



# Interim Results (Jan-Sep 2002)

Presentation to investment  
community

November 12, 2002

Moscow

# Disclaimer

- This presentation is directed toward institutional investors and capital market professionals; all materials are distributed as part of UHM information disclosure program and are not intended as an offer or solicitation for the purchase or sale of any financial instrument.
- Unless otherwise specified, all financials in this presentation are preliminary un-audited results based on management accounts compiled according to Russian accounting standards.

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# Main Results

- 9 month 2002 revenues totaled \$270 mil, 21% increase compared to the same period of 2001
- Revenue increase was on 61% contributed by acquisitions made during the last 12 months and on 39% by organic growth of existing operations

# Sales Breakdown by Business Segments, USD mil

<b>Biz segment</b>	<b>9 mo 2002</b>	<b>9 mo 2001</b>
OILEQ	103	41
NPPEQ	45	39
STEEL	30	43
METEQ	29	29
MINEQ	27	29
SHIP	10	13
<b>Total (incl. misc.)</b>	<b>270</b>	<b>223</b>

# Largest Contracts, Q3 '02

- NPPEQ – won a tender to develop spent nuclear fuel transport containers (SNF) for Kozloduy (Bulgaria) NPP
- OILEQ – won a tender to deliver 4 mobile oil and gas drilling rigs for Syria
- SHIP – signed a contract with Volga Shipping to build 10 dry cargo river-sea type vessels

# Largest Contracts, Q3 '02

- MINEQ – closed the first sale of new generation hydraulic crawler-mounted shovel for *Phosphorit Group*
- METEQ – signed the contracts to deliver rolling-mill equipment for Romanian and North American plants of *Ispat Group*
- STEEL – signed a number of contracts with “*Power Machines*” group of companies including one to supply rotor for generator developed by OAO Electrosila

# Debt Market Strategy

- At the end of October Standard & Poor's upgraded UHM rating on Russian domestic scale to ruBBB from ruBB+; international rating was confirmed at CCC+/Positive
- UHM paid back all outstanding bank loans with interest rate exceeding 14%; \$36 mil were raised on the market including \$30 mil in first international financing deal in form of 2 years unsecured credit linked notes with 11.25% interest rate



# Acquisitions, Reorganization

- The company keeps on moratorium on new acquisitions announced by Board of Directors on September 21; UHM is actively working on integration of previously purchased companies and on cost optimization
- In 2002 the company reduced its staff by about 5,000 employees or 12% of its workforce; 10,700 sq.m. of non-used industrial premises were sold
- UHM started to work on its 2002 GAAP financials including consolidation of all acquisitions made in 2002 and segmentation by business units according to FAS # 131 of US FASB (with full disclosure of 2002 financial results by business segments)

# Customer Financing

- On November 26 the kick off meeting of banks participating in UHM Finance program will take place
- UHM Finance is a marketing initiative by UHM aimed to create a strategic alliance between the Company and Russian subsidiaries of largest international banks in order to provide loans to UHM prospective customers for purchase of UHM equipment, with interest on those loans to be partially subsidized by UHM
- The program will allow financing purchases of UHM equipment by Russian customers in a range of \$25-\$50 mil a year

# Investor Relations

- [www.uhmglobal.com](http://www.uhmglobal.com) – the main source for professional information about UHM operations
- UHM made a decision to suspend distribution of projections and other forward looking announcements following requirements set by London Stock Exchange (planned primary international market for UHM stocks) listing admission rules
- In December UHM stocks will be included in main list of RTS according to new FKTsB (Russian SEC) listing rules (RTS decision on that is expected in November). UHM shares are already listed on MICEX

# Calendar

- December 2, 2002 – UHM Finance is publicly launched
- December 5, 2002 – UHM will publish disclosure on its financial position and dividend policy
- December 19, 2002 – UHM Board of Directors meeting (agenda includes key issues of long term business strategy, capital market strategy, option plan etc.)
- Q1 '03 – LSE listing; refinancing of UHM domestic bonds