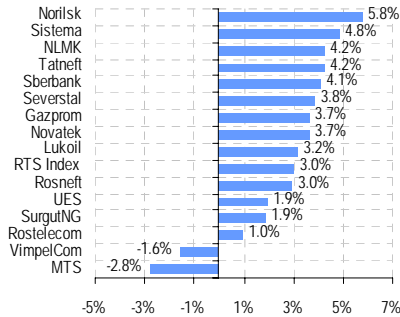
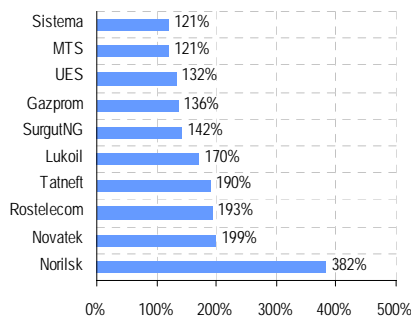


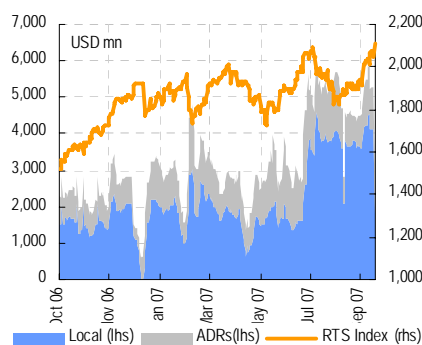
Blue chips: advancers and decliners



Volume monitor: daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

04 Oct	AFK Sistema 2Q07 U.S.GAAP results
05 Oct	Evraz Group 2Q07 IFRS results
Early Oct	Aeroflot 1H07 IFRS results
Early Oct	NLMK 3Q07 trading update

Market

Both the RTS (2109) and the MICEX (1795) broke all time records yesterday, rising by 3% and 3.6% respectively. Stocks across all sectors advanced after President Putin's announcement that he may stay in an active political role after the March elections. A calmer opening is expected today as investors continue absorbing political news.

Top news and ideas

- Gazprom: Ukrainian déjà vu all over again?** Gazprom could cut off gas supplies if Ukraine doesn't pay the USD1.3 bn of outstanding debt Gazprom claims it owes. We believe that while this is a risky move in the short term, in the long term it will inevitably lead to increased prices.
- OGK-5: Reports disappointing 1H07 IFRS financials.** Revenues grew by 10% y-o-y and operating profit was well below the levels needed to hit Bloomberg full year consensus estimates. Despite impressive y-o-y bottom line gains, the company has made slower than expected progress and we re-iterate our Hold recommendation.
- UES: Total investment program scaled down.** UES CEO Anatoly Chubais said yesterday that there would be a cut of 15% in the sector's total generation investment. We believe this will be a positive for all generators as they will have to spend less on capex, and free market prices will be sustained at a higher level.

Other highlights

- Brief - Norilsk Nickel has agreed to buy a stake in Canadian Royalties (Bloomberg).** Norilsk Nickel will acquire 7.25 mn shares at 3.45 Canadian dollars per share and buy metals from the company's Nunavik project in Quebec. The price paid was 20-25% higher than current market price of CR.
- MegaFon yesterday announced the commercial launch of the first portion of its 3G network in St. Petersburg.** We do not think the timing gives MegaFon any material edge over MTS or VimpelCom given concerns about consumer demand for the new services, the network's sporadic coverage and the limited affordability of 3G handsets.

>>> More news on page 5

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,109	3.0%	5.0%	9.5%	8.7%	38.5%
MSCI EM Europe Index	736	1.9%	2.5%	11.0%	8.1%	38.8%
MSCI EM Index	1,244	2.1%	5.3%	13.9%	14.3%	60.4%
S&P500 Index	1,547	0.0%	1.9%	4.9%	1.4%	15.9%
OIX (Oil majors) Index	800	-1.8%	-0.1%	7.6%	2.8%	41.9%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	80.1	-0.2%	1.0%	8.1%	12.6%	31.2%
Nickel, USD/ton	30,103	1.0%	-7.4%	-0.4%	-18.5%	-4.1%
Steel (HR), USD/ton	565	0.0%	0.0%	-4.2%	2.7%	16.5%
LT U.S. Treasury YTM	4.8%	4.8%	4.9%	4.9%	5.1%	4.8%
EMBI-Russia spread, bp	124	125	124	119	134	116
RUB/USD	24.88	24.95	25.01	25.65	25.82	26.78

Source: Datastream, Bloomberg

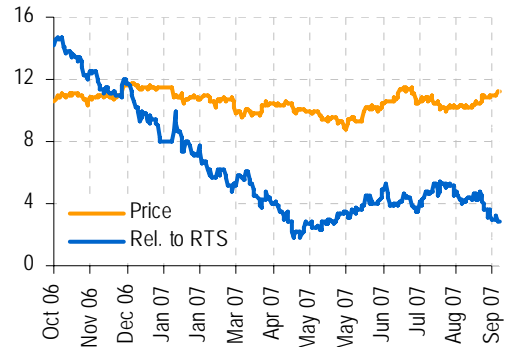
Gazprom: Ukrainian déjà vu all over again?

George Lillis, CFA, e-mail: George.Lillis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
GAZP RU	11.25	n/a	Not Rated	11.8/8.75	9.3%	6.7%	7.1%

Financials, USD mn	2006E	2007E	2008E
Revenue	85,549	92,727	100,098
EBITDA	36,582	41,247	44,877
Net income	22,318	25,003	27,468
Revenue growth	56%	8%	8%
EBITDA growth	53%	13%	9%
Net income growth	81%	12%	10%
EBITDA margin	43%	44%	45%
Net margin	26%	27%	27%
EV/Revenue	3.6	3.3	3.1
EV/EBITDA	8.4	7.5	6.9
P/E	11.5	10.3	9.4
MCAP, USD mn	257,519	Com., mn	22,749
EV, USD mn	307,871	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

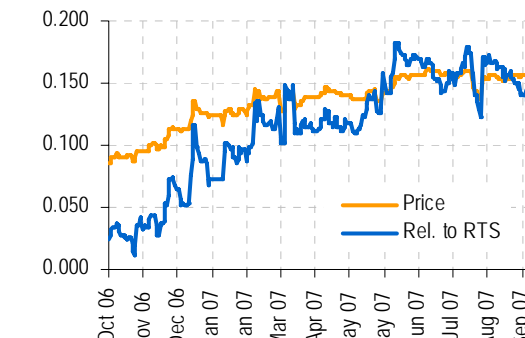
EU gas imports could be hit by impending crisis. Gazprom announced yesterday that it has warned its European customers that gas supplies could be interrupted because it may cut-off gas supplies to Ukraine at some point in October. Gazprom claims that it is still owed USD1.3 bn by Ukraine and argues this amount must be paid to avoid another gas supply cut off. For European consumers and Gazprom investors the warning will bring back sour memories of early 2006 when Gazprom cut-off supplies to Ukraine for a few days, triggering a political and energy market crisis. We remind clients that Ukraine is now paying USD130 per th cm and negotiations should be under way for next year's prices.

Negotiations are assumed to be still ongoing. In early September, it was leaked that Gazprom would ask for higher prices for gas deliveries to all of its neighbors, including Ukraine, but that negotiations with Ukraine would only start after Gazprom had made a final deal for the price of the gas it buys from Turkmenistan. As no announcements have been made regarding this, we must assume that negotiations are still ongoing. This leads us to believe that Gazprom's initiative has three potential explanations. First, the debt is real and this is a way to secure it. Second, this is the first means of pressure for the ongoing or upcoming negotiations for next year's price. Third, it is another move in the political chess game between the two countries just a few days after elections in Ukraine have indicated that a new pro-western coalition will gain power (under Yulia Timoshenko).

Short-term risk will lead to long-term gains. Most likely, in our view, yesterday's move is a combination of the three factors mentioned above. The bottom line is that the move could be risky for Gazprom's stock in the short term if the conflict spreads to a political crisis again. However, in the long term, we believe it is a positive because it will inevitably lead to higher prices for deliveries to Ukraine and a gradual convergence with European prices.

OGK-5: Reports disappointing 1H07 IFRS financials

George Lillis, CFA, e-mail: George.Lillis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
OGKE RU	0.16	0.16	Hold	0.16/0.09	-2.3%	-2.9%	70.9%
Financials, USD mn		2006A	2007E	2008E	Price performance, USD		
Revenue	913	1,169	1,419				
EBITDA	89	196	265				
Net income	118	96	135				
Revenue growth	n/a	28%	21%				
EBITDA growth	n/a	120%	35%				
Net income growth	n/a	-19%	41%				
EBITDA margin	10%	17%	19%				
Net margin	13%	8%	10%				
EV/Revenue	5.7	4.5	3.7				
EV/EBITDA	58.9	26.8	19.8				
P/E	46.9	57.6	41.0				
MCAP, USD mn	5,529	Com., mn	35,372	<i>Source: Bloomberg</i>			
EV, USD mn	5,244	Prof., mn					
Free float	18%	Total, mn	35,372				

Source: Bloomberg, MDM estimates

OGK-5 set to miss consensus forecasts. Russian wholesale generation company OGK-5 reported yesterday its 1H07 IFRS financials almost two months after the release of its RAS financials. Overall, the numbers were below our expectations and indicated that the final figures for 2007 will most likely miss our forecasts. Nonetheless, the reported net income number was better than that implied by full year Bloomberg consensus estimates and impressive on a y-o-y basis (but from a low 1H06 base).

Sluggish revenue growth makes profits suffer. OGK-5's revenues USD527 mn (RUB 13.7 bn) grew by 17% y-o-y and are on track to miss our full year RUB30 bn estimate. Milder winter weather certainly played a role and offset the benefits of the free market volumes. The company reported USD44 mn (RUB1.14 bn) operating profit, adjusting for an insurance compensation one-off, up 25% and off target to meet Bloomberg consensus estimates of RUB3 bn for the entire year (our estimate at RUB3.3 bn). The operating margin points to a slight improvement on the opex side (up 15% y-o-y) as it moved 60bps higher to 8.3% on an adjusted basis.

Bottom line shows impressive gains. On the bottom line, the company reported close to USD39 mn (RUB1 bn) after adjusting for the one-off, an impressive 63% y-o-y growth and on track to achieve the RUB2 bn consensus estimates for 2007. However, this rate implies that the company might miss our RUB2.3 bn estimate for the year. The adjusted net margin improved however by 2.1% to reach 7.4%.

Poor performance not representative of sector potential. In our view, OGK-5's IFRS figures were more disappointing than its RAS financials reported in mid-summer. It is our opinion that the company will miss our estimates for 2007 and might even struggle to meet the now downgraded consensus estimates. This forces us to review our estimates for the entire year. Nevertheless, we note that 2007 figures do not yet fully reflect the potential of the sector as companies are still operating in the industry's transitional phase. We must admit, though, that OGK-5's operating progress is slower than we expected and we reiterate our Hold recommendation.

OGK-5 1H07 IFRS results, USD mn

	1H06, IFRS	1H07, IFRS*adjusted for one-off	Y-o-Y, %
Revenue	453	527	17%
Operating expenses	420	485	15%
Operating profit	35	44	25%
Operating margin	7.7%	8.3%	n/a
Profit before tax	31	51	65%
Net profit	24	39	63%
Net margin	5.3%	7.4%	n/a

Company data, MDM estimates

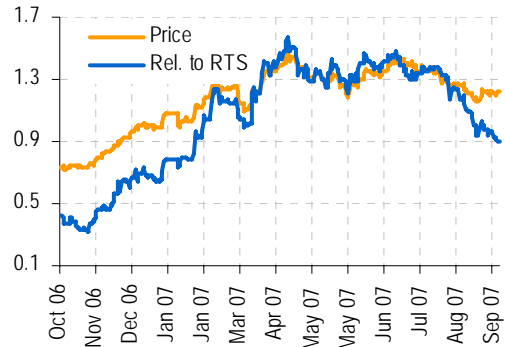
UES: Total investment program scaled down

George Lilis, CFA, e-mail: George.Lilis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
EESR RU	1.22	n/a	Not Rated	1.46/0.72	-3.7%	-12.3%	68.5%

Financials, USD mn	2006A	2007E	2008E
Revenue	37,372	42,789	48,973
EBITDA	7,312	9,007	12,467
Net income	1,508	1,714	2,548
Revenue growth		14%	14%
EBITDA growth		23%	38%
Net income growth		14%	49%
EBITDA margin	20%	21%	25%
Net margin	4%	4%	5%
EV/Revenue	3.4	3.0	2.6
EV/EBITDA	17.3	14.0	10.1
P/E	33.3	29.3	19.7
MCAP, USD mn	50,194	Com., mn	41,042
EV, USD mn	126,302	Pref., mn	
Free float	0%	Total, mn	41,042

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Generation investment to take 15% cut. Anatoly Chubais, the CEO of UES, said yesterday that the total size of the sector's investment program will be scaled back by 15% on the generation side but will be increased on the transmission side. More specifically the UES CEO said that the total planned expansion of generation capacity will be reduced to 35GWs from the 40.9GWs planned, but spending on transmission capacity will be raised. The total amount budgeted for the 2006-10 period remains at USD120 bn for both but this might be revised upwards again. Chubais added yesterday that he sees power consumption growth in Russia in 2007 to range around 3%, down from UES' previous estimates of 5%.

Gazprom negotiations may account for cutbacks. In other news, deputy Energy and Industry Minister Andrei Dementiev said yesterday that all UES related companies are close to finalizing their negotiations with Gazprom on long-term gas supply contracts. The downscaling of the investment program could actually be related with this news. If the cutback refers to gas fired units (no details provided yet) a compromise between UES and Gazprom may have been reached. UES could have exchanged lower investments in gas fired plants for better terms for gas supply contracts.

Reduction in investment good news for all. Overall, we view the news on the scale back of the investment program as good news for the entire generating industry, including the OGKs. They will have to spend less on capex, and free market prices in the coming years will be sustained at a higher level due to lower supply. We note, however, that for most industry experts it was obvious that without necessary expansion in the transmission grid, limits would be put on generation expansion. On the demand growth estimates, we view this as a delayed "mark to market" adjustment to UES estimates after a very strong 2006 demand level (winter weather). Finally, a potential source of future concern is that the total cost of the investment program is creeping up.

News Briefs

Oil and Gas

Gazprom's CEO of trading, Vitaly Vasiliev, said yesterday in an international conference that Russian natural gas reserves will be quadrupled by 2020 (Bloomberg). No details were provided as to which reserves category the number referred to, but we believe this to be an optimistic estimate.

Gazprom plans to start selling EUR2 bn of Eurobonds this month while TNK-BP hired advisors to sell bonds this week (Bloomberg). The Russian oil and gas companies are re-entering the bond issuance market – a strong signal that momentum is returning to the credit markets.

Utilities

OGK-2 could make another placement or issue convertibles if it requires additional investment, Anatoly Chubais said yesterday (Interfax). A decision could be made after the placement process is completed, a UES representative clarified. We believe this decision has clear foundations in the disappointing volume and value of the recent placement.

Telecoms and Technology

Sitronics' board appointed Sergey Aslanyan, the former MTS deputy IT president, as CEO, replacing Eugeny Utkin (*Kommersant*). Given Aslanyan's good track record at MTS (Sitronics' major customer) and his knowledge of customer needs, we view the reshuffle as good news. It may reduce the inherent risk in Sitronics' business model.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	11.32	3.7%	5.1%	9.3%	6.7%	7.1%	-1.6%	11.8/8.75
	Novatek	53.90	3.7%	4.7%	5.7%	3.1%	7.6%	-15.1%	66/46.5
	Rosneft	8.69	3.0%	2.6%	5.1%	8.6%	11.7%	-5.0%	9.49/7.66
	Lukoil	84.60	3.2%	5.4%	12.8%	7.8%	17.1%	-3.8%	91.8/71.5
	TNK-BP Holding	2.05	0.0%	1.7%	4.6%	-7.7%	-13.5%	-21.0%	2.6/1.67
	Surgutneftegaz	1.37	1.9%	3.9%	8.6%	20.2%	7.0%	-10.5%	1.53/1.07
	Gazprom Neft	4.27	2.2%	8.1%	9.5%	1.7%	6.8%	-6.4%	4.72/3.7
	Tatneft	5.61	4.2%	4.4%	9.2%	14.2%	25.7%	14.7%	5.61/3.95
	Bashneft	13.45	0.0%	0.7%	-0.4%	5.5%	-3.9%	-15.9%	17.65/12
	Transneft pref	1,860.00	4.8%	11.0%	24.0%	10.8%	-5.6%	-19.0%	2540/1435
	Integra	15.30	0.3%	-2.5%	-3.7%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	18.42	0.7%	1.1%	-8.6%	-7.9%	8.9%	-7.9%	25.56/16.59
	West Siberian Resources	0.82	0.9%	2.9%	2.9%	-13.0%	-18.3%	-27.2%	1.16/0.66
Utilities	UES	1.22	1.9%	1.7%	-3.7%	-12.3%	68.5%	13.2%	1.46/0.72
	OGK-1	0.10	n/a	n/a	n/a	n/a	n/a	n/a	0.12/0.1
	OGK-2	0.16	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.09
	OGK-3	0.15	0.0%	10.8%	2.4%	-12.9%	89.2%	21.2%	0.18/0.08
	OGK-4	0.13	0.1%	0.9%	6.8%	8.2%	122.9%	58.3%	0.13/0.06
	OGK-5	0.16	0.2%	0.4%	-2.3%	-2.9%	70.9%	19.2%	0.16/0.09
	OGK-6	0.14	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.09
Telecoms and technology	MTS	71.99	-2.8%	4.0%	8.8%	14.0%	91.8%	43.4%	74.07/37.5
	Sistema	34.70	4.8%	7.4%	14.1%	15.9%	33.7%	8.4%	34.7/25.85
	VimpelCom	27.57	-1.6%	1.7%	13.0%	25.2%	133.0%	74.6%	28.02/11.83
	Comstar	13.50	5.1%	12.5%	25.0%	45.2%	100.0%	60.7%	13.5/6.14
	Rostelecom	10.60	1.0%	1.4%	7.4%	10.1%	112.0%	38.6%	10.6/4.9
	Golden Telecom	83.57	3.6%	5.6%	21.8%	43.0%	171.9%	78.4%	83.57/30.74
	MGTS	30.06	0.5%	-2.7%	-4.8%	-6.4%	37.6%	15.4%	34.29/19.66
	Uralsvyazinform	0.07	5.2%	13.6%	7.4%	-0.8%	56.3%	-4.7%	0.07/0.04
	Volga Telecom	5.40	2.9%	14.9%	16.9%	-0.7%	34.0%	-10.7%	6.6/3.75
	Sibirtelecom	0.11	1.9%	17.0%	11.1%	-1.3%	19.6%	-2.2%	0.13/0.08
	Northwest Telecom	1.70	3.8%	19.3%	7.8%	-6.5%	33.2%	1.3%	1.84/1.12
	Center Telecom	0.96	4.3%	4.3%	6.7%	-1.0%	62.7%	28.0%	1/0.56
	Southern Telecom	0.20	5.1%	9.6%	14.7%	2.6%	56.0%	8.3%	0.23/0.12
	Dalsvyaz	5.20	2.0%	10.6%	13.0%	4.0%	75.1%	25.0%	5.2/2.97
	Bashinformsvyaz	0.18	0.0%	0.0%	0.0%	0.0%	-1.7%	-22.2%	0.23/0.17
	RBC	8.12	2.6%	0.5%	4.5%	-13.2%	-21.5%	-32.4%	12.1/7.53
	Sitronics	6.58	7.3%	15.4%	5.3%	-10.5%	n/a	n/a	12/5
	CTC Media	21.47	-0.6%	-4.4%	-6.7%	-23.3%	-2.9%	-10.6%	28.77/19.59
	Rambler Media	37.00	0.3%	-6.3%	-12.4%	-15.9%	51.0%	9.6%	55/24.5
Metals and mining	Norilsk Nickel	267.00	5.7%	8.5%	20.8%	23.1%	116.4%	70.1%	267/122
	Polyus Gold	43.50	0.0%	-3.5%	7.4%	-2.0%	1.2%	-11.8%	55.25/38.3
	Severstal	22.20	3.8%	11.3%	28.3%	45.6%	90.1%	98.2%	22.2/10.84
	Evraz Group	63.90	1.4%	9.0%	26.3%	47.1%	188.4%	148.7%	64.6/22
	Mechel	55.69	4.7%	13.3%	27.9%	39.6%	178.5%	118.6%	55.69/20
	NLMK	37.00	4.2%	13.8%	12.1%	20.2%	99.9%	59.1%	37/18.49
	MMK	1.19	3.0%	2.6%	5.8%	15.0%	74.3%	36.2%	1.19/0.68
	TMK	41.90	2.2%	1.8%	7.7%	13.6%	n/a	19.7%	42.25/21.6
	VSMPO	289.00	-0.3%	-0.3%	1.8%	-8.0%	18.4%	-1.4%	330/221.5
	Sberbank	4.21	4.1%	6.7%	9.5%	7.7%	98.3%	21.9%	4.42/2.12
Industrials, consumer, banks	Rosbank	7.48	7.0%	9.2%	5.4%	-5.3%	22.6%	-1.9%	7.67/5.51
	X5	35.90	3.5%	9.8%	6.8%	19.7%	89.9%	38.1%	35.9/18.9
	Seventh Continent	26.00	0.4%	3.6%	3.5%	0.8%	19.8%	-2.6%	29.3/21.7
	Dixy Group	14.15	0.0%	1.1%	2.0%	-5.1%	27.3%	17.1%	15.6/13.95
	Magnit	41.82	0.0%	-0.1%	2.0%	-5.1%	27.3%	17.1%	47.6/32.25
	Wimm-Bill-Dann	108.23	-4.0%	-0.2%	5.7%	-3.5%	144.9%	62.6%	117.31/41.2
	Lebedyansky	87.50	0.0%	-1.7%	0.6%	5.1%	26.8%	9.4%	99/69
	Nutritek	48.00	0.0%	4.3%	-1.0%	2.1%	19.4%	8.5%	53.8/44.9
	Baltika (euro)	33.91	2.1%	2.1%	0.6%	2.1%	19.4%	8.5%	36.96/30.97
	Razgulay	4.09	0.2%	0.9%	-0.4%	7.5%	-19.1%	2.1%	5.05/3.6
	Severstal Auto	48.75	0.0%	0.5%	17.5%	38.4%	132.1%	61.2%	48.75/20.5
	AvtoVAZ	1.60	4.8%	4.8%	14.8%	9.4%	35.3%	42.1%	1.74/0.65
	Aeroflot	3.11	4.8%	4.8%	14.8%	9.4%	35.3%	42.1%	3.11/2.17
	Veropharm	42.25	0.0%	-1.7%	-6.1%	-0.5%	62.5%	33.1%	48.65/26
	Apteka 36.6	74.00	0.0%	0.0%	-6.9%	-18.0%	66.3%	27.0%	96.1/44
	Pharmstandard	19.60	1.3%	5.9%	18.2%	15.8%	n/a	n/a	19.6/13.6
	Kalina	35.50	-0.1%	2.2%	-2.7%	-11.3%	-26.7%	-31.1%	51.5/34.25
	Oriflame (euro)	40.17	-3.1%	-5.8%	-1.9%	12.6%	50.6%	31.4%	43.99/26.33
	Cherkizovo	13.25	2.9%	6.0%	8.2%	-1.0%	1.9%	-2.6%	16.1/11.05
Sistema Hals	9.45	-1.5%	-5.5%	-18.7%	-20.6%	n/a	-28.9%	15.05/9.45	
RTS Index	2,108.57	3.0%	5.0%	9.5%	8.7%	38.5%	9.7%	2108.57/1520.96	

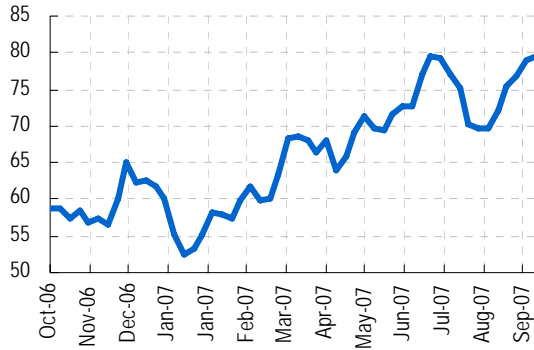
Source: Bloomberg

Stock valuation summary												
Company name		MCAP,	P/E			EV/EBITDA			EV/Revenue			
		USD mn	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E	
Oil and gas	Gazprom	257,519	11.5	10.3	9.4	8.4	7.5	6.9	3.6	3.3	3.1	
	Novatek	16,364	23.8	17.5	13.3	14.8	11.3	8.9	7.1	5.5	4.1	
	Lukoil	71,995	9.7	10.3	10.3	6.5	6.8	6.6	1.2	1.2	1.2	
	Rosneft	92,105	22.3	18.8	17.3	12.2	10.8	9.1	3.0	2.7	2.6	
	Surгутneftegaz	54,290	13.0	13.3	16.0	6.4	6.6	7.4	2.3	2.2	2.3	
	Gazprom Neft	20,244	6.1	7.2	7.5	4.0	4.6	5.0	1.1	1.1	1.1	
	Tatneft	12,667	10.0	10.8	11.3	6.2	7.0	7.9	1.2	1.2	1.2	
	Bashneft	2,287	4.9	5.6	5.9	2.8	3.2	3.3	0.6	0.7	0.7	
	Transneft pref	12,855	5.7	4.9	4.4	4.0	3.3	2.8	2.2	1.8	1.6	
	West Siberian Resources	968	29.3	24.4	9.2	9.4	7.0	4.3	3.5	2.5	1.8	
	Aggregate - oil and gas	540,325	11.9	11.0	10.6	7.3	6.8	6.4	2.5	2.2	2.0	
Utilities	UES	50,194	33.3	29.3	19.7	17.3	14.0	10.1	3.4	3.0	2.6	
	Mosenergo	7,067	74.3	29.7	19.4	16.6	11.5	7.6	2.3	2.0	1.6	
	OGK-1	4,554	n/a	50.0	34.2	37.6	24.6	17.6	4.1	3.7	3.0	
	OGK-2	4,157	n/a	52.0	29.3	226.9	25.7	15.3	4.6	3.8	3.1	
	OGK-3	7,052	n/a	83.0	50.4	102.1	40.1	36.1	9.3	7.6	6.6	
	OGK-4	6,220	n/a	98.7	51.4	77.4	46.6	25.6	6.4	5.9	4.6	
	OGK 5	5,529	46.9	57.6	41.0	58.9	26.8	19.8	5.7	4.5	3.7	
	OGK-6	3,609	45.0	28.6	15.3	19.8	15.5	10.0	3.3	2.8	2.3	
	Aggregate - utilities	88,382	24.0	31.5	20.8	36.2	15.3	11.5	3.3	2.9	2.5	
Telecoms and technology	MTS	28,724	23.1	16.2	14.4	9.8	8.3	7.5	4.9	4.1	3.8	
	Sistema	16,760	18.6	13.9	12.8	8.6	7.2	6.6	3.2	2.9	2.6	
	VimpelCom	28,276	34.8	23.6	20.9	12.3	10.0	9.2	6.2	5.0	4.7	
		Aggregate - mobile telecoms	73,760	25.5	17.9	16.0	10.2	8.5	7.8	4.8	4.0	3.7
	Comstar	5,642	68.8	19.5	16.9	18.7	10.7	9.7	6.1	4.6	4.2	
	Rostelecom	8,353	n/a	72.6	61.0	21.3	19.1	16.9	3.6	3.6	3.3	
	Golden Telecom	3,063	35.8	26.2	19.5	13.6	9.6	7.3	3.6	2.6	2.1	
	MGTS	2,823	16.3	11.6	10.5	10.0	7.4	6.6	4.1	3.3	3.1	
	Uralsvyazinform	2,426	78.3	17.7	13.6	9.7	6.5	5.7	2.7	2.3	2.1	
	Volga Telecom	1,620	20.8	12.2	10.1	6.6	5.0	4.5	2.3	1.9	1.7	
	Sibirtelecom	1,593	37.4	7.6	5.9	8.2	4.7	3.9	2.0	1.6	1.5	
	Northwest Telecom	1,789	38.1	15.2	14.5	8.8	5.9	5.5	2.8	2.3	2.0	
	Center Telecom	1,807	26.8	28.2	16.4	6.5	6.0	5.1	2.4	2.1	1.9	
	Southern Telecom	704	54.1	17.6	15.6	6.5	6.0	5.5	2.2	2.0	1.9	
	Dalsvyaz	631	48.5	13.1	9.0	8.7	5.1	4.0	2.2	1.6	1.4	
	Bashinformsvyaz	173	7.6	8.1	4.7	3.3	3.2	n/a	1.1	1.0	0.8	
	Sitronics	1,257	29.1	13.6	9.9	8.2	5.6	4.5	0.7	0.6	0.5	
	Aggregate - fixed line telecoms	30,623	39.3	20.8	16.5	10.1	7.4	6.8	2.9	2.4	2.2	
RBC	933	23.6	24.4	11.6	14.0	9.6	7.0	4.1	3.2	2.6		
CTC Media	3,253	22.0	16.9	13.2	13.1	10.2	8.2	6.2	4.8	3.9		
Rambler Media	556	45.8	23.0	15.0	28.0	12.7	8.8	6.9	4.0	3.1		
	Aggregate - media	4,742	30.5	21.4	13.3	18.3	10.8	8.0	5.8	4.0	3.2	
Metals and mining	Norilsk Nickel	48,861	6.6	7.9	10.5	4.2	5.2	7.1	3.0	3.4	4.0	
	Polyus Gold	8,309	39.7	51.6	59.2	18.7	22.3	22.2	8.0	8.4	8.4	
	Severstal	22,371	12.9	12.0	11.5	6.9	6.4	6.2	1.7	1.6	1.6	
	Evraz Group	22,411	12.4	12.4	11.9	7.7	7.4	8.1	2.5	2.3	2.2	
	Mechel	7,516	9.4	10.0	11.4	5.7	5.9	5.9	1.4	1.4	1.3	
	NLMK	22,174	10.6	11.1	11.0	6.5	6.8	6.5	3.0	2.9	2.7	
	MMK	12,043	7.4	7.4	6.7	5.2	5.0	4.7	1.6	1.5	1.4	
	TMK	9,134	13.8	9.6	12.1	8.3	6.1	7.9	2.5	2.1	2.0	
	VSMPO	3,468	13.7	10.8	8.5	8.8	7.1	5.6	3.4	2.9	2.3	
		Aggregate - metals and mining	156,286	15.7	15.4	15.6	9.0	8.3	8.2	3.3	3.0	2.9
Industrials, consumer, banks	Sberbank *	235	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
		Aggregate - banks	235	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	X5	7,772	38.3	27.9	20.1	17.1	12.7	10.2	1.8	1.2	1.0	
	Magnit	3,011	36.9	26.8	18.1	15.8	11.1	8.2	0.9	0.6	0.5	
	Seventh Continent	1,950	30.0	23.5	16.6	14.4	10.3	7.7	1.5	1.1	0.8	
	Lebedyansky	1,786	17.7	15.1	13.2	11.4	9.4	8.3	2.1	1.8	1.5	
	Baltika (euro)	5,801	12.5	11.3	9.4	7.6	7.0	5.7	2.4	2.2	1.8	
	Wimm-Bill-Dann	4,762	30.3	22.4	18.4	15.6	12.1	9.9	2.2	1.8	1.6	
		Aggregate - FMCG	25,081	27.6	21.1	16.0	13.7	10.4	8.3	1.8	1.5	1.2
	Razgulay	433	20.4	9.8	9.1	7.6	5.3	5.0	1.0	0.8	0.7	
	Severstal Auto	1,658	26.4	16.7	15.1	13.5	9.3	7.6	1.9	1.3	1.0	
	AvtoVAZ	293	2.3	2.0	1.1	1.8	1.7	n/a	0.2	0.2	0.2	
	Aeroflot	3,457	11.9	13.5	10.7	8.5	7.6	6.1	1.2	1.1	0.9	
	Veropharm	423	17.2	12.8	10.0	11.0	8.4	6.3	3.7	2.9	2.4	
	Kalina	346	11.8	9.7	9.4	7.4	6.5	6.1	1.1	1.0	0.9	
Oriflame (euro)	2,237	22.3	17.9	13.6	15.0	12.8	10.6	2.3	2.1	1.8		
	Aggregate valuation	928,281	12.5	11.5	10.7	8.1	7.5	7.1	2.5	2.3	2.2	
	FF-adj. MCAP W.A. valuation	264,256	14.9	14.4	13.2	9.8	8.1	7.6	3.3	3.0	2.8	

Source: MDM estimates, IBES consensus

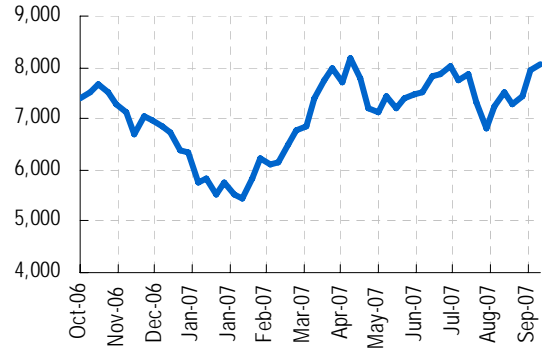
Key commodities

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



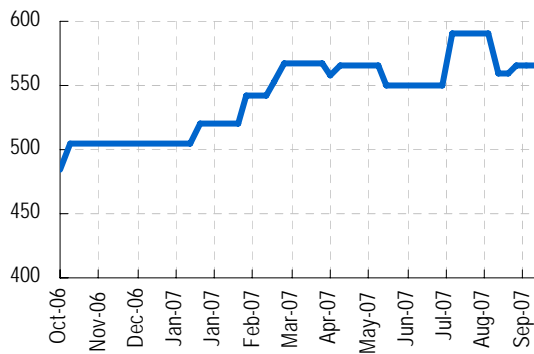
Source: Bloomberg

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



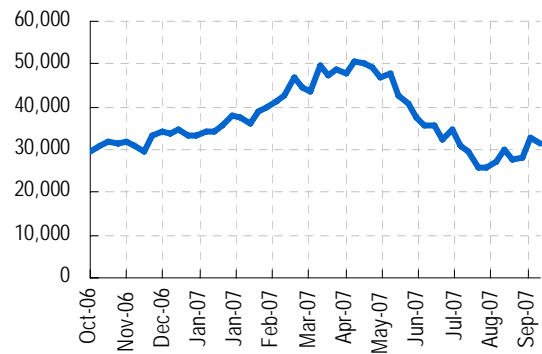
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MB-Steel HR Coil CIS, USD/ton



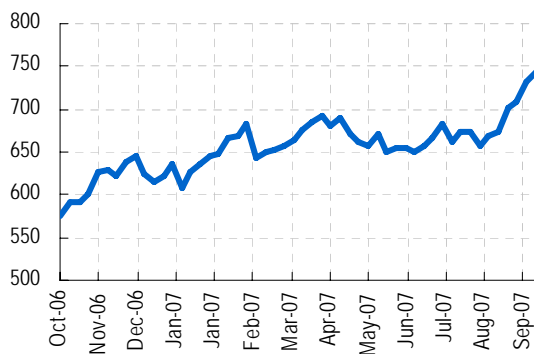
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LME-Nickel Cash - A.M. OFFICIAL, USD/ton



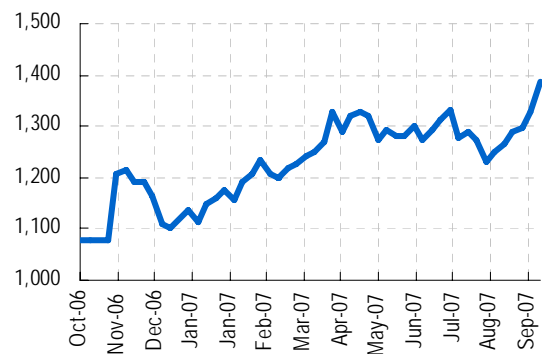
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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