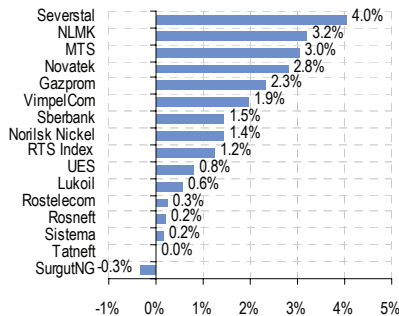
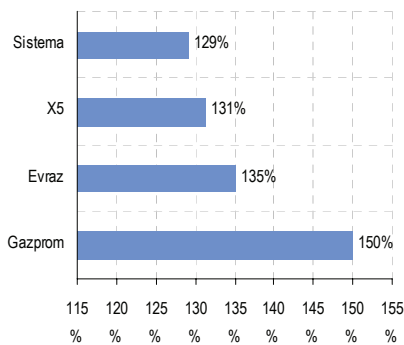


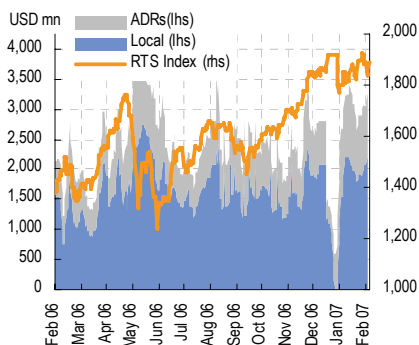
### Blue chips: advancers and decliners



### Volume monitor: daily/3M avg. volume



### RTS index and weekly trading volumes



### Upcoming events

|         |   |
|---------|---|
| Feb     | RBC board to set cut-off date for IT spin-off |
| 16-Feb  | Severstal investor day in London              |
| 26-Feb  | 3G license bidding closes                     |
| 27-Feb  | CTC Media FY06 results                        |
| Mid-Feb | 36.6 4Q06 operating results                   |
| Mid-Feb | Magnit trading update for January             |
| 13-Mar  | BBH 2006 results                              |
| 15-Mar  | State to auction 3.3% of Northwest Telecom    |
| 15-Mar  | Baltika 2006 consolidated results             |

### Market

- The RTS Index rallied 1.2% to 1,890, led by Gazprom (an earnings surprise) and Severstal (MSCI Index inclusion). Renewed nervousness over oil prices may result in volatility today.

### Top news and ideas

- **Utilities: UES may make strategic investors commit to fixed investment plans.** If followed through, this move may reduce interest in Russia's generation assets among strategic buyers and increase the risk of overinvestment.
- **Dalsvyaz: Receives new back tax claim for USD34 mn.** At 6% of the company's market capitalization, the claim may impact the shares, although most of the charge can probably be reversed.
- **X5: Management team strengthened with new appointments.** X5 is importing international experience and best practices, which we view as positive.

### Other highlights

- **Brief – Severstal shares will be included in MSCI Russia index from March 1 with a 1% weighting.** This should be supportive for the share price as inclusion should attract more investor interest and technical buying.
- **Brief – Magnit released its monthly trading update today showing revenue growth of 56.6% in January,** with 10 new stores opened. Our estimates for 2007 include revenue growth of 40% and 307 new stores opened.
- **Brief – Pharmakor, Russia's third-largest drugstore chain, with 1H06 sales of USD60 mn, plans to open 100 new pharmacies in 2007 (RBC Daily).** This highlights the trend towards aggressive expansion among pharmaceutical retailers.
- **Brief – The Duma yesterday approved the first reading of a bill that would establish a development bank.** The bank would encourage investment and innovation and have at least RUB70 bn (USD2.6 bn) in capital.

### Russian market in context

|                          | Last Close | Performance/Trends |       |       |       |        |
|--------------------------|------------|--------------------|-------|-------|-------|--------|
|                          |            | 1D                 | 1WK   | 1M    | 3M    | 12M    |
| RTS Index                | 1,890      | 1.2%               | -1.5% | 2.1%  | 10.8% | 37.4%  |
| MSCI EM Europe Index     | 630        | 2.1%               | 1.5%  | 3.0%  | 7.2%  | 15.8%  |
| MSCI EM Index            | 928        | 1.4%               | 0.4%  | 3.5%  | 9.5%  | 21.8%  |
| S&P500 Index             | 1,455      | 0.8%               | 0.4%  | 1.7%  | 4.2%  | 13.7%  |
| OIX (Oil majors) Index   | 641        | 0.4%               | 1.1%  | 4.0%  | 0.6%  | 18.1%  |
| GSCI (Commodities) index | 5,462      | -1.5%              | 0.3%  | 5.8%  | -5.0% | -11.2% |
| Oil (WTI), USD/bbl       | 58.0       | -1.8%              | 1.0%  | 9.5%  | -0.5% | -2.6%  |
| Nickel, USD/ton          | 40,278     | 4.2%               | 3.5%  | 10.5% | 28.8% | 164.2% |
| Steel (HR), USD/ton      | 520        | 0.0%               | 0.0%  | 3.0%  | 3.0%  | 36.8%  |
| LT U.S. Treasury YTM     | 4.9%       | 5.0%               | 4.9%  | 4.9%  | 4.7%  | 4.7%   |
| EMBI-Russia spread, bp   | 100        | 97                 | 98    | 100   | 99    | 105    |
| RUB/USD                  | 26.38      | 26.34              | 26.55 | 26.53 | 26.62 | 28.24  |

Source: Datastream, Bloomberg

## Utilities: UES may make strategic investors commit to fixed investment plans

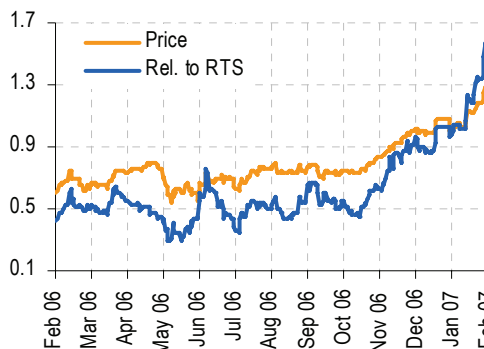
Analysts: Hovhannisyán Tigrán, e-mail: Hovhannisyán.Tigrán@mdmbank.com

Tel: + 7 495 795 2521

| Bloomberg ticker | Price, USD | FV, USD | Rating    | 12M High/Low | 1M Perf. | 3M Perf. | 12M Perf. |
|------------------|------------|---------|-----------|--------------|----------|----------|-----------|
| EESR RU Equity   | 1.25       | n/a     | Not Rated | 1.29/0.54    | 18.5%    | 48.2%    | 105.3%    |

| Financials, USD mn | 2006E  | 2007E     | 2008E  |
|--------------------|--------|-----------|--------|
| Revenue            | 31,210 | 36,881    | 41,383 |
| EBITDA             | 5,863  | 7,503     | 8,948  |
| Net income         | 1,175  | 1,792     | 2,179  |
| Revenue growth     |        | 18%       | 12%    |
| EBITDA growth      |        | 28%       | 19%    |
| Net income growth  |        | 53%       | 22%    |
| EBITDA margin      | 19%    | 20%       | 22%    |
| Net margin         | 4%     | 5%        | 5%     |
| EV/Revenue         | 2.0    | 1.7       | 1.5    |
| EV/EBITDA          | 10.8   | 8.4       | 7.1    |
| P/E                | 43.6   | 28.6      | 23.5   |
| MCAP, USD mn       | 51,220 | Com., mn  | 41,042 |
| EV, USD mn         | 63,282 | Pref., mn |        |
| Free float         | 0%     | Total, mn | 41,042 |

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Strategic buyers may be forced to commit to investment plans.** *Vedomosti* reported today that UES is considering forcing strategic buyers of its generation assets to commit to investment targets to ensure that its ambitious investment program is carried through once it ceases to exist. Under the current industry reform plan UES will be disbanded by 2009, and in the interim its majority stakes in the generation companies will decline. UES's idea would see strategic investors committing to its investment program, with failure to do so punishable by revocation of ownership.

**Such a move would likely reduce strategic interest in the assets.** Forcing strategic investors into strict investment programs in an industry in a state of flux would increase the risk, both to investors and that of overinvestment. It is unclear how this mechanism would be enforced for certain companies, as strategic buyers have already almost accumulated majority stakes in some and could automatically gain controlling stakes after UES's unbundling. If followed through, we think the move would reduce strategic interest in the generation assets. In particular this could negatively impact the upcoming additional share placement of OGK-3, which is being eyed by strategic buyers such as Gazprom, Enel, Norilsk Nickel and Fortum.

## Dalsvyaz: Receives new back tax claim for USD34 mn

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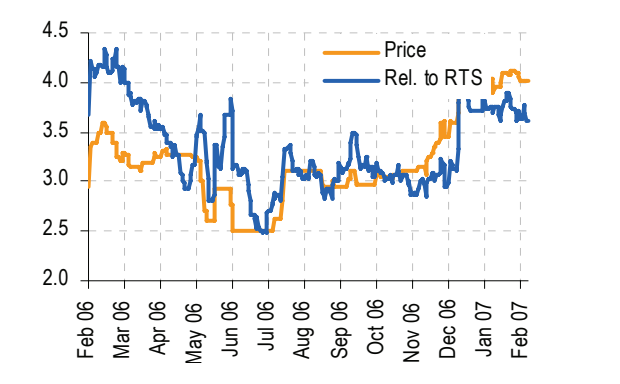
| Bloomberg ticker | Price, USD | FV, USD | Rating | 12M High/Low | 1M Perf. | 3M Perf. | 12M Perf. |
|------------------|------------|---------|--------|--------------|----------|----------|-----------|
| ESPK RU Equity   | 4.02       | 5.02    | Buy    | 4.3/2.5      | -0.2%    | 29.7%    | 36.3%     |
| ESPKP RU Equity  | 4.60       | 4.50    | Buy    | 4.7/2.5      | n/a      | n/a      | n/a       |

| Financials, USD mn | 2006E | 2007E     | 2008E |
|--------------------|-------|-----------|-------|
| Revenue            | 407   | 548       | 614   |
| EBITDA             | 143   | 173       | 218   |
| Net income         | 39    | 49        | 70    |
| Revenue growth     | 1%    | 35%       | 12%   |
| EBITDA growth      | 39%   | 21%       | 26%   |
| Net income growth  | 18%   | 26%       | 43%   |
| EBITDA margin      | 35%   | 32%       | 36%   |
| Net margin         | 10%   | 9%        | 11%   |
| EV/Revenue         | 1.9   | 1.4       | 1.3   |
| EV/EBITDA          | 5.4   | 4.4       | 3.5   |
| P/E                | 13.5  | 10.8      | 7.5   |
| MCAP, USD mn       | 528   | Com., mn  | 96    |
| EV, USD mn         | 768   | Pref., mn | 31    |
| Free float         | 61%   | Total, mn | 127   |

| Price performance, USD |   |
|------------------------|---|
| Price                  | — |
| Rel. to RTS            | — |



Source: Bloomberg

Source: Bloomberg, MDM estimates

**New tax bill larger than previous one.** Interfax reported yesterday that the Federal Tax Service has decided that Dalsvyaz underpaid taxes in 2003-05 and has hit it with a USD34 mn bill, combining back tax and penalties. *Vedomosti* reported today that USD7 mn of the amount is back taxes related to revenues from the termination of long-distance traffic, as with a previous claim for USD24 mn that covered 2001-02. The remaining USD27 mn is a penalty charge for failing to provide copies of 14 mn customer bills within a specified period, which sounds absurd and can probably be reversed. Dalsvyaz has already lost a court appeal over the first claim, despite arguing that under the previous regulations, the regional operators were not required to include revenue from traffic termination in the top line, only revenue from origination interconnect.

**More tax claims likely in the sector.** Four of the other regional operators (CenterTelecom, Southern Telecom, Uralsvyazinform and Northwest Telecom) and Rostelecom received similar tax claims in 2005-06. The total claims against the Svyazinvest subsidiaries for 2001-04 amount to USD332 mn. Dalsvyaz is the first to receive a tax claim for 2005, suggesting that more claims may be looming.

**Negative news, but limited impact on financials.** Although the tax claim is for a significant amount and indicates tighter tax regulation in the sector, we reiterate our view that its impact on the company's financials will be limited, particularly as the outcome of the claim is still uncertain. We anticipate that the company will increase its net debt from USD235 mn in 2006 to USD327 mn to fund the acquisition of Sakha Telecom, which will increase its debt/EBITDA ratio from 1.6 to 1.9. A further debt increase to raise funds for the tax bill may lead to this ratio exceeding the safe level of 2.0. However, this should represent a one-off limited impact on the financials. The development has at least been partially discounted by the market, we believe. Moreover, in the bigger picture the sector remains predominantly a restructuring/privatization story.

## X5: Management team strengthened with new appointments

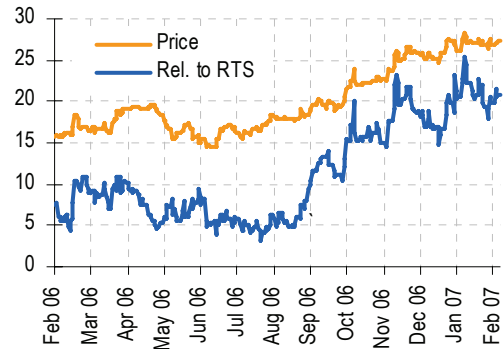
Analyst: Alexey Gogolev, e-mail: Alexey.Gogolev@mdmbank.com

Tel: + 7 495 795 2521

| Bloomberg ticker | Price, USD | FV, USD | Rating | 12M High/Low | 1M Perf. | 3M Perf. | 12M Perf. |
|------------------|------------|---------|--------|--------------|----------|----------|-----------|
| FIVE LI Equity   | 27.35      | 27.00   | Hold   | 28.3/14.5    | -0.4%    | 15.2%    | 73.1%     |

| Financials, USD mn | 2006E | 2007E     | 2008E |
|--------------------|-------|-----------|-------|
| Revenue            | 3,450 | 4,878     | 6,446 |
| EBITDA             | 278   | 464       | 625   |
| Net income         | 100   | 197       | 276   |
| Revenue growth     | 45%   | 41%       | 32%   |
| EBITDA growth      | 23%   | 67%       | 35%   |
| Net income growth  | -16%  | 96%       | 40%   |
| EBITDA margin      | 8%    | 10%       | 10%   |
| Net margin         | 3%    | 4%        | 4%    |
| EV/Revenue         | 1.9   | 1.4       | 1.0   |
| EV/EBITDA          | 24.1  | 14.4      | 10.7  |
| P/E                | 59.0  | 30.0      | 21.5  |
| MCAP, USD mn       | 5,921 | Com., mn  | 216.5 |
| EV, USD mn         | 6,697 | Pref., mn |       |
| Free float         | 25%   | Total, mn | 216.5 |

Price performance, USD



Source: Bloomberg

Source: Bloomberg, MDM estimates

**Four appointments announced.** Food retailer X5 announced yesterday that it had named the managing director of an independent investment bank to be its new corporate affairs managing director. Yuri Kobaladze will be responsible for implementing corporate affairs policy, as well as maintaining relationships with government institutions. The company also announced that Antonio Melo, previously general director of Makro, a food and non-food product wholesaler, will become COO, responsible for all retail operations, as well as creating an integrated logistics system. From 1989 until 2005, Mr. Melo was at SHV Holding (Makro), where he worked his way up from store manager to General Director of Makro Asia, managing the company's operations in China, Thailand, the Philippines, Indonesia, Malaysia and Pakistan. The company also appointed a new CIO and HR director.

**X5's ambitions highlighted.** In our view, by bringing in and cultivating executives with strong international experience, X5 is illustrating the template it intends to follow. The modern food and non-food retail format evolved rapidly in Asia in the 1990s and X5 clearly understands that it can flatten its own learning curve by importing best practices and lessons learned. On another front, the creation of a position focused on corporate affairs underscores the potential for cooperation with retailers and suppliers, both domestically and abroad, which is increasingly important as the company continues to grow.

**The strongest food retailer is no longer cheap.** We favor X5 in light of the company's well-established, multi-format approach, experienced international management and low-risk expansion program. We also think it is the most likely takeover candidate in the medium term. We believe the strong sector outlook justifies the premium valuation of Russian retailers and likely acquisitions should give the shares additional support. However, we consider X5's valuations as full and reiterate our Hold recommendation.

| Stock performance summary           |                 |             |              |             |              |              |              |                        |
|-------------------------------------|-----------------|-------------|--------------|-------------|--------------|--------------|--------------|------------------------|
| Company name                        | Last price, USD | 1D          | 1WK          | 1M          | 3M           | 12M          | YTD          | 12M High/Low           |
| <b>Oil and gas</b>                  |                 |             |              |             |              |              |              |                        |
| Gazprom                             | 10.71           | 2.3%        | -1.9%        | -4.5%       | -4.4%        | 28.3%        | -7.1%        | 12.94/7.75             |
| Novatek                             | 55.50           | 2.8%        | -5.5%        | -6.6%       | -5.5%        | 87.8%        | -12.6%       | 66/29.55               |
| Rosneft                             | 8.74            | 0.2%        | -4.1%        | -4.4%       | -7.0%        | n/a          | -6.0%        | 9.47/7.37              |
| Lukoil                              | 81.44           | 0.6%        | -4.3%        | -0.9%       | -7.3%        | -0.6%        | -6.4%        | 95.23/63.01            |
| TNK-BP Holding                      | 2.17            | 0.0%        | -4.8%        | -8.2%       | -2.7%        | -32.8%       | -16.4%       | 3.49/2.09              |
| Surgutneftegaz                      | 1.22            | -0.3%       | -5.4%        | -14.6%      | -11.1%       | -16.2%       | -20.5%       | 1.85/1.07              |
| Gazprom Neft                        | 4.34            | -0.3%       | -2.0%        | -8.0%       | 1.1%         | -10.8%       | -4.9%        | 5.5/3.59               |
| Tatneft                             | 4.35            | 0.0%        | -4.4%        | 3.6%        | -10.5%       | -9.9%        | -5.8%        | 6.4/3.5                |
| Bashneft                            | 15.20           | 0.0%        | 0.0%         | -1.9%       | -13.9%       | -12.1%       | -5.0%        | 18.5/11.77             |
| Transneft pref                      | 2,399.74        | -0.3%       | -4.3%        | 4.5%        | -2.0%        | -9.3%        | 5.1%         | 2640.4/1669.71         |
| Ritek                               | 9.60            | 0.0%        | 0.0%         | -5.0%       | -5.7%        | 6.7%         | -14.3%       | 11.2/8                 |
| <b>Telecoms and technology</b>      |                 |             |              |             |              |              |              |                        |
| MTS                                 | 55.43           | 3.0%        | 0.1%         | 16.2%       | 24.9%        | 54.3%        | 10.4%        | 55.91/26.22            |
| AFK Sistema                         | 30.10           | 0.2%        | -2.4%        | -3.5%       | 14.7%        | 22.4%        | -5.9%        | 32.9/18.1              |
| VimpelCom                           | 87.75           | 1.9%        | -0.1%        | 14.1%       | 30.5%        | 93.5%        | 11.1%        | 87.98/38.59            |
| Comstar                             | 8.85            | 0.8%        | -1.7%        | 1.1%        | 25.0%        | n/a          | 5.4%         | 9/4.9                  |
| Rostelecom                          | 7.96            | 0.2%        | -0.1%        | 5.0%        | 36.1%        | 177.7%       | 5.2%         | 8.09/2.66              |
| Golden Telecom                      | 56.77           | 1.7%        | 7.9%         | 12.8%       | 43.8%        | 83.1%        | 21.2%        | 56.77/21.73            |
| MGTS                                | 25.54           | -2.9%       | -7.0%        | 2.8%        | 17.6%        | 16.2%        | 3.1%         | 27.23/16.64            |
| Uralsvyazinform                     | 0.07            | -0.2%       | -4.0%        | -0.6%       | 57.5%        | 55.1%        | 0.5%         | 0.07/0.03              |
| Volga Telecom                       | 6.45            | 1.1%        | 7.5%         | 10.3%       | 61.7%        | 51.8%        | 6.6%         | 6.6/2.85               |
| Sibirtelecom                        | 0.12            | 6.8%        | 5.9%         | 14.1%       | 35.1%        | 35.1%        | 4.4%         | 0.12/0.06              |
| NorthWest Telecom                   | 1.57            | -0.2%       | 2.8%         | 1.5%        | 34.2%        | 26.9%        | -1.5%        | 1.61/0.78              |
| Center Telecom                      | 0.73            | 0.0%        | -0.7%        | -3.3%       | 29.5%        | 5.8%         | -3.3%        | 0.76/0.4               |
| Southern Telecom                    | 0.16            | 0.0%        | -5.8%        | -9.4%       | 27.8%        | 6.4%         | -9.4%        | 0.18/0.1               |
| Dalsvyaz                            | 4.02            | 0.0%        | -1.7%        | -0.2%       | 29.7%        | 36.3%        | -3.4%        | 4.3/2.5                |
| Bashinformsvyaz                     | 0.23            | 0.0%        | 0.0%         | -1.1%       | 28.6%        | 2.3%         | -1.1%        | 0.25/0.16              |
| RBC                                 | 12.10           | 0.5%        | 0.0%         | 9.3%        | 5.7%         | 31.6%        | 5.9%         | 12.1/6.57              |
| CTC Media                           | 20.25           | -2.2%       | -1.4%        | -14.7%      | -12.9%       | n/a          | -15.7%       | 27.25/14               |
| Rambler Media                       | 47.07           | 3.0%        | 5.7%         | 27.1%       | 40.5%        | 129.6%       | 39.5%        | 47.33/20.5             |
| <b>Utilities</b>                    |                 |             |              |             |              |              |              |                        |
| UES                                 | 1.25            | 0.8%        | -3.0%        | 18.5%       | 48.2%        | 105.3%       | 15.6%        | 1.29/0.54              |
| OGK-2                               | 0.16            | 0.7%        | -6.0%        | 12.0%       | 59.1%        | n/a          | 18.9%        | 0.17/0.09              |
| OGK-3                               | 0.14            | 0.3%        | -7.1%        | 6.7%        | 52.4%        | n/a          | 17.6%        | 0.16/0.06              |
| OGK-4                               | 0.11            | 0.0%        | -11.8%       | 27.6%       | n/a          | n/a          | 35.6%        | 0.12/0.05              |
| OGK 5                               | 0.14            | -0.4%       | -2.9%        | 6.4%        | 42.0%        | 95.0%        | 11.5%        | 0.14/0.07              |
| OGK-6                               | 0.16            | 1.2%        | -4.1%        | 11.1%       | 52.0%        | n/a          | 43.4%        | 0.16/0.08              |
| <b>Metals and mining</b>            |                 |             |              |             |              |              |              |                        |
| Norilsk Nickel                      | 179.50          | 1.4%        | -1.4%        | 15.9%       | 26.9%        | 104.7%       | 14.3%        | 182/83                 |
| Polyus Gold                         | 53.50           | 2.9%        | 1.9%         | 16.6%       | 12.0%        | n/a          | 8.5%         | 67.5/37.5              |
| Severstal                           | 12.90           | 4.0%        | 1.6%         | 17.3%       | 12.7%        | 6.5%         | 15.2%        | 14.15/10               |
| Evraz Group                         | 32.20           | 3.5%        | 5.9%         | 24.8%       | 27.3%        | 62.6%        | 25.3%        | 32.2/19.8              |
| Mechel                              | 30.50           | 4.2%        | 1.9%         | 28.5%       | 33.5%        | 1.7%         | 19.7%        | 30.55/19.01            |
| NLMK                                | 25.90           | 3.2%        | 1.4%         | 17.7%       | 16.5%        | 43.9%        | 11.4%        | 26.7/18                |
| MMK                                 | 1.07            | 0.0%        | 0.0%         | 23.0%       | 39.9%        | 71.2%        | 23.0%        | 1.07/0.63              |
| VSMPO                               | 303.00          | -0.7%       | -0.7%        | 4.5%        | 19.1%        | 45.7%        | 3.4%         | 305/170                |
| <b>Industrials, consumer, banks</b> |                 |             |              |             |              |              |              |                        |
| Sberbank                            | 3,505.00        | 1.4%        | 2.0%         | 3.7%        | 45.1%        | 125.1%       | 1.6%         | 3571/1370              |
| Rosbank                             | 6.86            | -0.7%       | -1.4%        | -8.4%       | 21.1%        | n/a          | -5.2%        | 18.87/3.84             |
| X5                                  | 27.35           | 1.3%        | -0.5%        | -0.4%       | 15.2%        | 73.1%        | 5.2%         | 28.3/14.5              |
| Seventh Continent                   | 26.40           | 0.0%        | -1.3%        | -1.3%       | 5.6%         | 4.8%         | -1.1%        | 27.2/17.5              |
| Magnit                              | 40.85           | -0.4%       | -2.5%        | 16.7%       | 20.1%        | n/a          | 14.4%        | 41.9/20.15             |
| Wimm-Bill-Dann                      | 61.40           | -0.9%       | -2.5%        | 1.5%        | 37.1%        | 160.2%       | -7.7%        | 66.83/22.86            |
| Lebedyansky                         | 80.50           | 0.0%        | 0.6%         | 3.9%        | 1.6%         | 6.2%         | 0.6%         | 81.3/45                |
| Baltika (euro)                      | 35.42           | 1.1%        | 1.1%         | 5.1%        | 10.7%        | 27.4%        | 5.1%         | 35.57/26.14            |
| Razgulay                            | 4.17            | 0.0%        | -3.0%        | 5.6%        | 15.2%        | 17.5%        | 4.3%         | 6.35/3.5               |
| Severstal Auto                      | 32.50           | 0.0%        | -3.8%        | 14.0%       | 29.2%        | 32.1%        | 7.4%         | 33.8/17.75             |
| AvtoVaz                             | 80.00           | 0.0%        | 8.1%         | 17.6%       | 19.4%        | 29.0%        | 17.6%        | 80/35                  |
| Irkut                               | 1.03            | 0.0%        | -1.4%        | 0.5%        | 0.5%         | 6.5%         | -1.0%        | 1.22/0.85              |
| Veropharm                           | 37.80           | 0.0%        | 0.0%         | 19.1%       | 34.0%        | n/a          | 19.1%        | 38.7/23.5              |
| Apteka 36.6                         | 58.50           | 0.0%        | -4.1%        | 2.6%        | 19.4%        | 72.1%        | 0.4%         | 61/30                  |
| Kalina                              | 46.25           | 0.0%        | -0.5%        | -0.5%       | 4.5%         | -0.5%        | -10.2%       | 55/34.5                |
| Oriflame (euro)                     | 30.92           | -1.9%       | -3.9%        | 0.9%        | 7.4%         | 15.8%        | 0.2%         | 32.44/22.73            |
| <b>RTS Index</b>                    | <b>1,889.96</b> | <b>1.2%</b> | <b>-1.5%</b> | <b>2.1%</b> | <b>10.8%</b> | <b>37.4%</b> | <b>-1.7%</b> | <b>1923.27/1234.82</b> |

Source: Bloomberg

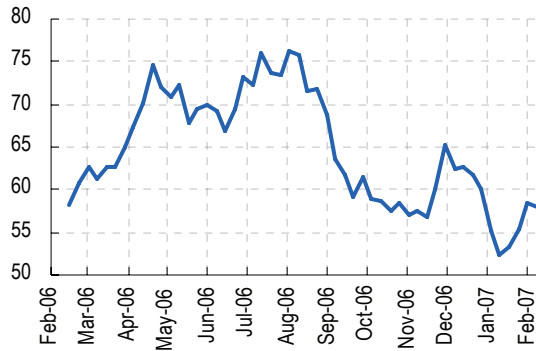
**Stock valuation summary**

| Company name                           | MCAP,          |             | P/E         |             |             | EV/EBITDA   |             |             | EV/Revenue |            |  |
|--|----------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|------------|--|
|  | USD mn         | 2006E       | 2007E       | 2008E       | 2006E       | 2007E       | 2008E       | 2006E       | 2007E      | 2008E      |  |
| <b>Oil and gas</b>                     |                |             |             |             |             |             |             |             |            |            |  |
| Gazprom                                | 243,546        | 12.0        | 11.5        | 11.9        | 8.8         | 8.1         | 8.2         | 13.7        | 3.4        | 3.3        |  |
| Novatek                                | 16,850         | 32.0        | 24.6        | 17.8        | 23.9        | 19.6        | 14.8        | 31.9        | 7.1        | 5.5        |  |
| Lukoil                                 | 69,308         | 8.5         | 9.3         | 9.7         | 5.7         | 6.3         | 6.4         | 9.1         | 1.1        | 1.1        |  |
| Rosneft                                | 92,555         | 24.2        | 29.3        | 32.5        | 13.2        | 15.4        | 16.5        | 26.9        | 3.0        | 3.0        |  |
| TNK-BP Holding                         | 34,388         | 4.7         | 9.2         | 11.6        | 4.9         | 6.4         | 7.5         | 5.6         | 1.4        | 1.5        |  |
| Surgutneftegaz                         | 50,103         | 11.3        | 14.1        | 13.5        | 4.7         | 5.3         | 5.1         | 8.2         | 1.4        | 1.4        |  |
| Gazprom Neft                           | 20,591         | 6.0         | 6.2         | 7.7         | 5.0         | 5.1         | 6.0         | 7.3         | 1.3        | 1.3        |  |
| Tatneft                                | 9,900          | 7.6         | 7.5         | 8.3         | 3.5         | 3.8         | 4.5         | 5.9         | 0.7        | 0.8        |  |
| Bashneft                               | 2,584          | 5.3         | 4.6         | 5.4         | 2.8         | 2.6         | 2.9         | 4.5         | 0.8        | 0.8        |  |
| Transneft pref                         | 14,514         | 6.0         | 5.0         | 4.5         | 4.0         | 3.3         | 2.9         | 6.6         | 1.8        | 1.6        |  |
| Ritek                                  | 958            | 8.8         | 8.6         | 9.2         | 5.1         | 4.7         | 4.9         | 10.0        | 1.1        | 1.1        |  |
| <b>Aggregate - oil and gas</b>         | <b>555,297</b> | <b>11.5</b> | <b>11.8</b> | <b>12.0</b> | <b>7.4</b>  | <b>7.3</b>  | <b>7.2</b>  | <b>11.8</b> | <b>2.1</b> | <b>2.0</b> |  |
| <b>Utilities</b>                       |                |             |             |             |             |             |             |             |            |            |  |
| UES                                    | 51,220         | 43.6        | 28.6        | 23.5        | 10.8        | 8.4         | 7.1         | 2.0         | 1.7        | 1.5        |  |
| Mosenergo                              | 509            | 12.9        | 14.9        | 12.1        | 3.2         | 2.7         | 2.4         | 0.3         | 0.3        | 0.3        |  |
| OGK-2                                  | 4,128          | 75.8        | 37.3        | 21.8        | 32.6        | 21.6        | 13.9        | 4.4         | 3.6        | 3.0        |  |
| OGK-3                                  | 4,246          | n/a         | 74.1        | 40.3        | 45.3        | 33.5        | 21.1        | 5.7         | 4.9        | 3.9        |  |
| OGK-4                                  | 5,331          | n/a         | 67.4        | 28.6        | 41.9        | 30.5        | 18.1        | 5.9         | 4.9        | 4.1        |  |
| OGK-5                                  | 3,184          | n/a         | 50.9        | 35.4        | 51.4        | 22.6        | 16.6        | 4.7         | 3.4        | 2.8        |  |
| OGK-6                                  | 4,044          | 68.9        | 50.6        | 31.3        | 27.3        | 21.6        | 17.2        | 4.3         | 3.7        | 3.1        |  |
| <b>Aggregate - utilities</b>           | <b>72,662</b>  | <b>21.1</b> | <b>25.3</b> | <b>18.1</b> | <b>15.8</b> | <b>11.8</b> | <b>9.4</b>  | <b>7.3</b>  | <b>2.2</b> | <b>2.0</b> |  |
| <b>Telecoms and technology</b>         |                |             |             |             |             |             |             |             |            |            |  |
| MTS                                    | 22,098         | 14.9        | 13.0        | 12.1        | 7.7         | 7.0         | 6.6         | 3.9         | 3.5        | 3.3        |  |
| AFK Sistema                            | 14,523         | 17.7        | 15.2        | 13.9        | 7.1         | 6.2         | 6.2         | 3.0         | 2.7        | 2.4        |  |
| VimpelCom                              | 17,999         | 20.1        | 15.3        | 13.1        | 8.3         | 7.2         | 6.5         | 4.1         | 3.5        | 3.2        |  |
| <b>Aggregate - mobile telecoms</b>     | <b>54,621</b>  | <b>17.6</b> | <b>14.5</b> | <b>13.0</b> | <b>7.7</b>  | <b>6.8</b>  | <b>6.4</b>  | <b>3.6</b>  | <b>3.2</b> | <b>3.0</b> |  |
| Comstar                                | 3,699          | 21.3        | 13.2        | 11.4        | 10.2        | 8.3         | 7.3         | 4.1         | 3.4        | 3.0        |  |
| Rostelecom                             | 6,591          | 62.8        | 30.7        | 26.9        | 15.7        | 10.9        | 9.8         | 3.1         | 2.8        | 2.6        |  |
| Golden Telecom                         | 2,081          | n/a         | 14.3        | 12.2        | 9.1         | 7.0         | 5.8         | 2.4         | 1.9        | 1.5        |  |
| MGTS                                   | 2,409          | 13.9        | 10.2        | 9.8         | 8.6         | 6.5         | 6.1         | 3.6         | 2.9        | 2.8        |  |
| Uralsvyazinform                        | 2,453          | 24.0        | 17.9        | 14.4        | 8.0         | 6.6         | 5.8         | 2.8         | 2.4        | 2.2        |  |
| Volga Telecom                          | 1,930          | 16.2        | 14.5        | 12.1        | 6.8         | 5.8         | 5.2         | 2.6         | 2.2        | 2.0        |  |
| Sibirtelecom                           | 1,728          | 10.3        | 7.9         | 7.1         | 6.4         | 5.1         | 4.7         | 2.3         | 1.9        | 1.7        |  |
| NorthWest Telecom                      | 1,661          | 21.9        | 14.1        | 13.5        | 7.6         | 5.7         | 5.3         | 2.7         | 2.2        | 1.9        |  |
| Center Telecom                         | 1,425          | 37.5        | 20.4        | 13.6        | 6.2         | 5.1         | 4.5         | 2.1         | 1.8        | 1.6        |  |
| Southern Telecom                       | 609            | 19.0        | 15.2        | 13.5        | 6.7         | 5.9         | 5.4         | 2.3         | 2.0        | 1.8        |  |
| Dalsvyaz                               | 528            | 13.5        | 10.8        | 7.5         | 5.4         | 4.4         | 3.5         | 1.9         | 1.4        | 1.3        |  |
| Bashinformsvyaz                        | 220            | 38.0        | 28.8        | 22.8        | 6.0         | 5.5         | 5.0         | 1.6         | 1.5        | 1.4        |  |
| <b>Aggregate - fixed line telecoms</b> | <b>25,332</b>  | <b>25.3</b> | <b>16.5</b> | <b>13.7</b> | <b>8.1</b>  | <b>6.4</b>  | <b>5.7</b>  | <b>2.6</b>  | <b>2.2</b> | <b>2.0</b> |  |
| RBC                                    | 1,443          | 44.0        | 30.8        | 21.6        | 25.4        | 17.3        | 14.1        | 7.4         | 5.6        | 4.6        |  |
| CTC Media                              | 3,068          | 28.2        | 20.2        | 15.0        | 16.6        | 12.3        | 9.2         | 7.7         | 5.7        | 4.3        |  |
| Rambler Media                          | 707            | 94.8        | 35.2        | 21.5        | 66.1        | 27.1        | 16.5        | 15.6        | 10.4       | 7.0        |  |
| <b>Aggregate - media</b>               | <b>5,217</b>   | <b>55.6</b> | <b>28.7</b> | <b>19.4</b> | <b>36.0</b> | <b>18.9</b> | <b>13.3</b> | <b>10.2</b> | <b>7.3</b> | <b>5.3</b> |  |
| <b>Metals and mining</b>               |                |             |             |             |             |             |             |             |            |            |  |
| Norilsk Nickel                         | 34,285         | 6.6         | 7.3         | 8.2         | 4.1         | 4.6         | 5.4         | 2.8         | 3.0        | 3.2        |  |
| Polyus Gold                            | 10,219         | 8.3         | 51.3        | 83.8        | 27.4        | 31.9        | 43.1        | 12.8        | 12.7       | 12.8       |  |
| Severstal                              | 12,999         | 9.2         | 8.1         | 8.6         | 3.9         | 3.5         | 3.7         | 1.1         | 0.9        | 0.9        |  |
| Evrast Group                           | 11,293         | 8.3         | 6.8         | 8.1         | 5.1         | 4.3         | 4.9         | 1.5         | 1.3        | 1.2        |  |
| Mechel                                 | 4,116          | 6.7         | 4.9         | 6.2         | 3.9         | 3.0         | 3.7         | 0.8         | 0.8        | 0.8        |  |
| NLMK                                   | 15,522         | 7.3         | 7.6         | 7.6         | 4.7         | 4.4         | 4.4         | 2.2         | 2.0        | 1.9        |  |
| MMK                                    | 10,874         | 7.6         | 7.7         | 8.1         | 5.1         | 4.9         | 5.1         | 1.6         | 1.5        | 1.5        |  |
| VSMPO                                  | 3,636          | 15.8        | 12.4        | n/a         | 10.0        | 8.0         | n/a         | 3.7         | 3.1        | n/a        |  |
| <b>Aggregate - metals and mining</b>   | <b>102,944</b> | <b>13.9</b> | <b>15.0</b> | <b>18.7</b> | <b>11.1</b> | <b>9.3</b>  | <b>10.5</b> | <b>4.1</b>  | <b>3.6</b> | <b>3.5</b> |  |
| <b>Industrials, consumer, banks</b>    |                |             |             |             |             |             |             |             |            |            |  |
| Sberbank *                             | 69,430         | 23.7        | 18.1        | 15.3        | 5.9         | 3.0         | 2.5         | 6.8         | 5.3        | 4.4        |  |
| Rosbank*                               | 4,941          | 33.8        | 22.6        | 15.3        | 4.8         | 3.3         | 2.7         | 5.7         | 4.4        | 3.3        |  |
| <b>Aggregate - banks</b>               | <b>74,371</b>  | <b>14.0</b> | <b>11.5</b> | <b>11.0</b> | <b>6.0</b>  | <b>4.8</b>  | <b>4.7</b>  | <b>3.1</b>  | <b>2.5</b> | <b>2.2</b> |  |
| X5                                     | 5,921          | 59.0        | 30.0        | 21.5        | 24.1        | 14.4        | 10.7        | 1.9         | 1.4        | 1.0        |  |
| Magnit                                 | 2,941          | 47.5        | 29.4        | 19.0        | 28.7        | 17.7        | 11.6        | 1.3         | 0.9        | 0.7        |  |
| Seventh Continent                      | 1,980          | 30.6        | 23.7        | 18.5        | 16.4        | 12.5        | 9.7         | 1.9         | 1.4        | 1.0        |  |
| Lebedyansky                            | 1,643          | 19.2        | 15.9        | 13.3        | 13.1        | 9.9         | 8.1         | 2.5         | 1.8        | 1.5        |  |
| Baltika (euro)                         | 4,071          | 14.5        | 9.6         | 8.4         | 8.4         | 6.8         | 6.4         | 2.8         | 2.0        | 1.7        |  |
| Wimm-Bill-Dann                         | 2,702          | 30.3        | 18.8        | 14.0        | 13.9        | 9.7         | 7.8         | 1.8         | 1.4        | 1.2        |  |
| <b>Aggregate - FMCG</b>                | <b>19,258</b>  | <b>33.5</b> | <b>21.2</b> | <b>15.8</b> | <b>17.5</b> | <b>11.9</b> | <b>9.1</b>  | <b>2.0</b>  | <b>1.5</b> | <b>1.2</b> |  |
| Razgulay                               | 442            | 20.1        | 6.9         | 5.8         | 8.2         | 5.3         | 4.8         | 1.1         | 0.9        | 0.8        |  |
| Severstal Auto                         | 1,105          | 20.4        | 15.1        | 10.3        | 8.6         | 6.8         | 4.9         | 1.1         | 0.9        | 0.7        |  |
| AvtoVaz                                | 2,345          | 18.3        | 15.9        | 9.0         | 5.7         | 5.3         | n/a         | 0.5         | 0.5        | 0.5        |  |
| Irkut                                  | 811            | 8.3         | 6.6         | 5.4         | 5.8         | 5.0         | 4.2         | 1.3         | 1.1        | 1.0        |  |
| Apteka 36.6                            | 468            | n/a         | 73.6        | 43.1        | 24.9        | 12.6        | 8.9         | 1.3         | 0.9        | 1.1        |  |
| Veropharm                              | 378            | 20.1        | 14.0        | 11.0        | 13.9        | 9.9         | 8.0         | 3.9         | 2.9        | 2.4        |  |
| Kalina                                 | 370            | 12.0        | 10.1        | 8.9         | 8.2         | 7.0         | 6.1         | 1.3         | 1.1        | 1.0        |  |
| Oriflame (euro)                        | 1,546          | 13.0        | 11.3        | 10.1        | 10.2        | 9.3         | 8.2         | 1.6         | 1.5        | 1.4        |  |
| <b>Aggregate valuation</b>             | <b>917,167</b> | <b>12.1</b> | <b>12.3</b> | <b>12.5</b> | <b>7.3</b>  | <b>6.5</b>  | <b>6.4</b>  | <b>2.3</b>  | <b>2.2</b> | <b>2.1</b> |  |
| <b>FF-adj. MCAP W.A. valuation</b>     | <b>263,437</b> | <b>14.6</b> | <b>13.9</b> | <b>14.1</b> | <b>8.3</b>  | <b>7.6</b>  | <b>7.7</b>  | <b>10.2</b> | <b>3.2</b> | <b>3.0</b> |  |

Source: MDM estimates, IBES consensus  
\*P/BV shown in EV/EBITDA columns

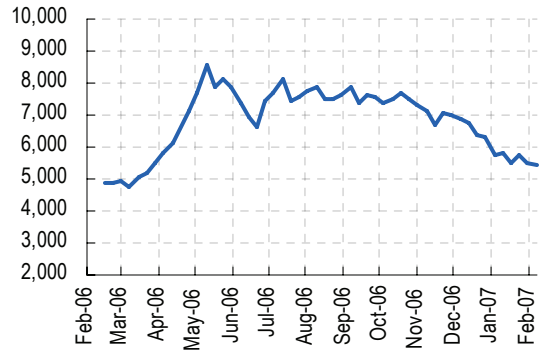
## Key commodities

London WTI Crude Oil Index - PRICE INDEX, USD/bbl



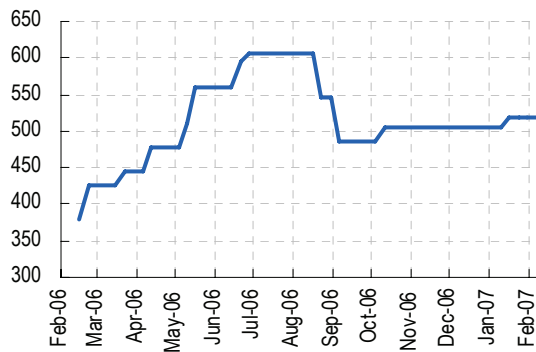
Source: Bloomberg

LME-Copper, Grade A Cash - A.M. OFFICIAL, USD/ton



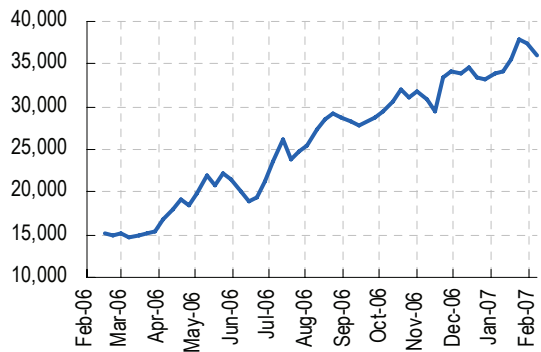
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



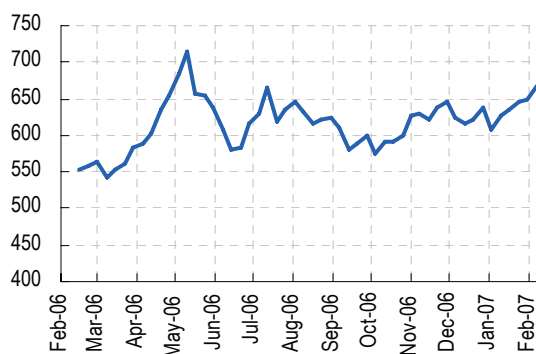
Source: Bloomberg

LME-Nickel Cash - A.M. OFFICIAL, USD/ton



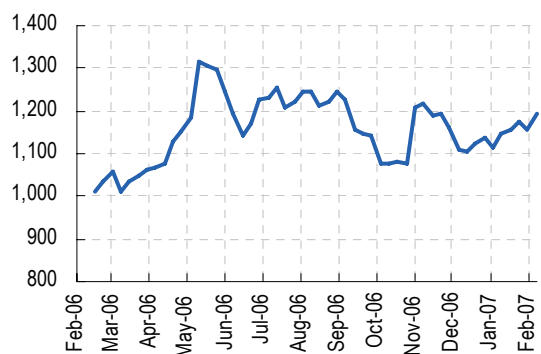
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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