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Logo



Name



SAMPLE COMPANY

VISIT REPORT



IGK Group
Debt collection. Credit information. Credit risk insurance.

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General information



Sample Company is one of the leading suppliers of complex equipment on the Ukrainian market of agricultural, building, loading and off-loading, and car equipment, as well as aggregate market

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GENERAL INFORMATION ABOUT THE COMPANY

1.1 History

Dochirne Pidpryemstvo Sample Company (SAMPLE COMPANY) was registered on December 28, 2001.

1.2 Owners / shareholders

SAMPLE COMPANY is the 100% owned subsidiary of Joint-Stock Company XXXXX AG. Joint-Stock Company XXXXX AG is the legal entity according to the legislation of Switzerland. For further information about XXXXX AG see the Appendix.

1.3 Business activity and its characteristics

SAMPLE COMPANY is one of the leading suppliers of complex equipment on the Ukrainian market of agricultural, building, loading and off-loading, and car equipment, as well as aggregate market.

SAMPLE COMPANY has signed the long-term exclusive contracts with the leading European manufacturers to represent their interests in the territory of Ukraine.

SAMPLE COMPANY is the exclusive representative of XXXXX, AO XXXXX, XXXXX, XXXXX, Continental and official XXXXX partner of XXXXX in Ukraine.

As an official representative of many foreign companies in Ukraine, the main tasks of SAMPLE COMPANY are marketing of components, providing of technical consultations, service maintenance for Ukrainian XXXXX and its development in the whole territory of Ukraine (including sales of spare parts).

1.4 Structure of the Company

Each separate representative office inside of SAMPLE COMPANY is the structural department of the Company:

a) **The XXXXX Department** is the representative office, specialized in trade in diesel engines. All the managers of the Department have higher technical (engineering) education. The personnel of the Sales Department (department of XXXXX of automobile and aggregate use) numbers 4 persons – «XXXXX». All the managers and employees of the Department undergo training on diesel engines in Germany on a regular basis.

b) **The Department of XXXXX**. The Department deals with promotion and service maintenance of products from "XXXXX", which are automatic transmissions. In Ukraine such automatic transmissions are used and installed on car and bus equipment, as well as on oil-field and drilling equipment, and specialized equipment.

The creation of the Department of XXXXX inside of SAMPLE COMPANY is associated with supplies of automatic transmissions to HK « XXXXX » and XXXXX in Kharkov in 2005 - 2006.

The personnel of the Department numbers two transmission specialists:

- one of them is the Head of Department, who is responsible for promotion of products, search for new consumers and selection of automatic transmissions for them. Besides, he has control over providing of technical and service maintenance to clients and organizes data on products. The employee has higher technical education and professional experience in designing and use of high-technology products. The employee also has the certificate that confirms that he has undergone training on methods of work and service maintenance of XXXXX.

- another specialist is a service manager, who carries out all works on diagnostics, technical maintenance, repair and adjustment of automatic transmissions. The specialist has the experience of work with automatic transmissions. The employee also has the certificate that he has undergone training on methods of work and service maintenance of XXXXX.

In 2006, the employees of XXXXX plant, one of the largest consumers of XXXXX products, underwent training on methods of work and service maintenance of XXXXX automatic transmissions, which are installed in buses « XXXXX » on the basis of XXXXX in Germany.

The supplier of "XXXXX" products is:
XXXXX, Germany

c) **The Cogeneration Department.** Direction of activity in Ukraine: trade in gas engine gensets from XXXXX.

- Peculiarities of this direction of activity:

Projects are stretched in time. Each project requires an individual approach. Taking into consideration the fact that a project has a high cost, decision on purchasing (realization of a project) is taken by chief executives of a business customer. At the same time, the main negotiations are conducted with technical specialists from a customer. After having signed a purchase agreement with a customer, coordination of actions with a project organization, which executes a working project for customer, is needed. The term from the moment of signature of an agreement on purchase of equipment to the moment of putting it into operation may last for more than one year (at the expense of the term of equipment manufacturing and that of the execution of design and erection works).

- Structure of the Department:

Personnel: 4 employees.

Education level: all the employees have higher technical (professional) education.

d) **The Department of Aggregates, Braking Systems and Components** deals with the promoting of Knorr-Bremse products on the Ukrainian market. XXXXX is one of the leading manufacturers of brake systems for commercial vehicles. The sector of services and propositions of XXXXX is based on the complex of technologies of pneumatics, mechanics and electronics.

e) **The Service Department.** SAMPLE COMPANY has exclusive rights to provide warranty repair of DEUTZ engines on the whole territory of Ukraine. All expenses on warranty repairs are reimbursed by XXXXX.

At the present day, the personnel of the Service Department of SAMPLE COMPANY consists of 16 persons, including 4 managers, 1 accountant, 1 warehouse manager and 10 engineers (electricians).

All the managers have higher education. All the electricians have specialized secondary education and 3 of them have higher education.

The specialists of the Service Department of SAMPLE COMPANY are sent to study on a regular basis. During the last two years, 16 persons from the Company underwent trainings.

The total amount of trainings is 6.

Average staffing number in the Company:

in 2006	– 37 empl.
in 2007	– 40 empl.
in the 1st quarter of 2008	– 43 empl.

1.5 Market position. Major competitors.

SAMPLE COMPANY is the general representative of XXXXX AG in Ukraine. In this connection, the Company has many exclusive rights (including all kinds of engine and warranty repairs). The rights of SAMPLE COMPANY are confirmed by the competent and independent expert body, which is the Ukrainian Chamber of Commerce and Industry.

Position of SAMPLE COMPANY on the Ukrainian market according to the main groups of goods and works:

No	Name of goods, works	Sales share on the Ukrainian market, %
1	Diesel engines	55
2	Spare parts for repair works	65
3	Diagnostics, technical maintenance, warranty and after-warranty repair	60
4	Brake systems from Knorr-Bremse Fekrendszerék Kft. /	50

According to the Company's data, the major competitors are:

In the segment of XXXXX:

- XXXXX, the representative of Company. XXXXX was founded in March, 2007, and at the present moment it is not a strong competitor, as the structure is underdeveloped and the service is almost inactive (personnel numbers only 3 persons, who are 2 electricians and one head of "the service centre". It is the Moscow office, which deals with trade in engines. Many competent specialists have left the company.

- XXXXX (branch of the Russian company) represents Kubota and John Deere (diesel engines) in Ukraine. No sales of diesel engines are fixed yet.

OEM (Original Equipment Manufacturing) monitors the situation with the above-mentioned companies on a regular basis. It means that all commercial proposals, price level, etc. are available.

In the segment of automatic transmissions:

Nowadays, the major competitors of Allison products are those from ZF and VOITH. As for price and technical characteristics, ZF automatic transmissions are not competitive with products of "Allison transmission". VOITH automatic transmissions are also not competitive with products of "Allison transmission", taking in consideration the technical characteristics. At the present moment, Ukrainian manufacturers of automobile products do not practically use VOITH automatic transmissions.

In the service segment:

Except SAMPLE COMPANY, there are two other suppliers of original spare parts from DEUTZ AG. They are SIS Grupp and Agrosoyuz.

Thus, SAMPLE COMPANY has control over these supplies and obtains commission charge.

In addition, there are companies and workshops in all regions of Ukraine to provide repair services of DEUTZ engines. Taking into consideration the low quality of works, only owners of old equipment address to them. With rude calculation the share of unofficial repair workshops is nearly 30-40 % on the market of repair services of DEUTZ engines. There are companies, which deliver original spare parts from dealers in Germany, Italy and other countries. The mentioned companies hold not more than 30% of the market of DEUTZ original spare parts. More serious competitors are suppliers of unoriginal spare parts and expandable materials for repair of DEUTZ engines. According to some positions, namely expandable materials (filters and others), the share of suppliers of unoriginal products is not more than 50%.

INFORMATION ABOUT CUSTOMERS. ACCOUNTS RECEIVABLE REVIEW.

2.1 Information about customers

SAMPLE COMPANY carries out its business activities on the Ukrainian domestic market only.

The Company's major customers for supplies of original equipment to Ukraine are the following:

No	Name of the company	Share in total sales volume, %	Payment terms
1	Borispol'skiy Avtozavod OAO	20,5	Delay in payment for 45 days
2	OOO Vostochno-Evropeyskaya Neftegazovaya Kompaniya	2,5	Prepayment
3	OOO Vulkan Servis	9,8	Payment after delivery
4	OOO Intershina	5,4	Prepayment
5	Orel Lider ZAO	1,5	Payment after delivery
6	Starokramatorskiy Mashinostroitel'nyy Zavod OAO	14,3	Prepayment
7	Kharkovskiy Traktorniy Zavod	4,5	Prepayment
8	OOO HTZ Deutz Servis	2,2	Delay in payment for 30 days
9	Chernigovskiy Avtozavod 3AO	3,0	Delay in payment for 45 days
10	Transmash OAO	1,5	Payment after delivery

Direct supplies, from which SAMPLE COMPANY receives commission remuneration and then provides service maintenance (list of clients):

- | | |
|---|--|
| 1. «HTZ», | 265 Moskovskiy ave., Kharkov, Ukraine |
| 2. «Ukragrokomselmash», | 2 Solomenskaya place, Kiev, Ukraine |
| 3. ZAO «Lvovskiy Avtobusniy Zavod», | 45 Striyskaya str., Lvov, 79053, Ukraine |
| 4. Korporatsia «Bogdan», OAO «LuAZ», | 42 Rovnenskaya str., Lutsk, 43010, Ukraine |
| 5. Kharkovskoe Konstruktorskoe Byuro Po Mashinostroeniyu im. A.A.Morozova», | 126 Plehanovskaya str., Kharkov, 61001, Ukraine |
| 6. GP NEK «UKRENERGO»,
Luganskies MES, | 8 Telefonnaya str., Stahanov, 94002, Ukraine |
| 7. Borispol'skaya Tamozhnya
(Borispol Customs House), | Borispol, 08307, Ukraine |
| 8. DP «Upravlenie Bashennyh Kranov»,
OAO «Stroyemhanizatsia», | 2 Lebedinskaya str., Kiev, 04209, Ukraine |
| 9. OOO «SOYUZ», | 30 M. Demchenko str., Odessa, 65009, Ukraine |
| 10. KGGA KP «Kievpasstrans», | 2 Naberezhnoe Shosse, Kiev, 04070, Ukraine |
| 11. CHMK ATP, | 12 Kommunalnikov str., Chernovtsy, Ukraine |
| 12. Ayro-Keytring, | Borispol airport |
| 13. Poultry Plant «Oril-Lider», | Yelizavetovka settl., Dnepropetrovsk region, Ukraine |

Volumes of deliveries in money equivalent are not presented.

2.2 Accounts receivable review (as of 31.03.2008):

No	Accounts receivable structure as of 31.03.2008	Amount in UAH, th	Repayment date	Subject of indebtedness (goods, works, services)
Balance p. 160:				
1	Borispolskiy Avtozavod	240,00	04.2008	Braking systems ABC /* Knorr-Bremse /
2	OOO Vulkan Servis	112,0	04.2008	Automobile tyres / Continental /
3	Yuzhnaya Zheleznaya Doroga (South Railway)	225,6	04.2008	Repair of DEUTZ engines
4	Ukrainian Centre of Mechanization of Engineering Works of the Ukrainian Railway	28,5	04.2008	Repair of DEUTZ engines
5	OOO Ukraina	13,1	04-05.2008	Repair of DEUTZ engines
6	Chernovitskoe MK ATP	8,8	04-06.2008	Repair of Allison transmissions
	Others	39,2	04.-06.2008	Not large debts to business partners
Balance p.170				
1	Advance on 2008 tax on land lease, advance on payment of tax from owners of transport vehicles	20,7	2008	
Balance p .210				
1	Avto Soyuz OOO	187,0	07.2008	Prepayment for a car for the Service Department
2	Dzhenerali Garant	46,1	2008	Prepayment for the medical insurance of employees in 2008
3	Zheltye Stranitsy Ukrainy (Yellow Pages of Ukraine)	13,0	2008	Prepayment for advertising of the Company in 2008
4	SPD Zinyuk	56,0	2008	Prepayment for the lease of the automobile tyres warehouse
5	SPD Kapustin S.V.	13,9	2008	Prepayment for the Company's web site maintenance
6	Lukoil Ukraina PII	5,3	04.2008	Prepayment for POL
7	Medpromproekt	9,8	04.2008	Lease of the automobile service station
8	Pilot OOO	7,9	04.2008	Plane tickets
9	Poluksstar OOO	8,3	2008	Information services on participation in the tender
10	Tender Chamber of Ukraine	4,9	2008	Tender for railway equipment
11	Ukr. Media Holding	12,1	07.2008	Advertising of products
12	Central Regional Customs Office	213,1	04.2008	Prepayment of customs duties on import of goods
13	Other customers	14,3	2008	Prepayment for services and works

INFORMATION ABOUT SUPPLIERS. ACCOUNTS PAYABLE REVIEW.

3.1 Major suppliers:

No	Name of the company	Payment conditions	Maximum credit	Share of a product in the total volume of stock, %
1	DEUTZ AG /spare parts/	Delay in payment for 30 days	EUR 50 th	87
2	DEUTZ AG /engines/	Prepayment	0	0
3	Knorr-Bremse Fekrendszerek Kft. /	Delay in payment for 45 days	EUR 60 th	12
4	Air Products and Chemicals, USA	Prepayment	0	0
5	CARRARO S.p.a, Italy	Prepayment	0	0
6	MISSET AG, Austria	Delay in payment	0	0

3.2 Accounts payable review (as of 31.03.2008):

No	Accounts payable structure as of 31.03.2008	Amount in UAH, th	Repayment date	Subject of indebtedness (goods, works, services)
Balance p. 530				
1	DEUTZ AQ company	313,3	04-06.2008	Spare parts
2	Knorr-Bremse Fekrendszerek Kft.	512,7	06.2008	Braking systems
3	MISSET AG	618,2	2008-2009	Lease of office and car
4	SPD Laschuk N.G.	807,1	08.2008	Spare parts
5	Optovik OOO	350,0	08.2008	Automobile tyres
6	Plin CHP NPP	211,2	06-07.2008	Repair materials
7	Other suppliers	108,1	2008	Goods, works, services, advertising.
Balance p. 610				
1	Agrikor OOO	37,0	07.2008	Payment in favour of SAMPLE COMPANY for spare parts and engine repair
2	Agrofirma im. Gorkogo OOO	46,1	08.2008	Payment in favour of SAMPLE COMPANY for spare parts and engine repair
3	Dneprostroy Trest GZAO	36,7	10.2008	Payment in favour of SAMPLE COMPANY for spare parts and engine repair
4	Lan OOO	16,7	08.2008	Engine repair
5	Osnova Dekor DP	15,1	05.2008	Engine repair
6	Tehnoagropolis DP	50,0	07.2008	Engine repair
7	SPD Cherednikov O.V.	30,0	07.08	Spare parts
8	Other contractors-customers	126,6	2008	Payment in favour of SAMPLE COMPANY for spare parts and engine repair
10	Tax credit or non-received tax invoice	50,5	2008	

At the present moment, the Company does not use its credit funds. No attraction of credit is planned as well.

INFORMATION ABOUT PROPERTY

4.1 Property of SAMPLE COMPANY

There is no real estate on the balance of SAMPLE COMPANY.

To provide the mobile service on repair and service maintenance of **DEUTZ** engines, a fleet of specially equipped cars in the amount of 4 units has been created (PEUGEOT PARTNER (2 units), CITROEN BERLINGO (1 unit) and VW TRANSPORTER (1 unit). These cars belong to SAMPLE COMPANY. Besides, one more VOLKSWAGEN car was ordered and paid off. There is also TAVRIA car, which is used for the warehouse purposes.

At the present day, SAMPLE COMPANY has its own service centre, located at the following address: 7-a Vossoedinenia ave., Kiev, Ukraine. It is Medproekt institute, which grants lease of this service centre. The total area is 253 sq. m, including manufacturing area of 144 sq. m and warehouse of 72 sq. m. Service centre is equipped with the equipment, which meets the requirements of DEUTZ AG. There is a crane for engine removal, as well as washing equipment.

4.2 Property of the parent company

Miset AG (Switzerland), the shareholder of SAMPLE COMPANY, owns an accommodation in Ukraine, located at the following address: Melnikova str., apt. 1, Kiev, Ukraine. This premise is in the operating lease of the company according to the reciprocal contract. The total area of the accommodation is 413.4 sq. m. Its market value is EUR 1500 th.

To increase the manufacturing and office area, a new service station was acquired in April, 2008. It is situated at the following address: 99 Kirova str., Bucha city, Kiev region, Ukraine.

The station is located at a distance of 700 m from Kovel (Warsaw) auto track and 4 km from Zhytomir auto track.

The total area of the object is 702 sq. m. The area is expected to be increased up to 947 sq. m after the reconstruction. The manufacturing area on repair and service maintenance of diesel engines and other aggregates will be increased up to 380 sq. m, office space up to 300 sq. m and storage facilities up to 90 sq. m. The total area of the leased land plot is 1400 sq. m. At the present moment, the market value of the above-mentioned object is nearly USD 700 th. After reconstruction and privatization of the land plot the market value is supposed to reach the level of USD 1.2 – 1.4 mln.

Estimated cost of technique for the new service centre:

According to the preliminary calculations, estimated cost of reconstruction of the new Service Centre is UAH 900 th, cost of reconstruction of engineering systems is UAH 200 th, total cost of technological equipment (including installation) is UAH 190 th. As a result, the total cost of reconstruction and technique of the new Service Centre is UAH 1.29 mln.

4.3 Information about the visit

We visited the office of the Company. Three-storied cottage is located in one of the central districts of the city. It is used as office space. The building is enclosed. There is the entrance checkpoint with the security guard. The ground floor includes the reception, room of chief accountant and accountant, and other rooms. We were invited to the conference hall, located at the second floor of the office. Conference hall is equipped with plasma TV set, computers demonstrating the presentation of the Company's business activity, office and cushioned furniture. While visiting we had a conversation with the administrator, chief accountant, accountant, director and deputy director of the Company.

CREDIT REPORT ON THE COMPANY

Identification

Full Name : Dochirne Pidpryemstvo SAMPLE COMPANY

IGK-number : 042-290-874

Full Name in national language : Дочірнє Підприємство SAMPLE COMPANY

Office address : 12a Melnykova str., apt. 1, Kyiv, 01001, Russia

Legal Address : 1 Gospodarska str., xxxxxxxxxx settlement, xxxxxxxxx, Kiev-Svyatoshinskiy district, 08141, Ukraine

Until 07.02.2006 the legal address was: Myhaylivka-Rubezhivka settl., Kyiv region, Ukraine.

Contacts

- E-mail : finance@xxxxxxx.kiev.ua
- Fax : (+38 044) xxxxxxx
- Phone : (+38 044) xxxxxxx
- WWW : www.xxxxxx.com.ua

SUMMARY**Legal Form** : Affiliated company with foreign investments by Ukrainian law**Incorporation** : 2001**Staff** : 43**Litigation events** : n/a**Remarks on payments** : n/a

Sales : 16 569.30 th UAH (for 12 months, ended 01.01.2008)
7 689.80 th UAH (for 12 months, ended 01.01.2007)

CREDIT OPINION

IGK Credit Rating : [B] Normal risk.

Credit Limit : 50 000 EUR

Range : R5

Incorporation : 2001**Registration Data**

Date of registration : 28.12.2001

Registration number : 31828113

Registr. authority : Regional Administration (Petrivske settlement, Kiev region, Kiev-Svyatoshinskiy district, Ukraine)

VAT number : 318281110133

Registr. place : Ukraine

Legal Form : Affiliated company with foreign investments by Ukrainian law since 28.12.2001**Share Capital** : 2 556 410 UAH (registered) since 31.08.2006

According to the official balance sheet data on 01.01.2008, the share capital of the company - 3 175 200 UAH.

According to the Company's administration data, the share capital of the company - 3 175 237.29 UAH.

Shareholders :-Mizet AG (*Switzerland*) 100.00 %
address:89 Zonnhaldenschtrasse, Hünenberg, 6331, Switzerland

Board / Executives

Executives

Chief Accountant :Mrs Stasiva Valentina Viktorovna (*Ukraine*)
address: 12a Melnykova str., apt. 1, Kyiv, Ukraine

Director :Mr Dirinko Pavel Stanislavovich (*Ukraine*)
pers. code: 2844215076
address: 12a Melnykova str., apt. 1, Kyiv, Ukraine

Director :Mr Demenyuk Sergey Illarionovich (*Ukraine*)

(*the data cancelled as of 31.08.2006*)
Director :Mr Zhestkov Vladimir Nikolaevich (*Ukraine*)

(*the data cancelled as of 14.03.2003*)
Director :Mr Zhestkov Vasiliy Nikolaevich (*Ukraine*)

(*the data cancelled as of 04.01.2002*)

Authorised signature :Mr Dirinko Pavel Stanislavovich
Mr Demenyuk Sergey Illarionovich
(*the data cancelled as of 31.08.2006*)
Mr Zhestkov Vladimir Nikolaevich
(*the data cancelled as of 14.03.2003*)
Mr Zhestkov Vasiliy Nikolaevich
(*the data cancelled as of 04.01.2002*)

Changes in Registration Data

- 31.08.2006 :share capital, managers, authorised signature
New share capital: 2 556 410 UAH.
New director: Mr Pavel Stanislavovich Dirinko.

- 07.02.2006 :legal address, share capital
New legal address: 1 Gospodarska str., Petrivske settl., xxxxxxxxxx, Kyivo-Svyatoshinskiy district, 08141, Russia.
Share capital: 3 175 237 UAH.

- 01.12.2005 :share capital
Share capital: 2 556 410 UAH.

- 27.10.2003 :share capital
Share capital: 1 172 190 UAH.

- 14.03.2003 :managers, authorised signature
Director: Mr Sergey Illarionovich Demenyuk.

- 04.01.2002 :managers, authorised signature
Director: Mr Vladimir Nikolaevich Zhestkov.

Activities :- 50 WHOLESALE TRADE- DURABLE GOODS
-75 AUTO REPAIR, SERVICES, AND GARAGES

Commercial activities; representation of foreign manufacturers of technical equipment (engines and spare parts, braking systems, transmission lines, transmission cases, cars, etc.).

Staff employed :43
Company's administration data.

Staff History :- 40
Official data.

Export / Import :Company's administration data:

Export:
countries: Germany, Russian Federation
exported goods: transmission lines, bridges

Import:
countries: Germany, Hungary
imported goods: engines and spare parts, braking systems

Import
- 01.01.2008 :Fiscal period: 12 month(s), currency: *UAH* 5 964 672.00

Hungary, Germany, United States of America, Italy
Imported goods: screws, sensors, bushes, engines, sealing rings, pistons, thermostats, inhalers and other automotive spare parts.

Official data.

Facilities
Real estate :*unknown ownership*:
-Premises - Office
address: 12a Melnykova str., apt. 1, Kyiv, 01001, Ukraine

Branches : none

Subsidiaries and Participation : none

Bankers :-SvedBank OAO (*Ukraine*)
address:Kyiv, Ukraine
bank code:300164
account(s):26005005987701

-Ukreksimbank, Kyiv branch (*Ukraine*)
bank code:380333
account(s):26051024031993 UAH, 26050014031993 EUR,
26005014031993 USD

Suppliers :- XXXXXXXX (United States of America)
 - XXXXXXXX S.p.a. (Italy)
 - XXXXXXXX AG (Germany)
 - XXXXXXXX PS (Germany)
 - XXXXXXXX Fekrendszerek Kft. (Hungary)
 - XXXXXXXX (Italy)

Litigation :According to the official data on 08.05.2008, there are no bankruptcy records registered against the company.

Remarks on payment :No official information is available according to the Ukrainian legislation.

Financial Elements

Period, months	12	12	12
Ended	01.01.2008	01.01.2007	01.01.2006
Currency	UAH th	UAH th	UAH th
Non-current assets	823.30	521.00	457.80
incl: - Fixed assets	823.30	521.00	457.80
- Financial assets			
Current assets	2 662.40	1 890.10	1 063.30
incl: - Stock	1 349.40	1 023.90	778.50
- Debtors	1 182.20	811.50	169.90
- Cash	76.10	30.10	70.60
ASSETS TOTAL	3 499.30	2 411.10	1 521.10
Equity	1 034.50	956.10	679.70
incl: - Share capital	3 175.20	3 175.20	2 556.40
Liabilities Total	2 464.80	1 455.00	841.40
incl: - Long-term liabilities	0.00		
- Short-term liabilities	2 464.80	1 455.00	841.40
EQUITY AND LIABILITIES TOTAL	3 499.30	2 411.10	1 521.10
Net sales	16 569.30	7 689.80	
Cost of goods sold			
Operating profit			
Profit before taxation	-123.90	-629.90	
Net profit	-287.40	-629.90	
- - - - - KEY RATIOS - - - - -			
- - -			
Return on sales, %	-0.75	-8.19	
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investment, %	-11.98	-65.88	
Profit before taxation / Equity			
Current assets turnover	6.22	4.07	
Net sales / Current assets			

Working capital	197.60	435.10	221.90
Current assets - Short-term liabilities			
Leverage	0.30	0.40	0.45
Equity / Total assets			
Current ratio	1.08	1.30	1.26
Current assets / Short-term liabilities			
Quick ratio	0.53	0.60	0.34
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	2.38	1.52	1.24
Total liabilities / Equity			

The company pays taxes to the State Tax Administration.

FINAL COMMENTS

The administrative staff of the Company has provided us with the supplementary general and financial data.

Capital History

- 07.02.2006	:3 175 237 UAH (registered) (the data as of 07.02.2006)
- 01.12.2005	:2 556 410 UAH (registered) (the data as of 01.12.2005)
- 27.10.2003	:1 172 190 UAH (registered) (the data as of 27.10.2003)
- 28.12.2001	:105 890 UAH (registered) (the data as of 28.12.2001)

APPENDIX A

Financial Statements

- 01.01.2008 :Fiscal period: 12 month(s), currency: UAH, th

SMALL ENTREPRENEUR'S PROFIT AND LOSS ACCOUNT (s)

010	Sales revenue (Income from sales of goods, work, services)	16569.30
020	Indirect taxes and other compulsory payments	2 751.60
030	Net sales revenue (010-020)	13817.70
040	Other operating income	482.30
050	Other income from ordinary activity	67.30
060	Extraordinary income	
070	Net revenue total	14367.30

(030+040+050+060)		
080	Change in work-in-progress and finished goods	
090	Tangible expenses	251.00
100	Payroll costs	677.80
110	Allocation to social needs	314.60
120	Amortization charges	140.80
130	Other operating charges	2 991.40
131	incl.	
140	Cost of sales	10112.90
150	Other ordinary activity expenses	2.70
160	Extraordinary charges	
170	Profit tax	163.50
180	Charges total	14654.70
(090+100+110+120+130+140+150+ +160+170+ -080)		
190	Net profit (070-180)	-287.40
- - - - -		
- - - - -		

BALANCE SHEET

ASSETS

I. NON-CURRENT ASSETS		
Intangible assets		
010	residual value	
011	acquisition cost	
012	depreciation	
020	Construction in progress	
Fixed assets		
030	residual assets	823.30
031	acquisition cost	1 311.30
032	depreciation	488.00
Long-term financial		
assets		
040	Capital participation in other enterprises	
045	Other financial investments	
050	Long-term accounts receivable	
060	Deferred tax charges	
070	Other non-current assets	
080	NON-CURRENT ASSETS TOTAL	823.30
II. CURRENT ASSETS		
Stock		
100	Raw materials, consumables and supplies	147.10
110	Working and productive animals	

120	Construction in progress	
130	Finished goods	1 202.30
140	Goods for resale	
150	Bills of exchange receivable	
	Trade debtors:	
160	net realizable value	439.60
161	acquisition cost	439.60
162	doubtful debts reserve	
	Accounts receivable	
170	Budget accounts receivable	400.60
180	Payments in advance	342.00
190	Accrued income	
200	Internal payments	
210	Other current accounts receivable	
220	Current financial investments	
	Cash at bank and in hand	
230	Funds in local currency	43.50
240	Funds in foreign currencies	32.60
250	Other current assets	54.70
260	CURRENT ASSETS TOTAL	2 662.40
270	III. DEFERRED CHARGES	13.60
280	ASSETS TOTAL	3 499.30

EQUITY AND LIABILITIES

	I. CAPITAL AND RESERVES	
300	Authorized capital	3 175.20
310	Share capital	
320	Additional contributed capital	
330	Other additional capital	
340	Reserve capital	
350	Retained earnings (loss)	-2140.40
360	Unpaid capital (minus)	-0.30
370	Retired capital (minus)	
380	CAPITAL AND RESERVES TOTAL	1 034.50

II. PROVISIONS FOR EXPENSES AND

	LIABILITIES	
400	Provisions for payments to personnel	
410	Other provisions	
415	Insurance reserves	
416	portion covered by insurers	
420	Special-purpose funding	
430	PROVISIONS FOR EXPENSES AND	0.00

LIABILITIES TOTAL

III. LONG-TERM

LIABILITIES		
440	Long-term amounts owed to credit institutions	
450	Other financial liabilities	
460	Deferred tax liabilities	
470	Other long-term liabilities	
480	TOTAL LONG-TERM LIABILITIES	0.00
IV. SHORT-TERM		
LIABILITIES		
500	Short-term amounts owed to credit institutions	
510	Short-term portion of long-term liabilities	
520	Bills of exchange payable	
530	Trade creditors	1 699.10
Accounts payable:		
540	Advance payments	
550	Budget accounts payable	409.60
560	Non-budget accounts payable	
570	Insurance payments	22.80
580	Accrued payroll	
590	Liabilities to shareholders	
600	Internal payments	
610	Other short-term liabilities	333.30
620	SHORT-TERM LIABILITIES	2 464.80
TOTAL		
630	V. DEFERRED INCOME	
640	EQUITY AND LIABILITIES TOTAL	3 499.30
- - - - -		
- - - - -		

- 01.01.2007

:Fiscal period: 12 month(s), currency: UAH, th

SMALL ENTREPRENEUR'S PROFIT AND LOSS ACCOUNT (s)

010	Sales revenue (Income from sales of goods, work, services)	7689.80
020	Indirect taxes and other compulsory payments	1269.00
030	Net sales revenue (010-020)	6420.80
040	Other operating income	479.30
050	Other income from ordinary activity	14.20
060	Extraordinary income	
070	Net revenue total (030+040+050+060)	6914.30
080	Change in work-in-progress and finished goods	0.10

090	Tangible expenses	196.70
100	Payroll costs	496.20
110	Allocation to social needs	218.00
120	Amortization charges	114.80
130	Other operating charges	2136.30
131	incl.	
140	Cost of sales	4329.00
150	Other ordinary activity	53.30
expenses		
160	Extraordinary charges	
170	Profit tax	
180	Charges total	7544.20
(090+100+110+120+130+140+150+		
+160+170+ -080)		
190	Net profit (070-180)	-629.90
- - - - -		
- - - - -		

BALANCE SHEET

ASSETS

I. NON-CURRENT ASSETS		
Intangible assets		
010	residual value	
011	acquisition cost	
012	depreciation	
020	Construction in progress	2.50
Fixed assets		
030	residual assets	518.50
031	acquisition cost	865.80
032	depreciation	347.30
Long-term financial		
assets		
040	Capital participation in other enterprises	
045	Other financial investments	
050	Long-term accounts receivable	
060	Deferred tax charges	
070	Other non-current assets	
080	NON-CURRENT ASSETS TOTAL	521.00
II. CURRENT ASSETS		
Stock		
100	Raw materials, consumables and supplies	128.60
110	Working and productive animals	
120	Construction in progress	
130	Finished goods	895.30
140	Goods for resale	

150	Bills of exchange receivable	
	Trade debtors:	
160	net realizable value	434.20
161	acquisition cost	434.20
162	doubtful debts reserve	
	Accounts receivable	
170	Budget accounts receivable	121.20
180	Payments in advance	
190	Accrued income	
200	Internal payments	
210	Other current accounts	256.10
	receivable	
220	Current financial investments	
	Cash at bank and in hand	
230	Funds in local currency	22.50
240	Funds in foreign currencies	7.60
250	Other current assets	24.60
260	CURRENT ASSETS TOTAL	1
		890.10
270	III. DEFERRED CHARGES	
280	ASSETS TOTAL	2411.10
	EQUITY AND LIABILITIES	
	I. CAPITAL AND RESERVES	
300	Authorized capital	3175.20
310	Share capital	
320	Additional contributed	
	capital	
330	Other additional capital	
340	Reserve capital	
350	Retained earnings (loss)	-1
		861.10
360	Unpaid capital (minus)	358.00
370	Retired capital (minus)	
380	CAPITAL AND RESERVES TOTAL	956.10
	II. PROVISIONS FOR	
	EXPENSES AND	
	LIABILITIES	
400	Provisions for payments to	
	personnel	
410	Other provisions	
415	Insurance reserves	
416	portion covered by	
	insurers	
420	Special-purpose funding	
430	PROVISIONS FOR EXPENSES AND	
	LIABILITIES TOTAL	
	III. LONG-TERM	
	LIABILITIES	
440	Long-term amounts owed to	
	credit institutions	

450	Other financial liabilities	
460	Deferred tax liabilities	
470	Other long-term liabilities	
480	TOTAL LONG-TERM LIABILITIES	
	IV. SHORT-TERM	
	LIABILITIES	
500	Short-term amounts owed to credit institutions	
510	Short-term portion of long-term liabilities	
520	Bills of exchange payable	
530	Trade creditors	1177.20
	Accounts payable:	
540	Advance payments	
550	Budget accounts payable	128.10
560	Non-budget accounts payable	
570	Insurance payments	18.50
580	Accrued payroll	0.10
590	Liabilities to shareholders	
600	Internal payments	
610	Other short-term liabilities	131.10
620	SHORT-TERM LIABILITIES TOTAL	1455.00
630	V. DEFERRED INCOME	
640	EQUITY AND LIABILITIES TOTAL	2411.10

- 01.01.2006

:Fiscal period: 12 month(s), currency: UAH, th

BALANCE SHEET

ASSETS

	I. NON-CURRENT ASSETS	
	Intangible assets	
010	residual value	
011	acquisition cost	
012	depreciation	
020	Construction in progress	1.00
	Fixed assets	
030	residual assets	456.80
031	acquisition cost	718.30
032	depreciation	261.50
	Long-term financial	
	assets	
040	Capital participation in other enterprises	
045	Other financial investments	
050	Long-term accounts receivable	
060	Deferred tax charges	
070	Other non-current assets	
080	NON-CURRENT ASSETS TOTAL	457.80

	II. CURRENT ASSETS	
	Stock	
100	Raw materials, consumables and supplies	77.20
110	Working and productive animals	
120	Construction in progress	
130	Finished goods	701.30
140	Goods for resale	
150	Bills of exchange receivable	
	Trade debtors:	
160	net realizable value	86.70
161	acquisition cost	86.70
162	doubtful debts reserve	
	Accounts receivable	
170	Budget accounts receivable	29.60
180	Payments in advance	
190	Accrued income	
200	Internal payments	
210	Other current accounts receivable	53.60
220	Current financial investments	
	Cash at bank and in hand	
230	Funds in local currency	22.00
240	Funds in foreign currencies	48.60
250	Other current assets	44.30
260	CURRENT ASSETS TOTAL	1063.30
270	III. DEFERRED CHARGES	
280	ASSETS TOTAL	1 521.10

EQUITY AND LIABILITIES

	I. CAPITAL AND RESERVES	
300	Authorized capital	2 556.40
310	Share capital	
320	Additional contributed capital	
330	Other additional capital	
340	Reserve capital	
350	Retained earnings (loss)	-1
		231.20
360	Unpaid capital (minus)	645.50
370	Retired capital (minus)	
380	CAPITAL AND RESERVES TOTAL	679.70
	II. PROVISIONS FOR EXPENSES AND LIABILITIES	
400	Provisions for payments to personnel	
410	Other provisions	

415	Insurance reserves	
416	portion covered by	
	insurers	
420	Special-purpose funding	
430	PROVISIONS FOR EXPENSES AND	
	LIABILITIES TOTAL	
	III. LONG-TERM	
	LIABILITIES	
440	Long-term amounts owed to	
	credit institutions	
450	Other financial liabilities	
460	Deferred tax liabilities	
470	Other long-term liabilities	
480	TOTAL LONG-TERM LIABILITIES	
	IV. SHORT-TERM	
	LIABILITIES	
500	Short-term amounts owed to	
	credit institutions	
510	Short-term portion of long-	
	term liabilities	
520	Bills of exchange payable	
530	Trade creditors	709.70
	Accounts payable:	
540	Advance payments	
550	Budget accounts payable	26.40
560	Non-budget accounts payable	
570	Insurance payments	4.60
580	Accrued payroll	
590	Liabilities to shareholders	
600	Internal payments	
610	Other short-term	100.70
	liabilities	
620	SHORT-TERM LIABILITIES	841.40
	TOTAL	
630	V. DEFERRED INCOME	
640	EQUITY AND LIABILITIES TOTAL	1 521.10

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* * * E N D O F R E P O R T * * *

FINANCIAL ANALYSIS AND CONCLUSION
6.1 ANALYSIS OF FINANCIAL INDEXES

(There were used the Company's financial reports for 2006 and 2007 fiscal years , as well as average branch key ratios calculated with median values method on the basis of information from IGK Group Data base).

1. Sales increased from UAH Th 7 689 in 2006 to UAH 16 569 Th in 2007.
Sales growth has reached 115,49%.
2. Losses in 2006 and 2007 stood at UAH Th 629,9 and UAH 287,4 Th accordingly.
However, value of this figure depends on the Company's business specificity that consists in the following:
Alongside with its main activities, the Company renders also representative service to draw clients on behalf of Suppliers.
New clients conclude direct contracts with Suppliers, and payments are effected also directly to Suppliers.
Representative services are reimbursed in certain period of time.
Thus, as payments for representative services are forthcoming with time-lag, but charges for representative activities summarize with expenses for main activities, it results in losses at the Profit/Loss accounts. However, it is well to bear in mind that the abovementioned losses do not reflect low profitability of the Company's business but display the specificity of payment terms for services rendered by the Company.
Value of losses before taxation has come down from UAH 629,9 Th in 2006 to UAH 123,9 Th in 2007.
3. The Company's assets value has increased from UAH 2 411 Th in 2006 to UAH 499 Th in 2007. Growth has reached 45,13 %.
4. The Company's Equity has increased from UAH 956 Th in 2006 to UAH 1034 Th in 2007. It ought to be remarked that UAH 358 Th of unpaid capital as of 31.12. 2006 was fully paid in 2007.
5. Equity Sufficiency, that is measured by debt-to-capital ratio "Liabilities total / Capital and Reserves total", stood at 1,52 in 2006 and 2,38 in 2007. This ratio is within standard spread (not more than 4,88), that is rather better than average value for branch (4,86), and it testifies to the Company's relatively low dependence on borrowed funds.
6. Liquidity ratios:
 - Current ratio (Current assets / Short-term liabilities) stood at 1,30 in 2006 and 1,08 in 2007. This ratio is on the verge of standard spread (not less than 1), but, at the same time, it is rather better than the average value for the branch (0,60).
 - Quick ratio (Current assets - Inventories / Short-term liabilities) stood at 0,60 in 2006 and 0.53 in 2007.
This ratio is on the verge of standard spread, but, at the same time, it is rather better than the average value for the branch (0,32).
 - Working capital amounted to UAH 435 Th in 2006 and UAH 197 Th in 2007.
 - According to data accessible, as of 31.03.2008 the Company did not have overdue accounts receivable as well as overdue accounts payable.
 Abovementioned indicators testify to the Company's relatively low dependence on short-term liabilities and display the Company's sufficient payment funds as well as its ability to meet its short-term obligations timely.

7. Current Assets Turnover ratio (Net sales per year / Current assets), stood at 4,07 in 2006 and at 6,22 in 2007. Within latest fiscal period this ratio has grown by 52,8%, it is within standard spread and corresponds to average value for branch (6,39).
8. The Company's Fixed Assets value amounted to UAH 521 Th at the end of 2006 and UAH 823 Th at the end of 2007, growth has reached 57,9%. As of latest date reported (31.12.2007), the Company did not own any real estate.

Note:

According to the Company's data, its parent Company Xxxxxxt AG possess the following real estate at the territory of Ukraine:

- 3-storey cottage located in Kiev city, total area 413,4 sq. m. , current market value is assessed at EUR 1 500 000.

- there was bought the Service Station located in Xxxxx town situated at Kiev region. Total area is 702 sq.m., current market value is assessed at USD 700 000. Curtilage (the enclosed area of land around a dwelling, 1400 sq.m.) is rented, its privatization is planned. The Service Station's reconstruction and re-equipping are also planned, their total cost is assessed at UAH 1 290 000.

After the Station's reconstruction and the curtilage privatization are completed, the object's market value is awaited to be increased up to USD 1 200 000 – 1 400 000.

CONCLUSION

As a result of the analysis of available data it is possible to conclude the following:

The Company is on the rise, and it is one of major players in the market of Ukraine in the segment.

The analysis of data of the financial reporting resulted above, shows, that the basic financial ratios are within standard spread. General financial indicators/ratios of the Company are better than averages on branch or correspond to them. The basic parameters of the Company testifies to rather low dependence of the Company on short-term obligations and reflect sufficient payment opportunities of the Sample Company for duly repayment of current debts.

According to available data, as of 31.03.2008 Company had neither delayed accounts receivable nor the delayed accounts payable.

The parent Company owns the real estate in the territory of Ukraine.

The maximum unsecured credit amount granted to the Company can make EUR 50 000 at a risk level, estimated as normal.

Credit limit can be increased up to EUR 100 000 under condition of proper guarantees granted by the parent Company.

APPENDIX

Date: 27-06-2008

Your Enquiry on: Xxxxxx AG
36 Holzhaeusernstrasse
6343 Rotkreuz

Name: Xxxxxx AG
Line of Business: Beteiligungen
Legal domicile: c/o Dr. oec. Xxxxxx
Sonnhaldenstrasse 89
6331 Huenenberg/ZG
Switzerland
Telephone: 041 7807382

CREDIT ADVICE

Requested credit: None

All amounts in this report are given in Swiss Francs (CHF) unless otherwise stated.

GENERAL SAMPLE COMPANY DATA

OFFICIAL DATA:

Legal form: Joint stock Xxxxxx Company
First Publication: 15-04-1985
Last Publication: 14-07-2003
Share capital: 100.000
Paid up: 100.000
Divided into: 1.000 Bearer shares of 100
History: 02-09-1997 100.000
Capital increase 50.000
Capital by incorporation

Shareholders: Details of the shareholders were not made available to us

Sample Company Management: Xxxxxx
Registered domicile 08-07-2003, 6331 Xxxxxx /ZG
02-09-1997, 6343 Risch/ZG
Previous, 6331 Huenenberg/ZG

ACTIVITY:

Line of business: Participatory investments
Sector: Business services

Activity:

The Sample Company is allegedly dedicated to the acquisition and management of associated companies of all kinds. The Sample Company insists on the fact that operative business activities are actually being conducted in Switzerland.

Xxxxxx vAG, Huenenberg

For third parties it is however impossible to determine any proper material business activities, a proper corporate infrastructure respectively.

EMPLOYEES:

Number of employees: Personnel information was not made available

PAYMENT AND FINANCIAL DATA

PAYMENT EXPERIENCES:

Legal actions: Information only available against proof of interest.

There is complete lack of experience regarding the business and payment conduct. Any financial transactions should therefore preferably be safeguarded by appropriate capital guarantees or securities.

FINANCIAL DATA:

Financial position: Since the Company does not appear to conduct any activities, locally an assessment of the financial situation is not possible.

Financial Statements: The Company does not disclose any financial statements.

Banker(-s): Not known

Auditors: Xxxxxx AG, Boettstein

Fiscal taxation: No information is available due to the local tax authority regulation.

COMPANY AND PERSON RELATIONS

COMPANY CONNECTIONS:

At the header address the Company is domiciled with Dr. oec. Xxxxxx Xxxxxx.
The said phone number also corresponds to Xxxxxx Xxxxxx.

Xxxxxx AG, Huenenberg

BOARD OF DIRECTORS:

Xxxxxx Xxxxxxx, from Zuerich, Wattwil, in Ebmatingen/ZH/Switzerland, Sole Member, sole signature.

PERSONNEL INFORMATION:

Xxxxxx Xxxxxxx is married to Xxxxxx Xxxxxxx and lives at the address Xxxxxx Xxxxxxx 3 in 8123 Ebmatingen.

FURTHER MANDATES:

Juerg Heberlein:

- Xxxxxx AG, Glarus
- Xxxxxx GmbH, Zuerich
- Xxxxxx Trust AG, Glarus
- Xxxxxx AG, Zuerich
- Xxxxxx AG, Huenenberg

COMMENTS:

Third parties are not permitted any insight into the subject's corporate affairs.

***** END OF REPORT *****



MONEY IS THE BLOOD OF ECONOMY.
LET IT FLOW FREELY

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