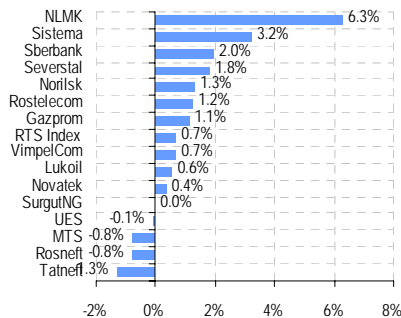
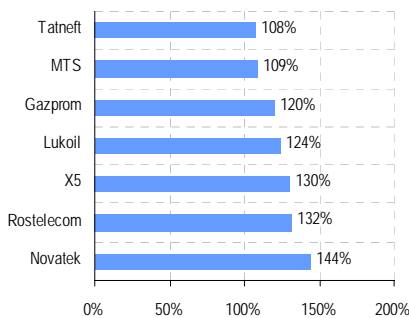


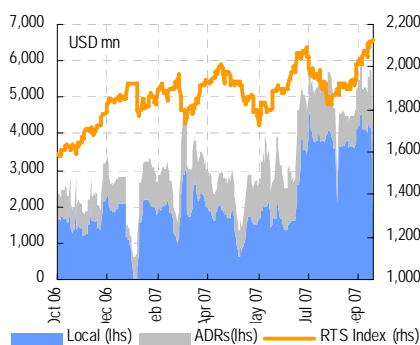
### Blue chips: advancers and decliners



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



### RTS index and weekly trading volumes



### Upcoming events

Early Oct	Aeroflot 1H07 IFRS results
Early Oct	NLMK 3Q07 trading update
Early Oct	MMK 3Q07 trading update
Mid October	UralKali 1H07 IFRS results
Mid October	Acron 1H07 IFRS results

### Market

Despite negative momentum on European stock markets and lower oil prices, Russian equities had a good session yesterday as they still had not fully caught up with Friday's US job figures. The RTS rose by 0.7% to 2130 and the MICEX reached a new record of 1808 (up 0.3%). Lower metal prices and WTI below USD79 might lead to a weaker opening this morning.

### Top news and ideas

- Gazprom:** Reports better than expected 1Q2007 earnings. Overall, the results topped Bloomberg consensus which led to a good run on the stock yesterday. The company did a slightly better job controlling costs, but in our view not enough to encourage investors hoping for a concerted cost cutting program.
- Rosneft:** Raises its oil output target for 2007. The new target is close to 12% higher than previous guidance. Most of the increase, however, comes from Rosneft's Yukos auctions gains and we still have some concerns over the company's long-term growth potential.
- X5 Retail Group:** Forms JV for convenience stores. The franchised stores will operate under the names Pyaterochka-Express and Perekriostok-Express, leveraging on X5's existing brands. We believe margins are likely to be low in this format, although there is room for entrance and significant market share gains in this segment.

### Other highlights

- Brief - The Russian Economy Ministry proposed Nikolai Tokarev as the new CEO of Transneft (Interfax).** Tokarev is currently the CEO of state oil firm Zarubezhneft. This was a small surprise as most investors expected the replacement to come from within Transneft.
- Brief - Comstar announced the launch of the network integration of its subsidiaries MGTS and Comstar Direct.** This should help avoid dual capex and facilitate the offering of broadband services under the MGTS brand. The move is in line with Comstar's strategy to reach a 50% share of the Moscow broadband market by 2011.

>>> More news on page 5

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,130	0.7%	4.1%	12.2%	6.5%	34.2%
MSCI EM Europe Index	750	0.3%	1.9%	14.8%	7.5%	35.8%
MSCI EM Index	1,250	0.3%	0.5%	14.9%	11.7%	59.8%
S&P500 Index	1,553	-0.3%	0.4%	6.8%	1.4%	15.0%
OIX (Oil majors) Index	793	-0.9%	-2.7%	5.3%	-0.5%	38.1%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	79.0	-3.0%	1.0%	3.0%	8.5%	32.2%
Nickel, USD/ton	29,525	-2.6%	-4.8%	8.1%	-17.1%	-6.9%
Steel (HR), USD/ton	588	4.0%	4.0%	4.9%	6.8%	21.1%
LT U.S. Treasury YTM	4.9%	4.9%	4.8%	4.7%	5.3%	4.9%
EMBI-Russia spread, bp	119	119	126	125	145	110
RUB/USD	24.98	25.01	24.95	25.66	25.67	26.78

Source: Datastream, Bloomberg

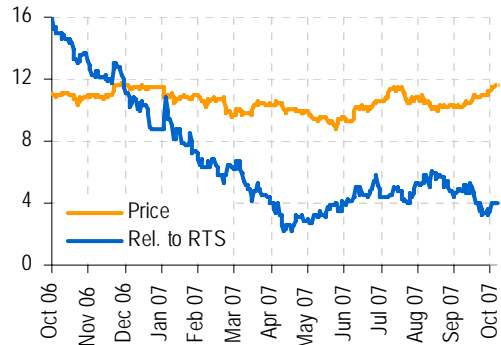
## Gazprom: Reports better than expected 1Q2007 earnings

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.
GAZP RU	11.64	n/a	Not Rated	11.8/8.75	13.9%	8.1%	5.0%

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	3.7	3.4	3.2
EV/EBITDA	8.7	7.7	7.1
P/E	11.9	10.6	9.7
MCAP, USD mn	266,163	Com., mn	22,749
EV, USD mn	316,515	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Net income tops Bloomberg estimate.** The Russian gas giant reported its 1Q07 financials yesterday. The numbers were unexpectedly better than expected with net income coming at RUB165 bn (USD6.6 bn), topping the Bloomberg consensus median estimate of RUB158 bn (USD6.3 bn). On a y-o-y basis, net income fell by 11%. The company also reported a one time RUB44.7 bn gain after it had to report the fair value of its pension assets.

**Higher gas charges help negate warm winter.** Sales rose by 4.4% to RUB612 bn (USD24.5 bn), exceeding Bloomberg consensus by 5%, with lower demand due to warm winter weather playing a key role. The falling demand was reflected in the 7% decline in total gas volumes sold with exports to Europe falling by 13% y-o-y and CIS exports falling by 2.4%. The company said yesterday that it expects total 2007 exports to Europe to fall 2.7% below last year's level. On the other hand, prices for European customers reached USD270 per th cm up from USD242.50, a year ago. Prices for CIS customers rose by 32% to reach an average of USD112 per th cm in 1Q07.

**Stock value rises on results.** We wrote in our preview that the cost side would be the most interesting part of the results and, in our view, it seems this is the case. Total operating expenses rose by 13% y-o-y, leading to a lower net margin of 26.9% vs 31.6% a year ago. The main negative trend was the higher expenses for the purchase of fuel from Central Asian countries. However it appears the company did a slightly better than expected job on most other cost items, including repairs/maintenance and social expenses. Overall, Gazprom's 1Q07 financials were slightly better than the results priced into the stock value – news which led to a good run yesterday. However, we do not believe the results should encourage investors that a new cost cutting effort is under way. We do not officially cover this stock.

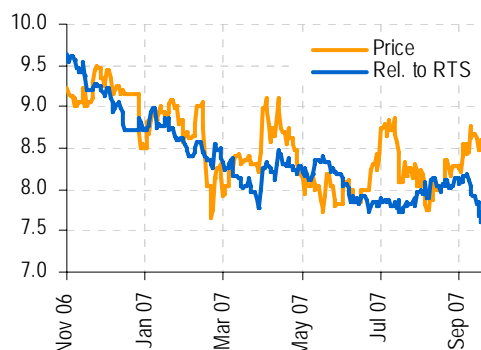
## Rosneft: Raises its oil output target for 2007

George Lilis, CFA, e-mail: [George.Lilis@mdmbank.com](mailto:George.Lilis@mdmbank.com)

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
ROSN RU	8.51	n/a	Not Rated	9.49/7.66	2.8%	0.9%	7.4%

Financials, USD mn	2006A	2007E	2008E
Revenue	36,555	40,513	42,233
EBITDA	8,837	10,013	11,862
Net income	4,138	4,907	5,335
Revenue growth	39%	11%	4%
EBITDA growth	11%	13%	18%
Net income growth	23%	19%	9%
EBITDA margin	24%	25%	28%
Net margin	11%	12%	13%
EV/Revenue	2.9	2.6	2.5
EV/EBITDA	12.0	10.6	8.9
P/E	21.8	18.4	16.9
MCAP, USD mn	90,197	Com., mn	10,599
EV, USD mn	106,003	Pref., mn	
Free float	15%	Total, mn	10,599

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Yukos gains push Rosneft production targets higher.** The Russian oil major issued a statement yesterday that included the company's new guidance for its oil production volumes in 2007. The new target is 100.6 mn tons of oil (approximately 1.9 mn barrels per day) from the previous guidance of 90.1 mn tons (approximately 1.72 mn barrels per day). The 11.6% increase in the guidance is primarily derived from the new assets that were acquired this year in the Yukos auctions. This factor explains close to 9.4 mn tons of the increase while the remaining 1.1 mn tons is the increase expected from the company's organic growth, i.e. the assets held in the beginning of the year.

**USD1.8 bn bond issue given go-ahead.** In separate news, the company also announced that its BoD has approved the issuance of RUB45 bn (USD1.8 bn) of bonds to be offered in three tranches: the first two in five year notes and the third one in seven years maturities. No timing of the issuance was given.

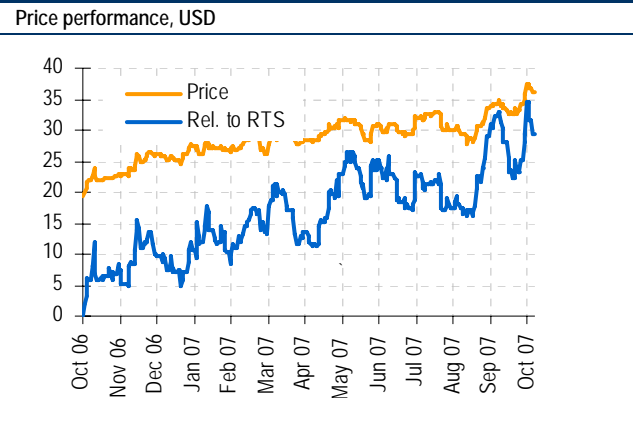
**Long term growth a cause for concern.** We clearly view as good news the higher volume guidance but we believe the market will see this as a delayed mark to market from Rosneft's side. The stock price has probably incorporated the largest portion of the new guidance – perhaps even from the days before the Yukos auctions took place. We have to admit, however, that by global oil and gas industry standards the increase sounds quite high and some investors (particularly growth style investors) could be attracted by the news. However, in the long-term, we are somewhat concerned about the future growth of the company's volumes and the financing of this growth now that the Yukos auctions have been completed. Lower growth combined with a higher capex required to secure that growth would not be a good combination for the company's ROIC. As for the bond issuance, this is in line with the company's plans to refinance its USD11 bn debt load. We do not officially cover this stock.

## X5 Retail Group: Forms JV for convenience stores

George Lilis, CFA, e-mail: [George.Lilis@mdmbank.com](mailto:George.Lilis@mdmbank.com)

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
FIVE LI	36.2	n/a	Not Rated	37.5/19.5	5.4%	11.6%	85.4%

Financials, USD mn	2006A	2007E	2008E
Revenue	4,919	7,077	9,083
EBITDA	514	693	865
Net income	203	279	387
Revenue growth	50%	44%	28%
EBITDA growth	31%	35%	25%
Net income growth	1%	37%	39%
EBITDA margin	10%	10%	10%
Net margin	4%	4%	4%
EV/Revenue	1.8	1.3	1.0
EV/EBITDA	17.3	12.8	10.3
P/E	38.5	28.1	20.2
MCAP, USD mn	7,826	Com., mn	216.5
EV, USD mn	8,868	Pref., mn	
Free float	25%	Total, mn	216.5



Source: Bloomberg

Source: Datastream, IBES consensus

**Jackpot casinos and X5 to launch convenience franchise.** The largest Russian supermarket chain operator, X5, yesterday announced its plans to form a joint venture with the Jackpot casino chain for the development of franchised convenience stores in Moscow and St. Petersburg. The company's CEO said that if the project is successful they might move ahead with development in other cities as well. The selling space of the new format will be between 50 and 200 square meters and the stores will operate under the names Pyaterochka-Express and Perekriostok-Express, leveraging on X5's existing brand names. X5 will initially own 40% of the joint venture but also has options to buy another 30% stake in 2011 and the final 30% in 2013.

**Banks providing USD1.5 bn loans to be announced this month.** In other news, a company's spokesman confirmed yesterday that the retail group will announce at the end of this month the banks that will provide it USD1.5 bn in loans later this year. The company plans to refinance its debt by extending duration of its existing debt. The company took a 1-year loan worth close to USD1 bn in June and its total debt is currently USD1.1 bn.

**Margins may be low, but X5 will be first in segment.** Since no details were provided on the financing sources of the convenience stores JV it is relatively difficult for us to express a fully informed opinion on this new venture. Generally, though, we see positives and negatives on this idea. On the positive side, the JV targets a relatively virgin area of the retail chain, dominated by small family businesses that lack the scale and the deep pockets of the big retail groups. Therefore, there is sufficient room for entrance and significant market share gains. The operating know how of X5 can be easily leveraged in this retail segment and most likely the costs will be low. On the negative side, the small size and high competition of this format points to relatively low margins. Overall, it seems that X5 is looking for new ways of growth and small convenience stores could help in the future. Breaking into this segment before most of its peers could offer an advantage. We do not officially cover this stock.

## News Briefs

### Oil and Gas

**Gazprom CEO Alexei Miller and Ukraine's Energy Minister Yuriy Boiko arranged yesterday the repayments of the outstanding claims in Moscow (Bloomberg).** It appears that the mini-crisis is reaching its conclusion without any major problems in actual gas deliveries to Ukraine or Europe.

**Lukoil will sell close to 3 bcm next year to Gazprom from its Uzbekistan assets at a price that was not published (Bloomberg).** Lukoil plans to raise its Uzbek gas volumes to 12 bcm by 2012. Good news for Lukoil but the pricing might not be satisfying as previously company officials have alluded to a price of USD140 per th cm

**Sakhalin Energy, operator of Sakhalin-2, could announce today that an independent consultant hired by the group found that the company has been compliant with environmental standards (*Financial Times*).** This would pave the way for the company's fund raising plan (close to USD6 bn). Gazprom is the majority owner of Sakhalin-2.

**Gazprom acquired 17.67% (post money) stake in TGK-1 at the price RUB0.035/share (Interfax).** Gazprom won the auction for the state's stake in TGK-1. After Federal Antimonopoly service approves the deal, Gazprom will control a 47% stake in the generating company.

### Metals and Mining

**Norilsk Nickel's energy division will be traded on RTS and MICEX and will sell ADRs after spin off (Bloomberg).** Norilsk Nickel's CEO Denis Morozov said that new company will have a market cap of approximately USD7 bn and will be named Energo Polyus. The spin off plans are to be approved at an extraordinary general meeting on December 14 2007. This, in our view, could be the next exciting story in the power sector.

### Telecoms and Technology

**MTS said its Armenian subsidiary K-Telecom (80% of which was acquired mid-Sep) received frequencies for 3G services.** We expect 3G services to complement GSM ones, support ARPU and help MTS to retain market leadership. The news is a minor positive as we estimate Armenia will generate about 2% of total MTS revenues from 3Q07.

### Industrials, Consumer, Banks

**Aeroflot is on a list with six investors considering a new bid for Alitalia according to an official document to the Italian stock exchange.** No details were provided as to the timing of any auctions. While a few weeks ago Aeroflot was presented as the only interested party, it seems now that competition for Alitalia is intensifying again.

**VTB plans to invest USD2-4 bn in Russian energy sector (Interfax).** VTB's Chairman Andrey Kostin said that the bank wants to increase lending to generating companies and is also interested in projects in the CIS. Positive news for the entire sector.

### Other

**Elvira Nabiullina, the new Economy Minister, admitted yesterday at the cabinet meeting that inflation will exceed 8% this year but did not specify by how much (Reuters).** Later in the day, the government approved administrative measures to contain inflation including export duties on wheat and barley and a reduction of import duties on dairy products. In this way, the government may avoid rouble appreciation but we consider administrative measures of limited effectiveness in the long-term.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	11.70	1.1%	7.1%	13.9%	8.1%	5.0%	1.7%	11.8/8.75
	Novatek	57.00	0.4%	9.6%	15.3%	4.6%	1.8%	-10.2%	66/46.5
	Rosneft	8.51	-0.8%	0.8%	2.8%	0.9%	7.4%	-7.0%	9.49/7.66
	Lukoil	87.30	0.6%	6.5%	17.0%	7.5%	12.5%	-0.7%	91.8/71.9
	TNK-BP Holding	2.07	0.0%	1.0%	6.5%	-3.2%	-10.7%	-20.2%	2.6/1.67
	Surgutneftegaz	1.35	0.0%	0.4%	10.2%	13.4%	4.2%	-11.8%	1.53/1.07
	Gazprom Neft	4.25	0.0%	1.7%	13.6%	1.2%	3.2%	-6.8%	4.72/3.7
	Tatneft	5.46	-1.3%	1.8%	11.7%	6.2%	11.4%	12.1%	5.61/3.95
	Bashneft	14.75	3.9%	9.7%	9.3%	5.4%	2.4%	-7.8%	17.65/12
	Transneft pref	1,970.00	3.7%	11.0%	26.3%	18.7%	-9.4%	-14.2%	2540/1435
	Integra	15.38	-2.2%	0.9%	-3.0%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	19.06	-0.9%	4.2%	-1.1%	-12.5%	8.2%	-4.7%	25.56/16.59
	West Siberian Resources	0.86	0.0%	5.7%	9.8%	-8.9%	-13.2%	-23.8%	1.16/0.66
Utilities	UES	1.20	-0.1%	-0.1%	-0.9%	-16.4%	62.9%	11.0%	1.46/0.73
	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%	0.0%	9.6%	-12.4%	82.2%	21.2%	0.18/0.08
	OGK-4	0.13	0.1%	0.0%	6.3%	1.2%	122.3%	58.1%	0.13/0.06
	OGK 5	0.16	0.7%	0.5%	-1.1%	-5.2%	56.6%	19.5%	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	75.51	-0.8%	1.9%	22.1%	16.4%	99.0%	50.4%	76.09/37.5
	Sistema	35.10	3.2%	6.0%	27.4%	11.6%	25.4%	9.7%	35.1/25.85
	VimpelCom	29.00	0.7%	3.5%	17.5%	29.7%	135.1%	83.7%	29/12.06
	Comstar	12.90	-1.0%	0.4%	26.5%	30.3%	108.1%	53.6%	13.71/6.2
	Rostelecom	10.70	1.2%	1.9%	8.1%	11.5%	114.0%	39.9%	10.7/4.9
	Golden Telecom	82.00	-0.9%	1.6%	22.0%	26.7%	154.1%	75.1%	83.57/31.92
	MGTS	30.35	-0.9%	1.8%	0.4%	-11.6%	37.2%	16.9%	34.29/19.66
	Uralsvyazinform	0.06	-2.2%	1.4%	8.3%	-4.0%	46.6%	-8.1%	0.07/0.04
	Volga Telecom	5.45	0.0%	3.8%	18.0%	-0.9%	35.1%	-9.9%	6.6/3.75
	Sibirtelecom	0.11	-1.2%	1.1%	14.9%	-2.9%	19.3%	-2.9%	0.13/0.08
	Northwest Telecom	1.70	-1.8%	4.0%	14.1%	-6.2%	30.0%	1.4%	1.84/1.12
	Center Telecom	0.96	0.0%	4.3%	6.7%	-2.0%	53.8%	28.0%	1/0.56
	Southern Telecom	0.19	0.0%	3.5%	12.9%	-6.8%	50.6%	6.7%	0.23/0.12
	Dalsvyaz	5.05	-2.9%	-1.0%	9.8%	-2.9%	70.0%	21.4%	5.2/2.97
	Bashinformsvyaz	0.18	n/a	n/a	n/a	n/a	n/a	n/a	0.23/0.17
	RBC	8.98	0.1%	14.0%	11.8%	-3.6%	-14.6%	-24.9%	12.1/7.53
	Sitronics	6.50	4.8%	6.0%	4.0%	-3.0%	n/a	n/a	12/5
CTC Media	23.20	-1.0%	7.4%	-3.7%	-18.3%	5.4%	-3.4%	28.77/19.59	
Rambler Media	37.75	-0.3%	2.4%	-9.6%	-11.5%	48.0%	11.9%	55/25.5	
Metals and mining	Norilsk Nickel	270.50	1.3%	7.1%	24.1%	24.4%	109.0%	72.3%	272/129
	Polyus Gold	43.00	0.0%	-1.1%	4.2%	-3.9%	-2.8%	-12.8%	55.25/38.3
	Severstal	22.40	1.8%	4.8%	32.5%	37.4%	80.6%	100.0%	22.4/10.84
	Evrast Group	64.00	2.1%	1.6%	23.8%	32.8%	181.9%	149.1%	64.6/22.55
	Mechel	59.51	2.4%	11.9%	35.6%	37.2%	173.9%	133.6%	59.51/21.73
	NLMK	39.95	6.3%	12.5%	26.8%	22.4%	110.3%	71.8%	39.95/19
	MMK	1.15	0.0%	0.0%	2.7%	2.7%	66.1%	32.2%	1.19/0.69
	TMK	44.50	2.3%	8.5%	11.8%	15.6%	n/a	27.1%	44.5/21.6
	VSMPO	288.00	0.0%	-0.7%	1.4%	-7.4%	23.6%	-1.7%	330/221.5
	Sberbank	4.17	2.0%	3.1%	13.2%	3.6%	84.3%	20.7%	4.42/2.2
Industrials, consumer, banks	Rosbank	7.11	0.2%	2.1%	1.7%	-7.9%	16.3%	-6.3%	7.67/5.51
	X5	36.15	-1.8%	4.2%	5.4%	11.6%	85.4%	39.0%	37.5/19.5
	Seventh Continent	25.40	-0.2%	-1.9%	0.4%	-0.4%	13.9%	-4.9%	29.3/22.3
	Dixy Group	14.15	0.0%	0.0%	-1.3%	-7.2%	27.1%	16.9%	15.6/13.95
	Magnit	41.75	-0.2%	-0.2%	-1.3%	-7.2%	27.1%	16.9%	47.6/32.25
	Wimm-Bill-Dann	110.01	2.2%	-2.4%	1.1%	6.8%	150.0%	65.3%	117.31/41.2
	Lebedyansky	87.50	0.0%	0.0%	-3.0%	4.8%	25.0%	9.4%	99/69.75
	Nutritek	50.50	1.0%	5.2%	7.4%	2.1%	22.1%	8.5%	53.8/44.9
	Baltika (euro)	33.91	0.0%	2.1%	-0.9%	2.1%	22.1%	8.5%	36.96/30.97
	Razgulay	4.09	0.0%	0.2%	-0.1%	3.2%	-19.1%	2.1%	5.05/3.6
	Severstal Auto	48.75	0.0%	0.0%	16.8%	30.9%	132.7%	61.2%	48.75/20.95
	AvtoVAZ	1.60	0.0%	4.8%	14.8%	2.0%	35.3%	42.1%	1.74/0.65
	Aeroflot	3.11	0.0%	4.8%	14.8%	2.0%	35.3%	42.1%	3.11/2.17
	Veropharm	41.80	0.0%	-1.1%	-5.9%	-1.5%	60.8%	31.7%	48.65/26
	Apteka 36.6	75.00	0.0%	1.4%	-3.5%	-16.9%	70.5%	28.8%	96.1/44
	Pharmstandard	20.00	0.7%	3.4%	18.0%	19.8%	n/a	n/a	20.01/13.6
	Kalina	36.00	1.4%	1.3%	-1.4%	-12.7%	-23.6%	-30.1%	51.5/34.25
Oriflame (euro)	42.23	-0.6%	1.2%	3.2%	14.7%	58.0%	37.2%	43.99/26.33	
Cherkizovo	13.41	-1.0%	4.1%	9.5%	5.2%	10.6%	-1.4%	16.1/11.05	
Sistema Hals	9.66	-3.4%	0.7%	-10.6%	-22.0%	n/a	-27.4%	15.05/9.1	
<b>RTS Index</b>	<b>2,130.20</b>	<b>0.7%</b>	<b>4.1%</b>	<b>12.2%</b>	<b>6.5%</b>	<b>34.2%</b>	<b>10.8%</b>	<b>2130.2/1581.63</b>	

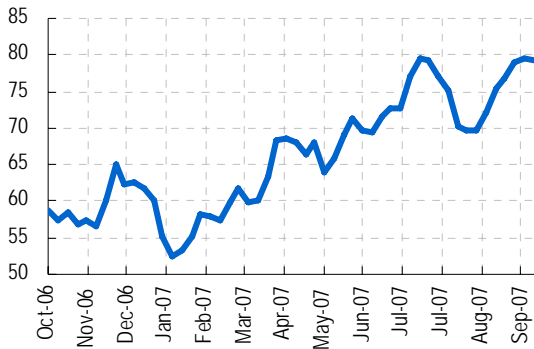
Source: Bloomberg

Stock valuation summary													
	Company name	MCAP,			P/E			EV/EBITDA			EV/Revenue		
		USD mn	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E		
Oil and gas	Gazprom	266,163	11.9	10.6	9.7	8.7	7.7	7.1	3.7	3.4	3.2		
	Novatek	17,305	25.1	18.5	14.1	15.7	12.0	9.4	7.5	5.8	4.3		
	Lukoil	74,292	10.0	10.7	10.7	6.6	7.0	6.8	1.2	1.2	1.2		
	Rosneft	90,197	21.8	18.4	16.9	12.0	10.6	8.9	2.9	2.6	2.5		
	Surгутneftegaz	53,321	12.7	13.0	15.7	6.2	6.5	7.3	2.3	2.2	2.3		
	Gazprom Neft	20,149	6.1	7.2	7.4	4.0	4.6	5.0	1.0	1.1	1.1		
	Tatneft	12,340	9.8	10.5	11.0	6.1	6.8	7.7	1.1	1.2	1.2		
	Bashneft	2,508	5.4	6.1	6.5	3.1	3.5	3.7	0.6	0.7	0.8		
	Transneft pref	13,616	6.1	5.2	4.7	4.1	3.4	3.0	2.2	1.9	1.7		
	West Siberian Resources	1,013	30.6	25.5	9.6	9.7	7.2	4.5	3.6	2.6	1.9		
	<b>Aggregate - oil and gas</b>	<b>549,892</b>	<b>12.1</b>	<b>11.1</b>	<b>10.7</b>	<b>7.4</b>	<b>6.9</b>	<b>6.5</b>	<b>2.5</b>	<b>2.2</b>	<b>2.0</b>		
Utilities	UES	49,209	32.6	28.7	19.3	17.1	13.9	10.1	3.4	2.9	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	6,215	n/a	98.7	51.4	77.4	46.5	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		
	<b>Aggregate - utilities</b>	<b>87,392</b>	<b>24.1</b>	<b>31.5</b>	<b>20.8</b>	<b>36.2</b>	<b>15.4</b>	<b>11.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>		
Telecoms and technology	MTS	30,128	24.2	17.0	15.1	10.2	8.6	7.9	5.2	4.3	4.0		
	Sistema	16,953	18.8	14.1	12.9	8.8	7.3	6.7	3.2	2.9	2.7		
	VimpelCom	29,742	36.6	24.8	22.0	12.9	10.5	9.7	6.5	5.3	4.9		
		<b>Aggregate - mobile telecoms</b>	<b>76,824</b>	<b>26.5</b>	<b>18.6</b>	<b>16.7</b>	<b>10.6</b>	<b>8.8</b>	<b>8.1</b>	<b>5.0</b>	<b>4.2</b>	<b>3.8</b>	
	Comstar	5,391	65.7	18.7	16.2	18.0	10.3	9.3	5.9	4.4	4.0		
	Rostelecom	8,426	n/a	73.3	61.5	21.5	19.2	17.1	3.6	3.6	3.4		
	Golden Telecom	3,005	35.1	25.7	19.1	13.3	9.4	7.1	3.5	2.6	2.1		
	MGTS	2,843	16.4	11.7	10.6	10.0	7.4	6.7	4.2	3.3	3.1		
	Uralsvyazinform	2,336	75.4	17.1	13.1	9.5	6.3	5.5	2.6	2.3	2.1		
	Volga Telecom	1,656	21.2	12.5	10.4	6.7	5.1	4.5	2.3	2.0	1.8		
	Sibirtelecom	1,591	37.3	7.6	5.9	8.2	4.7	3.9	2.0	1.6	1.5		
	Northwest Telecom	1,785	38.0	15.1	14.5	8.7	5.9	5.4	2.8	2.3	2.0		
	Center Telecom	1,810	26.8	28.3	16.5	6.5	6.0	5.1	2.4	2.1	1.9		
	Southern Telecom	695	53.5	17.4	15.4	6.4	6.0	5.5	2.2	2.0	1.8		
	Dalsvyaz	617	47.4	12.8	8.8	8.5	5.0	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	1,242	28.7	13.5	9.8	8.1	5.6	4.5	0.7	0.6	0.5		
		<b>Aggregate - fixed line telecoms</b>	<b>30,329</b>	<b>38.6</b>	<b>20.7</b>	<b>16.4</b>	<b>10.1</b>	<b>7.4</b>	<b>6.7</b>	<b>2.9</b>	<b>2.4</b>	<b>2.2</b>	
	RBC	1,033	26.1	27.0	12.8	15.5	10.7	7.7	4.6	3.6	2.9		
	CTC Media	3,515	23.7	18.2	14.3	14.2	11.0	8.9	6.7	5.2	4.2		
Rambler Media	567	46.8	23.4	15.3	28.6	13.0	9.0	7.1	4.1	3.2			
	<b>Aggregate - media</b>	<b>5,115</b>	<b>32.2</b>	<b>22.9</b>	<b>14.1</b>	<b>19.4</b>	<b>11.6</b>	<b>8.5</b>	<b>6.1</b>	<b>4.3</b>	<b>3.4</b>		
Metals and mining	Norilsk Nickel	49,502	6.6	8.0	10.6	4.2	5.3	7.2	3.1	3.4	4.0		
	Polyus Gold	8,213	39.2	51.0	58.5	18.4	22.0	21.9	7.9	8.3	8.3		
	Severstal	22,572	13.1	12.1	11.6	7.0	6.4	6.2	1.7	1.6	1.6		
	Evraz Group	22,446	12.5	12.4	11.9	7.7	7.4	8.1	2.5	2.3	2.2		
	Mechel	8,032	10.0	10.7	12.1	6.1	6.3	6.3	1.5	1.5	1.4		
	NLMK	23,942	11.4	12.0	11.9	7.1	7.3	7.1	3.3	3.2	3.0		
	MMK	11,687	7.2	7.2	6.5	5.0	4.9	4.6	1.5	1.5	1.3		
	TMK	9,701	14.6	10.2	12.8	8.8	6.5	8.3	2.6	2.2	2.1		
	VSMPO	3,456	13.6	10.7	8.5	8.7	7.1	5.6	3.4	2.8	2.2		
		<b>Aggregate - metals and mining</b>	<b>159,550</b>	<b>16.1</b>	<b>15.7</b>	<b>15.9</b>	<b>9.2</b>	<b>8.5</b>	<b>8.4</b>	<b>3.4</b>	<b>3.1</b>	<b>3.0</b>	
Industrials, consumer, banks	Sberbank *	230	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		<b>Aggregate - banks</b>	<b>230</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>		
	X5	7,826	38.5	28.1	20.2	17.3	12.8	10.3	1.8	1.3	1.0		
	Magnit	3,006	36.8	26.7	18.1	15.8	11.1	8.2	0.9	0.6	0.5		
	Seventh Continent	1,905	29.3	22.9	16.2	14.0	10.0	7.5	1.4	1.0	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)	5,773	12.5	11.2	9.3	7.6	6.9	5.6	2.4	2.1	1.8		
	Wimm-Bill-Dann	4,840	30.8	22.7	18.7	15.9	12.3	10.1	2.3	1.9	1.6		
		<b>Aggregate - FMCG</b>	<b>25,136</b>	<b>27.6</b>	<b>21.1</b>	<b>16.0</b>	<b>13.6</b>	<b>10.4</b>	<b>8.3</b>	<b>1.8</b>	<b>1.5</b>	<b>1.2</b>	
	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	418	17.0	12.7	9.9	10.9	8.3	6.3	3.7	2.8	2.3		
	Kalina	351	12.0	9.9	9.6	7.5	6.5	6.1	1.1	1.0	0.9		
Oriflame (euro)	2,352	23.5	18.8	14.3	15.7	13.4	11.1	2.4	2.2	1.9			
	<b>Aggregate valuation</b>	<b>943,430</b>	<b>12.7</b>	<b>11.7</b>	<b>10.9</b>	<b>8.2</b>	<b>7.6</b>	<b>7.2</b>	<b>2.5</b>	<b>2.3</b>	<b>2.2</b>		
	<b>FF-adj. MCAP W.A. valuation</b>	<b>270,871</b>	<b>15.1</b>	<b>14.6</b>	<b>13.4</b>	<b>9.9</b>	<b>8.3</b>	<b>7.8</b>	<b>3.4</b>	<b>3.1</b>	<b>2.9</b>		

Source: MDM estimates, IBES consensus

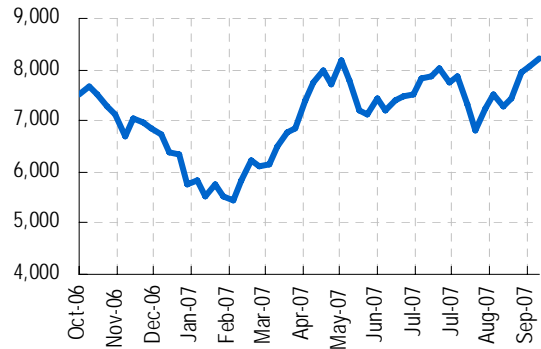
## Key commodities

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



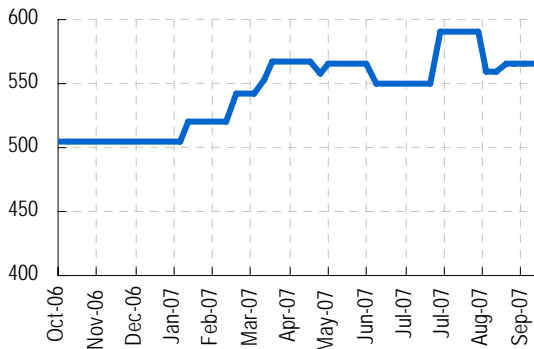
Source: Bloomberg

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



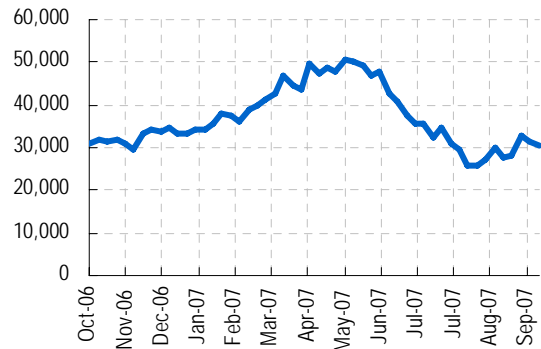
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



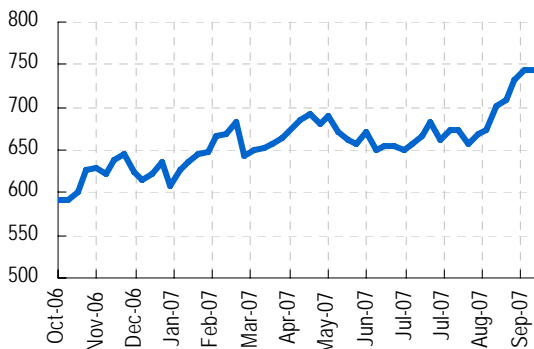
Source: Bloomberg

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



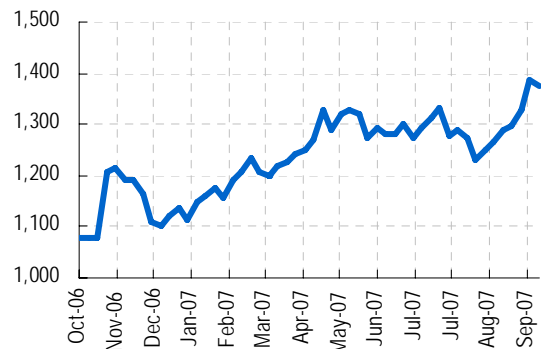
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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