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## PRESS-RELEASE

(Translation from Russian)

### RA «Expert-Rating» confirms the credit rating of bonds of Private JSC «Large-Size Electric Machine Plant» at the level uaBBB-

**November 6, 2012** RA «Expert-Rating» has decided to confirm the rating of the bond issue of Private JSC «Large-Size Electric Machine Plant» at the level **uaBBB-**. Making decision of confirming the credit rating, RA «Expert-Rating» was guided by the results of the company's activity in the 9 months of 2012.

Table 1

**Indicators of JSC «Large-Size Electric Machine Plant» (th. UAH, p.p., %)**

Indicators	9 months of 2012	9 months of 2011	Change of 2011-2012	Growth rate of 2011-2012
Fixed funds at net book value	53 822,0	24 850,0	28 972,0	116,6%
Stocks	16 679,0	21 104,0	-4 425,0	-21,0%
Accounts receivables	58 589,0	63 658,0	-5 069,0	-8,0%
Accounts payables	54 336,0	70 995,0	-16 659,0	-23,5%
<b>Accounts receivables/ Accounts payables ratio</b>	108%	90%	18 p.p.	-
Shareholders' equity	185 691,0	116 311,0	69 380,0	59,7%
Liabilities	131 471,0	192 510,0	-61 039,0	-31,7%
<b>Autonomy ratio (Shareholders' equity/ Liabilities)</b>	141%	60%	81 p.p.	-
Long-term bank loans	47 958,0	47 836,0	122,0	0,3%
Short-term bank loans	3 997,0	22 380,0	-18 383,0	-82,1%
<b>Total debt of the company to investors on bonds</b>	11 739,1	47 252,0	-35 512,9	-75,2%
Revenue from sales	238 394,0	211 125,0	27 269,0	12,9%
Net income	219 193,0	194 514,0	24 679,0	12,7%
Net profit (loss)	31 649,0	11 006,0	20 643,0	187,6%
<b>ROE</b>	17,0%	9,5%	7,6 p.p.	-
<b>ROS</b>	24,1%	20,3%	3,9 p.p.	-
<b>EBIT</b>	57 250,0	42 306,0	14 944,0	35,3%
<b>EBITDA</b>	64 150,0	44 871,0	19 279,0	43,0%
<b>EBITDA/Liabilities ratio</b>	48,8%	23,3%	25,5 p.p.	-

Source: Data of the company, calculations of RA «Expert-Rating»

Confirming the rating, the Agency was guided by the following conclusions:

1. In the period from 01.10.2011 to 01.10.2012 the Company has managed to decrease accounts receivable and payable by 8% and 23,5%, respectively. The high growth rates of fixed assets and shareholders' equity are partially explained by the revaluation of fixed assets at fair value. The Company has significantly decreased its dependence on the borrowed capital. Debt on bank loans has decreased by 18,5 mln., and the bonds by 35,5 mln. As a result, the financial independence ratio of the Company increased by 81,0 p.p.

2. During the 9 months of 2012 the issuer has continued to immaculately perform its commitments to investors – bond holders. Thus, it was accrued and paid interests on bonds:

- January of 2012 — UAH 1 204,93 th.

- February of 2012 — UAH 1 167,12 th.
- March of 2012 — UAH 1 204,93 th.
- April of 2012 — UAH 1 204,93 th.
- May of 2012 — UAH 1 105,70 th.
- June of 2012 — UAH 1 200,20 th.
- July of 2012 — UAH 1373,70 th.
- August of 2012 — UAH 925,69 th.
- September of 2012 — UAH 336,91 th.

The decrease in interest payments on bonds occurs due to the purchase of JSC “LSEMP” own bonds of Series A.

3. Revenue of the Company in the 9 months of 2012 has grown by UAH 27,3 mln in respect to the 9 months of 2011 that has positively impacted on the profit from the key activity. The price policy of the Company and its ability to control costs has improved, resulting in increasing the ROS by 3,9 p.p. The return from the shareholders investments has increased by 7,6 p.p. in terms of the accounting profit for the analyzed period.

The further decrease in the level of debt burden and the growth of JSC “LSEMP” profitability gives a reason for improving the credit rating of the issuer’s bonds. If the positive trends in the fourth quarter of 2012 are maintained, the Agency will consider the possibility of improving the credit rating of the issuer’s bonds.

*Analytical service of RA «Expert-Rating»*