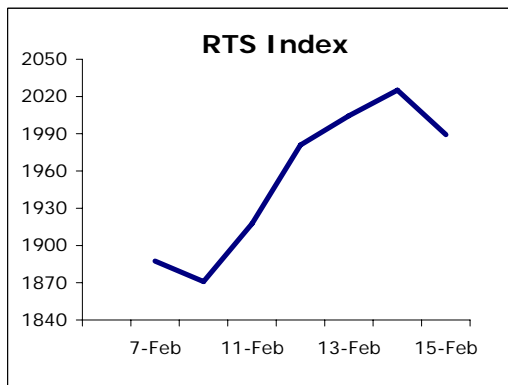


On Friday at the Ukrainian share market prevailed bear's trend. Most quotes went back. The biggest decline demonstrated machinery and metallurgical companies. Contrary to general tendency shares of Luganskteplovoz (LTPL ; +8.53). At the end of the session PFTS index made up 1088.46, having declined by 1%.

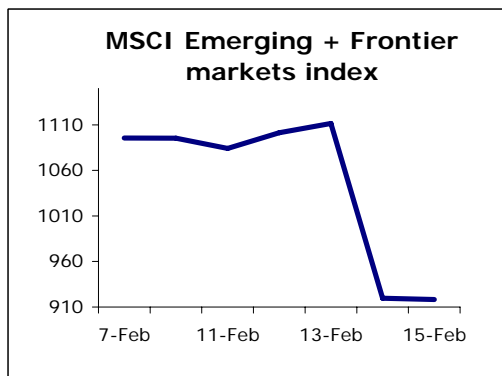
**Ukrainian GDP grew by 4.9% y-o-y in January**

According to the State Statistics Committee today, Ukrainian GDP growth decelerated to 4.9% y-o-y in January 2008, compared to 7.3% y-o-y growth in recorded in 2007, or to the 9.3% y-o-y growth of January 2007. The deceleration of GDP growth in January to 4.9% was caused primarily by the seasonal deceleration in the processing and construction industries, as well as to the high comparative base of the previous year. The most significant drop in production was shown by the construction sector, due again to the seasonal decline, since winter is not conducive to construction activities. Besides, the high comparative base effect is clearly seen behind the declining growth in construction sector, since in January 2007, due to unusually warm weather, construction showed record growth of 26.3% y-o-y. Therefore, we believe that the 9.6% y-o-y decline in the construction sector does not indicate much of a slowdown in the sector, and by 2H 2008 construction should show positive growth numbers, ending the year with 12.5% y-o-y growth. Deceleration of Gross Value-Added (GVA) growth also hit the processing industries.



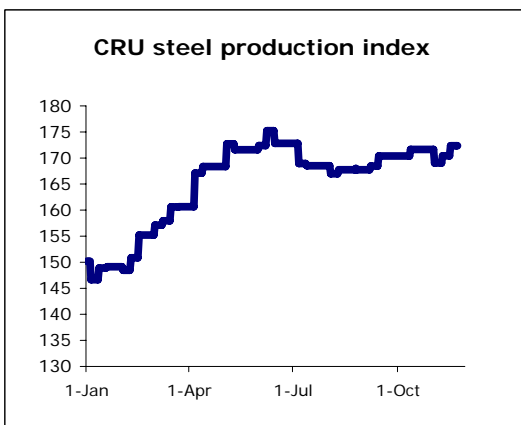
**Ratification of WTO protocol will enable to boost trade till 2010 by 40%.**

Economic Ministry is sure, that in case of ratification WTO protocol in July 2008 trade volume will grow by 40% till 2010. This boost will be caused first of all by more favourable trade conditions for raw materials and semi-finished products suppliers. At the same time WTO accession will very painfully influence manufacturers of machines, equipment, clothes and food. It may also become fatal for Ukrainian agriculture. WTO accession means fixation of the raw materials direction of the Ukrainian economy. Minister also considers that protection from ecologically unsafe products is vitally important.



**State bond success again failed.**

Local bond auction on Friday didn't bring wishful result. Ministry of Finance tried to place 5- and 7-years bonds, but investors turned out to be uninterested in these securities. Ministry of Finance reported that yield per annum for 5 years bond formed 8.6%, 7 years -9%. In 2008 the government plans to increase loans at the domestic markets in 2.1 times to UAH 7.776 bln, while at the foreign market it is going to raise UAH 8.098 bln. Each Monday the government will place bonds of 2005 and 2006 issue with 2- and 3-years maturity date. Since the beginning of the year the government has already sold 2-and 3-years bonds for the total of UAH 379.67 m.



	04	05	06	2007
GDP growth	12.1%	2.6%	7%	7,3%
Industrial output growth	12.5%	3.1%	6.2%	10,20%
CPI	12.3%	10.3%	11.6%	16,60%
NBU Reserves, \$ bln	9.525	19.395	22.362	31,71
Current Account Balance, \$ bln	6,909	2,513	-1,00	-8,2
Debt/ GDP	19.61	18.36	16.44	13.67

\*September 2007

\*\*10M2007

100USD/UAH	505,0000
100EUR/UAH	741,7400
10RUB/UAH	2,0595

Growth leaders	Ticker	change,%
1	LTPL	8,53
2	KSTL	1,96
3	SMASH	1,69

Retreat leaders	Ticker	change,%
1	ALMK	-3,52
2	DTRZ	-2,99
3	AVDK	-2,96

### Zakhidenergo 2007 net profit in 2.6 times down

Zakhidenergo (**ZAEN**), one of Ukraine's 5 energy generating companies and the only one connected to the European energy system, in 2007 posted UAH 8.761 million net profit, according to Ukrainian accounting standards, which means a drop in 2.6 times comparing to 2006. Total assets in 2007 grew by 1.3% to UAH 2.655 bln. Accounts receivable in 2007 rose by 4.7% to UAH 722.078 m. Current liabilities outnumbered accounts receivable and formed 1.038 bln. The company has confirmed that its debute corporate secured bond issue is on track. Raised UAH 250 m will be spent for reconstruction of Burshtyn thermal power plant. Yield makes up 12%. Burshtyn energy plant forms an energy island that is connected to the European energy system, as opposed to the rest of Ukraine's energy generating companies. Energy produced at the island is exported to Hungary, Slovakia, and Romania. Zakhidenergo runs 23 energy blocks with a capacity of 4707.5 megawatt at three energy plants.

### Managing company of Azovmash in 2007 cut down sales in three times.

Azovmash, managing company of the industrial group Azovmash, in 2007 cut down sales in 3 times comparatively with 2006 to UAH 93.977 m. Net profit of Azovmash in 2007 made up UAH 2.257 m, which means increase by 5%. Sales reduce is caused by going down of the transit sales. One of the main profit sources is management and consulting fees.

# DAILY

## February 18, 2008

ticker	name	bid	change, %	ask	change, %	spread, %	last	last deal date	vol, 15.02.08	deals, 15.02.08	
<b>Power engineering</b>											
DNEN	Dniproenergo	2345,00	0,00	2375,00	-0,21	1,3	2340,00	14.02.2008	0,0	0	
DNON	Dniproblenergo	785,00	0,00	829,00	0,48	5,6	825,00	14.02.2008	0,0	0	
CEEN	Centrenergo	25,51	-1,88	25,65	-1,72	0,5	25,50	14.02.2008	0,0	0	
ZAEN	Zakhidenergo	539,80	-0,42	542,99	-0,48	0,6	543,00	14.02.2008	0,0	0	
DOEN	Donbasenergo	167,55	-0,56	173,00	0,58	3,3	173,00	14.02.2008	0,0	0	
KIEN	Kyivenergo	42,55	-0,24	43,75	-1,46	2,8	44,30	13.02.2008	0,0	0	
<b>Pipe rolling</b>											
NITR	Nizhnodniprovsky Pipe Rolling Works	189,00	-1,57	194,40	0,47	2,9	194,00	14.02.2008	0,0	0	
DTRZ	Dnipropetrovsk Tube Works	650,00	-2,99	670,00	-1,11	3,1	666,00	14.02.2008	0,0	0	
<b>Metallurgy</b>											
KSTL	Arcelor Mittal Kryvy Rig	15,60	1,96	16,25	0,93	4,2	16,10	13.02.2008	0,0	0	
MMKI	Mariupol Metallurgical Plant	6,75	-2,74	6,89	-1,57	2,1	6,84	14.02.2008	0,0	0	
AZST	Azovstal	5,59	-0,20	5,66	-0,18	1,3	5,65	14.02.2008	0,0	0	
ALMK	Alchevsk Metallurgical Plant	0,55	-3,52	0,56	-1,75	2,2	0,56	14.02.2008	0,0	0	
DNSS	Dniprospeysstal	4320,00	0,12	4370,00	-2,67	1,2	4320,00	08.02.2008	0,0	0	
ZFER	Zaporizhia Ferroalloy Plant	2,17	-1,81	2,55	0,00	17,5	2,59	13.02.2008	0,0	0	
ENMZ	Enakiyev Metallurgical Plant	462,00	-1,39	463,99	-1,38	0,4	462,50	14.02.2008	0,0	0	
ZALK	Zaporizhia Aluminium	2,07	-1,43	2,25	2,27	8,7	2,27	14.02.2008	0,0	0	
<b>Mechanical engineering</b>											
SMASH	Sumy NVO im. Frunze	51,10	1,69	53,00	2,91	3,7	52,50	13.02.2008	0,0	0	
LUAZ	LuAZ	1,17	0,43	1,18	0,00	0,9	1,17	14.02.2008	0,0	0	
MSICH	Motor Sich	1471,00	-1,67	1509,00	-1,05	2,6	1500,00	14.02.2008	0,0	0	
MZVM	Mariupol Heavy Machine Building Plant	136,01	-2,29	138,50	-1,00	1,8	138,50	14.02.2008	0,0	0	
AZGM	Azovzagal mash	50,75	-2,59	51,95	-3,71	2,4	51,25	14.02.2008	0,0	0	
LTPL	Luganskteplovoz	7,00	8,53	7,20	9,09	2,9	7,20	14.02.2008	0,0	0	
SVGZ	Stakhaniv Wagon Building Plant	45,25	-0,98	45,90	-1,08	1,4	45,30	14.02.2008	0,0	0	
DRMZ	Druzhkivka Machine Building	5,10	-1,92	5,60	0,00	9,8	5,63	14.02.2008	0,0	0	
DGRM	Donetsk girmash	2,63	-0,75	2,99	-1,64	13,7	2,99	08.02.2008	0,0	0	
<b>By-product-coking industry</b>											
AVDK	Avdiivka Chemical-Recovery Plant	20,65	-2,96	20,90	-1,88	1,2	20,75	14.02.2008	0,0	0	
ZACO	Zaporizhkoks	7,60	0,00	8,50	0,00	11,8	8,79	13.02.2008	0,0	0	
YASK	Yasynivsky By-product Coke Plant	6,15	0,00	6,42	0,16	4,4	6,30	14.02.2008	0,0	0	
<b>Ore mining and processing enterprises</b>											
PGOK	Poltava Ore Mining and Processing Enterprise	80,00	-1,36	83,00	0,30	3,8	82,70	14.02.2008	0,0	0	
PGZK	South Ore Mining and Processing Enterprise	7,06	-0,56	7,25	-0,68	2,7	7,13	14.02.2008	0,0	0	
<b>Banking</b>											
BAVL	Raiffeisen Bank Aval	0,93	-0,43	0,95	0,53	1,6	0,94	14.02.2008	0,0	0	
USCB	Ukrsocbank	1,27	-0,55	1,28	-0,39	0,4	1,28	14.02.2008	0,0	0	
FORM	Forum Bank	41,80	-0,24	42,65	-0,81	2,0	42,50	14.02.2008	0,0	0	
<b>Other</b>											
UTEL	Ukrtelekom	1,06	-1,03	1,06	-1,30	0,5	1,06	14.02.2008	0,0	0	
UNAF	Ukrnafta	332,00	-1,19	333,50	-1,62	0,5	333,90	14.02.2008	0,0	0	
SUNI	Sun Interbrew Ukraine	0,69	0,00	0,77	0,00	11,4	0,85	13.02.2008	0,0	0	
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	12,77	1,35	13,00	2,77	1,8	13,00	14.02.2008	0,0	0	
STIR	Concern Stirol	123,10	-1,52	124,75	-1,38	1,3	130,60	14.02.2008	0,0	0	
DNSh	Dniproshyna Tyre Factory	90,00	0,00	95,00	-1,04	5,6	96,50	13.02.2008	0,0	0	
<b>PFTS Index</b>											
									1088,46	-1,06%	0,0 -100,00%

Unfortunately because of the technical problems at PFTS we can't provide you with data about deals and trade volume.

# DAILY

## February 18, 2008

ticker	name	MCap, UAH mln	P/S	P/E	P/BV	EV/EBITDA	Stock price change, y.o.y., %	Stock price change to PFTS index change, y.o.y., %
<b>Electricity</b>								
DNEN	Dniproenergo	9 260,64	2,75	107,20	18,42	18,80	71,64	12,07
DNON	Dniproblenergo	4 835,23	0,69	213,03	-28,52	33,19	10,93	-48,63
CEEN	Centrenergo	9 449,43	3,21	33,79	4,22	28,17	121,95	62,39
ZAEN	Zakhidenergo	6 924,73	2,01	106,06	4,82	31,67	63,81	4,25
DOEN	Donbasenergo	4 026,03	2,69	25,30	3,91	16,31	118,44	58,88
KIEN	Kyivenergo	4 675,92	1,11	195,32	3,31	26,14	189,35	129,79
<b>Pipe rolling</b>								
NITR	Nizhniodniprovsky Pipe Rolling Works	10 329,75	2,29	18,33	5,02	12,40	59,09	-0,48
DTRZ	Dnipropetrovsk Pipe Works	696,77	0,80	50,79	4,38	14,05	3,61	-55,95
<b>Metallurgy</b>								
KSTL	Mittal Steel Kryvy Rig	61 463,06	3,38	15,37	5,17	10,75	151,98	92,42
MMKI	Mariupol Metallurgical Plant	22 858,68	1,32	14,04	2,26	8,03	116,68	57,12
AZST	Azovstal	23 592,91	1,51	11,25	2,65	7,95	131,72	72,16
ALMK	Alchevsk Metallurgical Plant	14 279,49	1,80	45,62	4,83	18,31	73,37	13,81
DNSS	Dniprospeptsstal	4 671,01	1,29	11,62	5,97	7,80	234,23	174,67
ZFER	Zaporizhia Ferroalloy Plant	5 379,74	2,57	25,64	8,22	19,88	419,25	359,69
ENMZ	Enakiyevo Metallurgical Plant	4 801,62	1,02	16,69	5,34	12,72	513,24	453,68
ZALK	Zaporizhia Aluminium	1 345,09	0,83	15,12	2,29	5,91	131,02	71,45
<b>Mechanical engineering</b>								
SMASH	Sumy NVO im. Frunze	3 699,97	2,59	187,79	4,62	77,02	150,24	90,68
LUAZ	LuAZ	3 893,76	1,40	37,97	3,38	19,73	58,38	-1,19
MSICH	Motor Sich	3 096,21	1,84	15,32	1,78	8,17	180,21	120,64
MZVM	Mariupol Heavy Machine Building Plant	2 112,01	0,84	549,86	6,52	50,74	157,39	97,83
AZGM	Azovzagalmash	2 387,98	0,96	2035,62	17,65	40,91	266,79	207,22
LTPL	Luganskteplovoz	1 556,21	3,92	-31,87	15,10	438,26	167,42	107,86
SVGZ	Stakhaniv Wagon Building plant	1 719,62	1,65	47,94	15,18	26,48	-77,82	-137,38
DRMZ	Druzhkivka Machine Building	1 110,32	1,58	19,23	5,63	13,61	263,95	204,38
DGRM	Donetskirmash	127,72	0,54	-3,70	438,91	-10,18	61,49	1,93
<b>By-product-coking industry</b>								
AVDK	Avdiivka Chemical-Recovery Plant	4 022,13	1,03	-9,15	1,03	14,45	77,56	18,00
ZACO	Zaporizhkoks	960,57	0,55	51,86	2,44	24,32	28,80	-30,76
YASK	Yasynivsky By-product Coke Plant	1 719,58	1,07	15,53	3,57	8,80	191,65	132,09
<b>Ore mining and processing enterprises</b>								
PGOK	Poltava Ore Mining and Processing Enterprise	11 475,20	4,21	37,78	6,56	18,50	59,80	0,24
PGZK	South Ore Mining and Processing Enterprise	15 337,88	6,57	29,12	10,74	19,99	1035,71	976,15
<b>Banking</b>								
BAVL	Raiffeisen Bank Aval	21 374,39	n/a	36,39	3,84	n/a	-8,09	-67,65
USCB	Ukrsotsbank	12 979,50	n/a	35,83	4,00	n/a	-63,22	-122,78
FORM	Forum Bank	4 733,42	n/a	90,02	2,93	n/a	-24,60	-84,16
<b>Other</b>								
UTEL	Ukrtelekom	19 803,01	2,91	35,59	2,26	9,30	-7,68	-67,24
UNAF	Ukrnafta	18 044,55	1,73	13,32	2,14	8,13	-5,84	-65,40
SUNI	Sun Interbrew Ukraine	6 947,53	3,02	24,79	6,04	11,11	28,27	-31,29
SHCHZ	Coal mine Chervonoarmiyska Zahidna #1	10 933,37	8,47	-393,52	8,13	38,41	255,45	195,89
STIR	Concern Stirol	3 361,50	1,32	34,41	1,80	45,38	43,85	-15,71
DNSH	Dniproshyna Tyre Factory	315,56	0,45	103,19	1,18	16,67	28,03	-31,53

Here we calculate P/S, P/E, EV/EBITDA indicators according to companies' 9M reports (we use Sales, Earnings and EBITDA for 12 months before Oct 01, 2007). While calculating P/BV we use reported Book Value for Oct 01, 2007 (excepting Banking sector: for BAVL, USCB and FORM we use Book Value for Jan 01, 2008)

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