
22.09.2011

Rating conclusion

RA “Expert-Rating” confirms credit rating of Series A and B bonds of “BNC” LLC at the level uaCCC

September 22, 2011 at the meeting of RA “Expert-Rating” it was decided to confirm credit rating of “BNC” LLC bonds at the level **uaCCC**. When confirming the rating the Agency took into consideration the results of company activity for 6 months of 2011.

“BNC” LLC has got loss of UAH 3,445 mln. following the results of 6 months of 2011. At the same time the company proceeds have constituted UAH 2,142 mln. for 6 months of 2011 and for the same period of 2010 – UAH 2,299 mln. In Agency’s opinion, “BNC” LLC continued to have sales problems. The company was still generated in insufficient scales for paying debts although it succeeded to get a considerable increase of proceeds in 2010.

As of 01.07.2011 shareholders’ equity of “BNC” LLC constituted only UAH 7,059 mln. with total assets of UAH 105,901 mln. Thus, coefficient of autonomy (Shareholders’ equity / Assets ratio) was equal to 6,66%. It remains to be a critically low indicator in order to ensure adequate payment discipline and appropriate level of solvency. On 01.07.2011 the company accounts have accumulated UAH 74 th. that also indicates critically low liquidity.

The Agency points out an unsatisfactory indicators condition of business activity, insufficient level of profitability, low capital adequacy and liquidity of “BNC” LLC following the results of the 1 half of 2011. Bond issues series A and B of “BNC” LLC have all the signs of speculative rating, but in other conditions being equal, particularly without a significant progress in sales policy, there will be likely a default on “BNC” LLC bonds. That’s how analytical department of RA “Expert-Rating” explains speculative rating of “BNC” LLC bonds at the level uaCCC.

In accordance with rules of rating the rating report of bonds, which have been assigned the credit rating lower **uaBB+** on the national scale, is not a subject to publication and distribution. The rating is assigned by rating conclusion, which is published on Web-site of RA “Expert-Rating” and is regularly reviewed.

Analytical department of RA Expert Rating