

'Expert-rating' rating agency
01 June 2010
Quarterly rating actualization

Press release

'Expert-rating' RA confirms the rating of JSC 'KINTO' at the level uaAA.amc (very high stability level with a positive forecast)

'Expert-rating' RA confirms the infrastructure rating of asset management company OJSC 'KINTO' at level **uaAA.amc** (very high stability level with a positive forecast):

- for 3 years in succession the 'KINTO' company remains largest AMC of the country on amount of net assets of open-end and interval funds; on the beginning of 2010 net assets of open-end and interval funds under management of 'KINTO' made up 25.83% of assets of all funds of this kind in Ukraine;

- as of 01.04.2010 net assets of funds under control of 'KINTO' grew by 50.59% compared to the same period of the last year, and net assets of NPFs — by 115.5%. 'KINTO' continued to steadily hold positions of absolute leader in the segment of public funds management;

- Company gain for the first quarter has grown by 4.21%. The company continued to invest in product line enlargement and development of communications with investors. Exactly this strategy allowed 'KINTO' to successfully hold an essential share of the public mutual funds market in Ukraine.

Key performance indicators of JSC 'KINTO'

Indicators	Q1 2010	Q 1 2009	Change, ths. UAH	Growth rate, %
Total net assets under AMC management, th. UAH	555714.36	369016.44	186697.9	50.59%
Quarter growth rate of net assets under AMC management, th. UAH	112527.42	-39714.54	-	-
Public funds net assets, th. UAH	486478.86	303076.06	183402.8	60.51%
Share of public funds in the net assets under AMC management	87.54%	82.13%	5.41 n.n.	-
Net value of NPF assets under AMC management, th. UAH	21145.17	9814.07	11331.1	115.46%
Share of pension funds in the net assets under AMC management	3.81%	2.66%	1.15 n.n.	-
Number of funds under management including NPF (pc)	16	15	-	-
Shareholders equity, th. UAH	92224	104429	-12205	-11.69%
Shareholders equity/net assets under AMC management	16.60%	28.30%	-11.7 n.n.	-
Authorized capital, th. UAH	66660	66000	660	1.00%
Proceeds, th. UAH	3395.0	3258.0	137	4.21%
Net profit (loss), th. UAH	-3043.0	-2851.0	-192	-
Return on sales (Net profit/Proceeds)	-	-	-	-
ROE, %	-3.30%	-2.73%	-0.57 n.n.	-

Source: Company data, calculations by 'Expert Rating' RA

Confirming the rating the Agency was guided by following conclusions:

1. In the first quarter KINTO company continued to steadily hold the share of public funds management market in Ukraine. According to UAIB data and Agency calculations, at the beginning of the first quarter the share of open-end and interval funds under management of KINTO made up 25.83% of such funds in Ukraine. In March 2010 AMC KINTO stated the

launch of new 'KINTO-Spring' fund. This is the first of the 4 funds of 'KINTO-Seasons' cascade for which the targeted return is planned at level of two depositary rates of leading banks at minimisation of market risks. Taking into account the difficulties of national market of mutual funds development, 'KINTO' expands its product line, which is most interesting to population by today.

2. The market of public funds in Ukraine has shown growth. Considering that on the beginning of Q2 2010 public funds constituted 87% of net assets in KINTO funds, this market remained a priority one the Company. Growth of stock market in Q1 2010 and new funds launched by KINTO explain 50.6% growth of net assets of funds under KINTO management on, and 60.5% growth of those of public funds. No KINTO fund showed negative return following Q1 results. 'KINTO Equity' open-end diversified unit investment fund has shown the highest profitability among 'KINTO' funds: value of its assets has grown on 38.3% in Q1 2010. Profitability data for other public KINTO funds in Q1 2010 are the following:

- 'Classical' open-end diversified unit investment fund: +30,8%
- 'Narodny' ('Peoples') interval diversified unit investment fund: +28,3%
- 'Dostatok' ('Welfare') interval diversified unit investment fund: +21,4%
- 'Synergy-7' closed end non-diversified corporative investment fund: **+32,6%**
- 'Synergy-5' closed end non-diversified corporative investment fund: +28,2%
- 'Synergy-4' closed end non-diversified corporative investment fund: +28,9%
- 'Synergy-3' closed end non-diversified corporative investment fund: **+34,4%**
- 'Synergy Real Estate' closed end non-diversified corporative investment fund: +2,7%
- 'Synergy Bond' closed end non-diversified corporative investment fund: +4,5%

3. The Company reported a UAH 3.043 mln loss following Q1 2010, that is by 6.73% more than the Q1 2009 loss. The size of loss is not dangerous to the Company and does not entail serious implications for it. The main reason of unprofitable work in Q1 2010 is that, despite positive dynamics, the total assets of funds under KINTO management has not yet recovered up to pre-crisis level. Regardless of whatsoever KINTO does not stop developing: in Q1 the first dividend CIF 'KINTO-Spring' was launched; the second fund 'KINTO-Summer' is prepared to be launched. Namely such a strategy has allowed to hold the existing public mutual funds market share in Ukraine and to offer to investors a wide product range of funds.

'Expert-rating' RA analytical service.