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Press-release

(Translation from Russian)

RA «Expert-Rating» confirms the credit rating to bonds of the leasing company «ENMARK»

November 7, 2012 the Rating agency «Expert-Rating» confirms the rating of the bond issue of the company «ENMARK», LLC at the level **uaBBB-** according to the national scale. The borrower or separate bond with rating **uaBBB-** is characterized by sufficient solvency in comparison with other Ukrainian borrowers or bonds. The level of solvency depends on the impact of unfavorable commercial, financial and economic conditions. Confirming the credit rating, the Agency was guided by the results of the company's activity for the 9 months of 2012.

Table 1

Key performance indicators of «ENMARK», LLC (th. UAH, %)

Indicators	9 months of 2012 (01.10.2012)	9 months of 2011 (01.10.2011)	Change for 2011-2012	Growth rate 2011-2012
Balance sheet indicators:				
Cash and cash equivalents in national currency	153,2	111,2	42,0	37,8%
Total liabilities	15807,4	11873,1	3934,3	33,1%
Short-term and long-term bank loans	8728,2	6361,7	2366,5	37,2%
Total debt to the bondholders	4295,0	2251,1	2043,9	90,8%
Shareholders' equity	3966,1	3919,9	46,2	1,2%
Total assets	19773,5	15793,0	3980,5	25,2%
Authorized fund	4450,0	4450,0	0,0	-
Financial results:				
Total revenue	16286,3	16713,1	-426,8	-2,6%
Financial result from operating activity	1330,5	752,0	578,5	76,9%
Financial income	3281,8	1543,9	1737,9	112,6%
Financial expenses	1315,2	649,6	665,6	102,5%
Expenses for paying interests on bonds for the Q3 of 2012	240,9	91,9	149,0	162,1%
Net profit	9,4	93,8	-84,4	-90,0%
Ratios:				
Shareholders' equity/Liabilities ratio	25,1%	33,0%	-7,9 p.p.	
ROE	0,2%	2,4%	-2,2 p.p.	
ROA	0,05%	0,59%	-0,5 p.p.	

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

* - Key activity of the Company is financial leasing, due to that, interest incomes, drawn from this activity, are considered by the Company as operational.

1. In the period from 01.10.2011 to 01.10.2012 assets of «Enmark», LLC have grown by UAH or by 37,8%, liabilities of the Company have grown by 33,1% in the same period. Debt to the bondholders has increased more than by UAH 2 mln. Expenses for paying interests on bonds have amounted to UAH 240,9 th. in the third quarter of 2012 that is by 162% higher than in the third quarter of 2011. Growth of expenses for paying bond debt is related to the increase in the placed bonds. Borrowed funds have been used for performing leasing agreements in order to increase the leasing portfolio. This fact indicates the growth of the Company's activity in the financial services market.

2. The growth of liabilities has resulted in the decrease in the Company's autonomy. Liabilities of the Company have increased due to raising bunking financing and funds from the bond sale. «Enmark», LLC relates to the category of leasing companies that means the presence of the lower autonomy ratio than the companies from real sector have. Thus, the ratio of shareholders' equity to liabilities has decreased by 7,9 p.p.

Table 2

Indicators, characterizing the leasing portfolio of «ENMARK», LLC (th. UAH, %, pcs)

Indicators	9 months of 2012 (01.10.2012)	9 months of 2011 (01.10.2011)	Change for 2011-2012	Growth rate 2011-2012
Total value of leasing agreements (th. UAH)	41615,1	25207,5	16407,6	65,1%
Number of leasing agreements (pcs)	74,0	41,0	33,0	80,5%
Value of leasing agreements, which end in less than 12 months (th. UAH)	31874,6	17115,1	14759,5	86,2%
Value of leasing agreements with individuals (th. UAH)	5800,3	3363,2	2437,1	72,5%
Value of leasing agreements from the largest three clients (th. UAH)	7779,2	8024,8	-245,6	-3,1%
Value of leasing agreements whose payments are delayed more than by 30 days (th. UAH)	0,0	0,0	-	-
Total reserves formed for compensating loss from the impairment of leasing portfolio (th. UAH)	0,0	0,0	-	-
Gross leasing payments derived from clients for the period (th. UAH)	8177,7	5396,6	2781,1	51,5%
Short-term receivables of the leasing portfolio (th. UAH)	208,0	92,2	115,8	125,6%
Bad debts provision (th. UAH)	0,0	0,0	-	-

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

3. In the period from 01.10.2011 to 01.10.2012 «Enmark», LLC has managed to increase its leasing portfolio. The quantity of agreements has increased by 80,5%. The leasing portfolio has risen in price by UAH 16,4 mln. The value of the leasing agreements with individualshas increased by 72,5%, while the Company has managed to keep the ratio of individuals to legal entities in the general portfolio at the level of last year. The growth of the portfolio has resulted in the growth of total leasing payments by 51,5% in respect of the indicator according to the results of the 9 months of 2011. Short-term has increased by UAH 115,8 th. The Company still manages to reduce the delays of payments of more than 30 days to zero.

In general, the decrease in the autonomy ratio of the issuer and in the profitability of operations according to the results of the 9 months of 2012, in the Agency's opinion, won't significantly affect the credit risk typical for the issuer's activity.

Analytical service of RA «Expert-Rating»