construction					170	160	150	150	160	110			
Unit #3, #4 Post-Commisioning Works									30	30	60	30	30
Total Spending For Khmelnitsk NPP	35	38	30	145	330	320	295	290	235	180	95	60	30

UB HAES Financials Forecast :

Sales	20	21	20	66	140	136	126	124	102	82	50	36	24
EBITDA	**0.80**	**0.85**	**0.82**	**2.84**	**6.16**	**6.12**	**5.67**	**5.58**	**4.49**	**3.53**	**2.05**	**1.44**	**0.96**
EBITDA margin	*4.0%*	*4.0%*	*4.1%*	*4.3%*	*4.4%*	*4.5%*	*4.5%*	*4.5%*	*4.4%*	*4.3%*	*4.1%*	*4.0%*	*4.0%*
Net Income	**0.45**	**0.49**	**0.47**	**1.98**	**4.47**	**4.44**	**4.10**	**4.04**	**3.22**	**2.49**	**1.39**	**0.93**	**0.57**
Net Margin	2.3%	2.3%	2.3%	3.0%	3.2%	3.3%	3.3%	3.3%	3.2%	3.0%	2.8%	2.6%	2.4%
FCFF (= net income)	0.45	0.49	0.47	1.98	4.47	4.44	4.10	4.04	3.22	2.49	1.39	0.93	0.57
Terminal value													5.5
WACC	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**	**18%**
Discounted FCFF (@ valuation date)	0.40	0.37	0.30	1.08	2.06	1.74	1.36	1.13	0.78	0.50	0.24	0.13	0.07

12 M Target Deduction:

Sum of discounted FCFF, USD mln	11.52
PV of Terminal Value, USD mln	0.80
TV as % of EV, USD mln	6.5%
EV, USD mln	**12.31**
Net Debt, USD mln	0.48
MCap, USD mln	**11.84**
Share Price, USD (in case no additional share issuance)	28.7
Share Price, USD (in case additional share issuance occur)	**14.5**

Sensitivity Analysis:

Constant WACC	12M Target MCap USD mln
20.0%	10.75
19.5%	11.01
19.0%	11.27
18.5%	11.55
18.0%	**11.84**
17.5%	12.13
17.0%	12.44
16.5%	12.75
16.0%	13.08

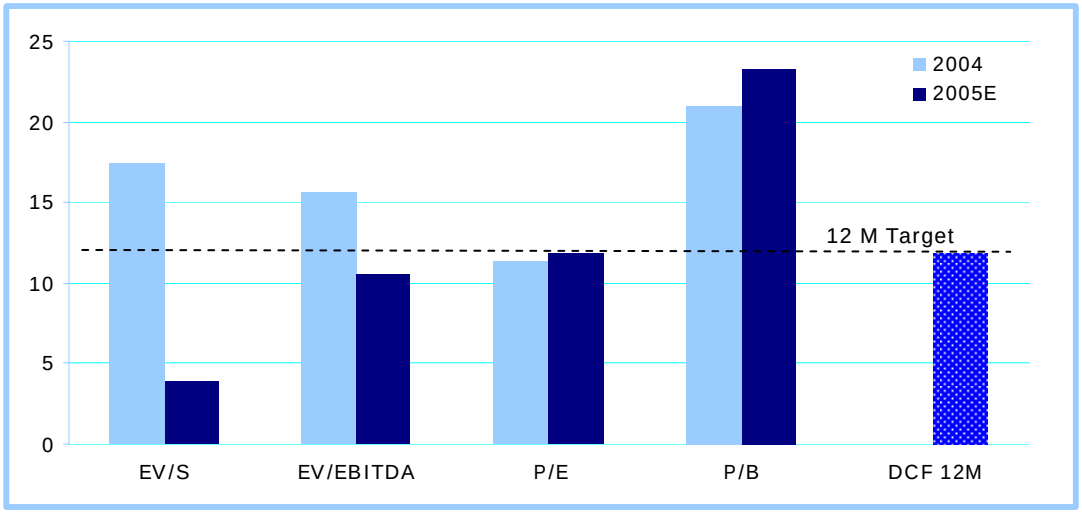
Valuation Summary

Three methods: peers' EV/EBITDA and P/E multiples, and DCF valuation imply similar market capitalization for UB HAES.

Note, that our conservative DCF model is based on the strict assumption that the company will build only two power units at Khmelnitsk NPP and stop its activity.

Our 12m target MCap for the stock is USD 12 mln, implying the target stock price of USD 29.2 if the additional shares issuance does not take place, or USD 14.7 in case of the issuance.

Implied Market Capitalization Of UB HAES, USD mln



Source: Concorde Capital estimates

Effectively, the stock price must reflect basic value (captured by our model), and an upside option (skipped by the model) which can be realized if:

- The Government announces plans to construct an additional two power units, #5 and #6 on Khmelnitsk NPP (page 4);
- UB HAES increases its activity in housing construction or other energy projects (page 8);
- UB HAES improves its corporate governance and transparency (discussed on pages 9-10)

Quarterly Data, According to Ukrainian Accounting Standards, Unconsolidated

Financial Statement Summary, USD mln

	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05
Net Revenues	**4.19**	**4.88**	**6.27**	**7.22**	**8.64**	**12.40**	**10.97**	**4.32**	**0.18**	**1.09**	**4.04**
Cost Of Sales	(3.82)	(4.06)	(6.13)	(6.80)	(7.71)	(11.29)	(10.35)	(3.33)	(0.25)	(0.88)	(2.48)
Gross Profit	0.37	0.82	0.14	0.42	0.93	1.11	0.62	0.99	(0.07)	0.21	1.55
Other Operating Income/(	0.02	(0.25)	(0.05)	(0.05)	(0.06)	(0.48)	(0.07)	(0.11)	(0.07)	0.02	(0.06)
SG&A	(0.25)	(0.32)	(0.28)	(0.29)	(0.42)	(0.37)	(0.37)	(0.32)	(0.27)	(0.20)	(0.32)
EBITDA	**0.14**	**0.26**	**(0.19)**	**0.07**	**0.45**	**0.26**	**0.18**	**0.57**	**(0.40)**	**0.03**	**1.18**
EBITDA margin, %	*3.3%*	*5.2%*	*-3.0%*	*1.0%*	*5.2%*	*2.1%*	*1.6%*	*13.1%*	*-222.5%*	*2.6%*	*29.1%*
Depreciation	(0.09)	(0.08)	(0.09)	(0.07)	(0.07)	(0.08)	(0.08)	(0.07)	(0.07)	(0.06)	(0.06)
EBIT	**0.05**	**0.17**	**(0.27)**	**(0.00)**	**0.38**	**0.19**	**0.10**	**0.49**	**(0.47)**	**(0.04)**	**1.11**
Interest Expense	-	(0.02)	-	(0.00)	-	(0.02)	(0.01)	(0.02)	(0.03)	(0.03)	(0.03)
Financial income/(expens	0.02	0.01	0.01	0.01	0.00	0.01	0.00	0.00	-	0.00	0.00
Other income/(expense)	0.04	0.00	0.01	(0.00)	0.00	(0.00)	(0.00)	0.01	0.00	(0.00)	(0.00)
PBT	**0.11**	**0.16**	**(0.25)**	**(0.00)**	**0.38**	**0.17**	**0.09**	**0.49**	**(0.49)**	**(0.07)**	**1.08**
Tax	-	(0.01)	0.01	(0.00)	(0.04)	(0.17)	(0.06)	(0.10)	-	-	(0.00)
Effective tax rate	-	*0.05*	*(0.05)*	*0.08*	*0.09*	*0.27*	*0.04*	*(0.08)*	-	-	*0.00*
Net Income	**0.11**	**0.15**	**(0.23)**	**(0.00)**	**0.35**	**0.00**	**0.03**	**0.38**	**(0.49)**	**(0.07)**	**1.08**
Net margin	*2.5%*	*3.0%*	*-3.7%*	*0.0%*	*4.0%*	*0.0%*	*0.3%*	*8.9%*	*-273.4%*	*-6.3%*	*26.8%*

Balance Sheet Summary, USD mln

	1Q03	2Q03	3Q03	4Q03	1Q04	2Q04	3Q04	4Q04	1Q05	2Q05	3Q05
Current Assets	**8.74**	**8.98**	**9.61**	**11.70**	**13.32**	**11.91**	**12.99**	**10.07**	**8.80**	**9.30**	**10.50**
Cash & Equivalents	0.41	0.16	0.08	4.28	0.14	1.13	0.02	0.07	0.31	0.14	0.09
Trade Receivables	3.89	4.56	5.71	2.25	7.24	6.83	9.58	6.80	4.94	5.34	5.89
Inventories	2.91	2.99	2.64	3.81	4.31	2.93	2.50	2.25	2.33	2.32	2.50
Other current assets	1.53	1.27	1.18	1.36	1.62	1.02	0.89	0.94	1.22	1.50	2.02
Fixed Assets	**3.39**	**3.51**	**3.16**	**2.98**	**3.11**	**3.49**	**3.58**	**3.69**	**4.03**	**4.56**	**5.50**
PP&E, net	2.71	2.87	2.45	2.33	2.51	2.49	2.47	2.34	2.36	2.40	2.55
Other Fixed Assets	0.67	0.64	0.71	0.64	0.60	0.99	1.11	1.35	1.67	2.16	2.95
Total Assets	**12.13**	**12.49**	**12.77**	**14.67**	**16.42**	**15.40**	**16.57**	**13.76**	**12.83**	**13.87**	**16.01**
Shareholders' Equity	**10.23**	**10.31**	**10.07**	**10.06**	**10.45**	**10.39**	**10.42**	**10.83**	**10.76**	**10.85**	**11.86**
Share Capital	0.11	0.11	0.11	0.09	0.09	0.10	0.10	0.13	0.14	0.20	0.10
Reserves and Other	3.84	3.84	3.84	2.45	2.46	2.46	2.46	2.16	2.25	2.27	2.27
Retained Earnings	6.29	6.36	6.12	7.52	7.90	7.83	7.86	8.54	8.37	8.39	9.49
Current Liabilities	**1.84**	**2.13**	**2.68**	**4.63**	**5.99**	**5.01**	**6.18**	**2.93**	**2.09**	**3.15**	**4.08**
ST Interest Bearing Debt	0.11	0.06	-	0.07	0.62	0.21	0.39	0.38	0.57	0.57	0.57
Trade Payables	1.56	1.81	2.47	2.84	3.62	3.46	5.23	2.35	1.35	1.36	0.87
Accrued Wages	0.03	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Accrued Taxes	0.01	0.03	-	0.00	0.05	0.15	0.10	0.03	0.01	0.04	0.02
Other Current Liabilities	0.14	0.21	0.19	1.70	1.67	1.16	0.45	0.15	0.14	1.16	2.60
LT Liabilities	**0.11**	**0.11**	**0.08**	**0.00**	**0.00**	**0.03**	**0.00**	**0.09**	**0.09**	**0.09**	**0.09**
LT Interest Bearing Debt	-	-	-	-	-	-	-	-	-	-	-
Other LT	0.11	0.11	0.08	0.00	0.00	0.03	0.00	0.09	0.09	0.09	0.09
Total Liabilities & Equity	**12.18**	**12.55**	**12.83**	**14.69**	**16.44**	**15.43**	**16.60**	**13.85**	**12.93**	**14.09**	**16.03**

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