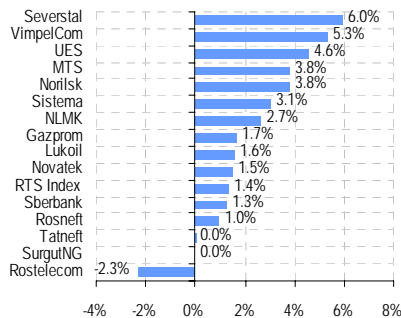
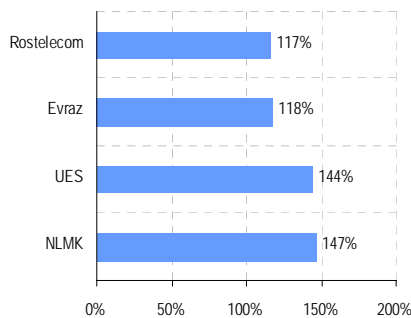


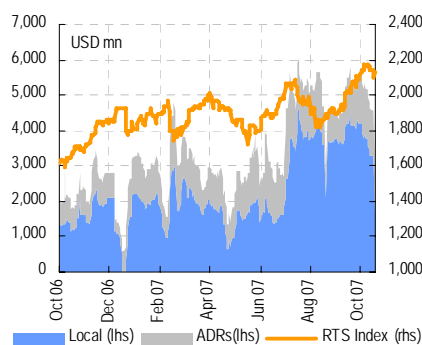
### Blue chips: advancers and decliners



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



### RTS index and weekly trading volumes



### Upcoming events

end October	MMK 3Q07 trading update
end October	UralKali 1H07 IFRS results
end October	Cherkizovo 1H07 U.S.GAAP results
end October	Acron 1H07 IFRS results
end October	UES 1H07 IFRS results
25 Oct	Center Telecom 9M07 RAS results
25 Oct	Polymetal 3Q07 operating results
29 Oct	CTC Media 3Q07 U.S.GAAP results
end October	Tatneft 1H07 U.S.GAAP results
08 Nov	Baltika 9M07 IFRS results

### Market

- Russian equities followed the emerging markets rally yesterday with the RTS gaining 1.4% to 2127 while the MICEX advanced by 1.5% to 1799. The recovery was broad-based with metal names showing the best performance. Yesterday's strong US finish could aid today's opening but most investors will focus on US existing home sales this afternoon.

### Top news and ideas

- **Gazprom: Negotiations for Canadian LNG project underway.** We commend Gazprom's management for moving quickly to secure LNG markets and believe re-gasification in Canada offers superb access to lucrative US markets while reducing transport costs for shipping from Shtokman.
- **TNK-BP: Eyes Turkmen projects with Burren Energy.** Robert Dudley, TNK-BP CEO, yesterday confirmed that talks are underway. In our view, the 'protection' of TNK-BP could help Burren remain independent, while the move may persuade investors TNK-BP is acting to reverse core-asset decline rates.
- **Rosneft: Basic Element has no plans to resell.** In our view, Rosneft may not be in good shape now but under the guidance of experienced management could turn into a major Russian oil industry player. This also implies that Rosneft might not, as it was widely believed, end up with these assets.

### Other highlights

- **Brief - Transnefteproduct, Russia's oil products pipeline operator, was valued by Transneft at USD2.1 bn (Bloomberg).** This was conducted ahead of the swap of shares between the two companies that will end up in the full acquisition of Transnefteproduct by Transneft by the end of this year.
- **Brief - Sistema said yesterday it signed an agreement to increase its stake in Indian mobile operator Shyam Telelink from 10% to 51% for USD58.1 mn and for a call option to raise it to 74% within 20 months upon regulatory approval.** The move is in line with Sistema's expansion plans beyond Russia, of which MTS is a likely eventual beneficiary.

>>> More news on page 5

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,127	1.4%	-1.5%	4.2%	3.7%	32.2%
MSCI EM Europe Index	754	2.6%	-1.2%	5.6%	4.9%	33.1%
MSCI EM Index	1,269	2.8%	-0.9%	8.0%	9.7%	57.2%
S&P500 Index	1,520	0.9%	-1.2%	0.1%	0.6%	10.3%
OIX (Oil majors) Index	806	0.6%	-4.0%	-0.5%	3.0%	30.9%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	86.6	-1.1%	1.0%	3.8%	16.0%	51.7%
Nickel, USD/ton	31,703	1.9%	1.6%	-2.8%	-8.2%	-7.3%
Steel (HR), USD/ton	588	0.0%	0.0%	4.0%	6.8%	16.3%
LT U.S. Treasury YTM	4.7%	4.7%	5.0%	4.9%	5.1%	5.0%
EMBI-Russia spread, bp	128	130	127	111	122	105
RUB/USD	24.81	24.85	24.92	25.13	25.41	26.85

Source: Datastream, Bloomberg

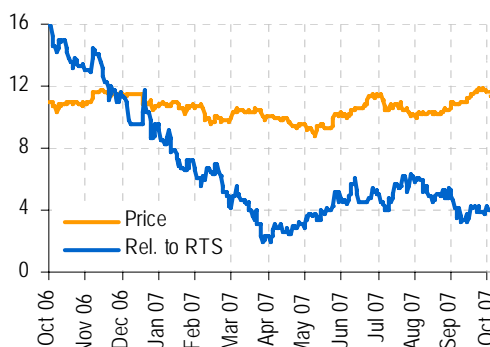
## Gazprom: Negotiations for Canadian LNG project underway

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 Equity	11.51	n/a	Not Rated	11.91/8.75	5.7%	3.6%	6.0%

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	3.1
EV/EBITDA	8.6	7.6	7.0
P/E	11.8	10.5	9.6
MCAP, USD mn	262,751	Com., mn	22,749
EV, USD mn	313,103	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Gazprom closes on N. American LNG markets.** Gazprom, the world's largest producer and holder of reserves of natural gas, seems to be actively looking to secure LNG markets for its future volumes from Shtokman and the Baltic Sea. Reuters reported yesterday that the manager of the Rabaska LNG project in Canada's Quebec province, Martin Imbleau, said that his company is in negotiations with Gazprom regarding a "fairly advanced project". It appears Gazprom has been offered an equity stake in a future joint venture that would also include Rabaska's partners: Canadian gas distributor Gaz Metro, Canadian pipeline company Enbridge and French gas utility Gaz de France. Rabaska is currently under construction and has total re-gasification capacity of 5 bn cm with plans for further expansion in the future.

**Quebec re-gasification offers Gazprom best of both worlds.** Gazprom officials have explicitly and clearly stated in the recent past that one of the main aspects of their long term strategy is targeting the world's largest LNG markets, with the US market on the top of that list. The Rabaska LNG project is probably one of the best tools for Gazprom to indirectly enter the US market. We believe re-gasification in Quebec is an excellent alternative to Gazprom shipping LNG from Shtokman in the Barents Sea to the US market as the move would save time and distance, thereby reducing transportation costs. Furthermore, the largest portion of LNG re-gasified in Rabaska will be sold in the US market where gas prices are usually among the highest in the world.

**Canadian negotiations first step of Gazprom's LNG strategy.** Of course, the first priority for Gazprom should be the actual development of the Shtokman field – which is at a very early stage and is actually still looking for a second partner. It is also obviously too early in the negotiation process with Rabaska's partners for terms of a possible deal to be known. However, we commend Gazprom's management for acting quickly to secure end markets for Shtokman's future production, and, moreover, for making the first solid steps in implementing its new LNG strategy. As we have said in the past, Gazprom's entrance in the world's LNG markets could transform the company into one of the most profitable gas companies on the planet. We do not officially cover Gazprom.

## TNK-BP: Eyes Turkmen projects with Burren Energy

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

**THK-BP, Burren Energy in possible Turkmen tie-up.** Robert Dudley, TNK-BP CEO, confirmed yesterday in Moscow that the Russian venture of BP is in talks with Burren Energy Plc regarding potential projects in Turkmenistan. According to Mr. Dudley, the negotiations involve also Burren Energy taking stakes in some of TNK-BP's Russian projects. The main asset he referred to was the Samotlor field in western Siberia, adding that Burren was particularly interested in TNK-BP's experience in "rehabilitating mature fields". Dudley also stated that his company is interested in projects in Kazakhstan and Venezuela but offered no additional details as to if and when any announcements will be made. Nevertheless, he made a very interesting comment that could offer insight into the company's long term strategy and potential changes in it. The TNK-BP CEO said that Russian oil companies feel like "watching a party from outside the window" referring to the high taxes and inflation that do not allow Russian companies to benefit from high oil prices.

**Turkmen entry could help reverse core-asset decline for TNK-BP.** A co-operation between Burren Energy and TNK-BP would make strategic sense for both parties, in our view. Burren Energy has already been the subject of bids from Italy's ENI, with Korean National Oil rumored to be preparing for one more bid. Joining forces with TNK-BP in Turkmenistan and entering large projects under the "protection" of TNK-BP increases its chances of remaining independent – and, of course, allows entrance into Russia. For TNK-BP, the change in the strategy mentioned above may already be under way. Maturing fields in Russia, the lack of any major new fields on/in the horizon after the loss of the Kovykta field and high taxation in Russia clearly necessitate expansion in neighboring countries. Turkmenistan, a relatively underdeveloped area, is probably one of the best candidates. Even though it is too early to offer opinions on the economic benefits of such exchanges of assets as terms are not known, we view them as a very good strategic move from TNK-BP's perspective – and one that would finally convince investors that TNK-BP is indeed acting to reverse the high decline rates it faces in its core assets. We do not officially cover this stock.

## Russneft: Basic Element has no plans to resell

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**Basic Element to keep hold of Russneft.** A new and interesting twist in the Russneft saga surfaced yesterday. Alexander Lukin, deputy general director and financial director of Oleg Deripaska's holding company Basic Element, told reporters that the company plans to buy Russneft without reselling it to another company at a later date. Lukin also revealed that Basic Element has applied for approval to the Federal Antimonopoly Service but did not give details as to the price his company will pay for buying a 70% stake in Russneft. He insisted, though, that the recent freezing of Russneft's shares and the warrant for the arrest of former Russneft majority owner Mikhail Gutseriev have not influenced Basic Element's determination to move ahead with this acquisition. We remind investors that Basic Element was expected to spend approximately USD6.5 bn to acquire a 70% stake on Russneft, with Gutseriev receiving USD3 bn, debtors (Swiss trader Glencore and Sberbank) receiving USD2.8 bn and another USD780 mn directed to pay off tax claims.

**Basic Element control of Russneft a negative for Rosneft stock.** If Lukin's statements are based on reality, we see two main implications. First, Oleg Deripaska will enter the oil and gas industry with a company that might not be in good shape right now but certainly has the potential to become a player in the future under the guidance of an experienced management team. It also appeared at the time that Deripaska had talks with the government before it moved ahead with the acquisition of Russneft's stake from Gutseriev. This implies that Basic Element will find it easier to expand Russneft's asset base than Gutseriev did, who was not one of the Kremlin's more favoured oligarchs. The second major implication, in our view, is that the scenario most expected by investors will not be realized. Several analysts and investors expected Basic Element to resell Russneft to one of the state controlled oil and gas companies, with Rosneft being the big favourite. It seems that this is not the case any more, which removes one of the potential catalysts for Rosneft's stock as the scenario called for a relatively low purchase price for Russneft's assets. As a result we view the news as slightly negative for Rosneft.

## News Briefs

### Utilities

**IES Holding could go ahead with an IPO in 2009, according to the company's finance vice president, Mikhail Slobodin** (*RBC Daily*). He also did not rule out the probability of converting to a single share the company's holdings in all power companies, including TKG-5, TKG-6, TKG-7 and TKG-9. We believe this would in the future create a more liquid tool for institutional investors to bet on the upside of the Russian power sector.

**UES plans to deposit the money earned from selling the state's stakes in generating companies** (Interfax). UES will deposit about RUB217 bn in VTB, Sberbank and Vneshekonombank. Deposits are viewed as the least risky instrument to invest the money, the company's representative said.

**TGK-6 wants to raise RUB13.8 bn through its forthcoming placement** (Interfax). In total, TGK-6 plans to sell 585 bn shares or 45.4% on pre-money basis. UES wants to sell the state's stake (34% pre-money) simultaneously with additional shares. We believe that IES, which currently owns 22%, is likely to gain control over the company.

**UES plans to sign forward contracts for the shares bought from the investors who voted against reorganization** (*Vedomosti*). The execution price is supposed to be not less than the buy-out price (RUB32.15/share). A UES spokeswoman refused to name investors interested in the derivative but Gazprom's and Norilsk Nickel's representatives said that they do not need additional UES shares.

### Oil&Gas

**Russia's Energy Minister Viktor Khristenko yesterday forecasted that this year's total crude oil production will reach 492 mn tons, 2.6% higher than last year.** He added that growth will come from East Siberian fields as West Siberian fields are maturing. His statements are for the most part in line with market expectations. However, we believe that the final tally for volume growth may come in at slightly below 2%.

### Industrials, Consumer, Banks

**Bank St. Petersburg set its placement price in the range of USD4.35-5.65/share (USD13.05-16.95/GDR) yesterday** (Reuters). The offering will consist of 50.8 mn shares or 18% (post-money). The implied MCap of USD1.2-1.6 bn suggests reasonable pricing at 2007E P/BV of 3.5-3.8x. Given its leading position in an economically robust region and fast growing client base, we expect the bank to enjoy healthy investor interest.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	11.55	1.7%	-1.6%	5.7%	3.6%	6.0%	0.4%	11.91/8.75
	Novatek	53.40	1.5%	-2.0%	2.7%	-6.6%	2.3%	-15.9%	66/46.5
	Rosneft	8.53	0.9%	-2.0%	-1.2%	-1.7%	3.1%	-6.8%	9.49/7.66
	Lukoil	84.30	1.6%	-5.7%	3.9%	0.7%	5.2%	-4.2%	91.8/71.9
	TNK-BP Holding	2.08	-0.5%	-0.1%	3.7%	1.5%	-8.0%	-19.8%	2.6/1.67
	Surgutneftegaz	1.27	0.0%	-3.8%	-4.4%	8.1%	-8.6%	-17.0%	1.53/1.07
	Gazprom Neft	4.65	0.0%	2.0%	17.7%	10.7%	12.9%	2.0%	4.72/3.7
	Tatneft	5.51	1.0%	-4.2%	1.3%	2.2%	12.1%	12.2%	5.76/3.95
	Bashneft	15.80	1.3%	3.9%	18.4%	9.0%	9.0%	-1.3%	17.65/12
	Transneft pref	1,740.00	1.2%	-5.2%	4.8%	-7.9%	-21.4%	-24.2%	2540/1435
	Integra	15.35	0.7%	-0.3%	-2.0%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	19.30	0.4%	0.9%	5.8%	-9.6%	8.7%	-3.5%	25.56/17.1
	West Siberian Resources	0.88	3.6%	-1.7%	9.6%	-5.0%	-10.9%	-22.4%	1.16/0.66
Utilities	UES	1.24	4.5%	6.2%	2.7%	-9.9%	70.8%	15.0%	1.46/0.73
	OGK-1	0.10	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.09
	OGK-2	0.14	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.09
	OGK-3	0.16	0.0%	10.7%	15.7%	-11.4%	86.7%	26.5%	0.18/0.08
	OGK-4	0.13	2.6%	1.8%	3.9%	3.0%	134.0%	62.9%	0.13/0.06
	OGK 5	0.16	-10.2%	-11.5%	-6.2%	-8.4%	54.6%	11.4%	0.17/0.09
	OGK-6	0.13	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.09
Telecoms and technology	MTS	76.15	3.8%	2.6%	8.5%	19.6%	84.6%	51.7%	76.89/41.26
	Sistema	34.94	3.1%	-0.2%	5.9%	8.5%	30.6%	9.2%	36.37/25.85
	VimpelCom	30.62	5.3%	1.2%	10.8%	41.9%	134.6%	93.9%	31.29/12.83
	Comstar	11.75	-1.1%	-2.1%	-2.1%	5.1%	69.1%	39.9%	13.71/6.8
	Rostelecom	9.80	-2.3%	-4.9%	-5.7%	2.1%	97.6%	28.1%	10.7/4.9
	Golden Telecom	94.45	3.7%	7.2%	23.1%	45.7%	145.8%	101.6%	94.45/35.75
	MGTS	30.06	1.4%	-0.3%	-0.9%	-13.8%	35.9%	15.0%	34.29/19.66
	Uralsvyazinform	0.06	1.8%	0.2%	9.6%	2.4%	52.1%	-7.5%	0.07/0.04
	Volga Telecom	5.72	0.0%	0.0%	21.2%	7.9%	45.9%	-5.5%	6.6/3.75
	Sibirtelecom	0.11	0.0%	-3.5%	16.9%	0.9%	30.6%	-2.2%	0.13/0.08
	Northwest Telecom	1.81	2.5%	2.0%	25.3%	4.6%	45.4%	7.4%	1.84/1.12
	Center Telecom	0.91	-4.9%	-2.2%	-1.1%	-3.7%	52.9%	21.3%	1/0.56
	Southern Telecom	0.19	0.0%	0.0%	7.5%	2.1%	53.1%	6.3%	0.23/0.12
	Dalsvyaz	5.05	0.0%	0.0%	7.4%	2.0%	67.2%	21.4%	5.2/3.02
	Bashinformsvyaz	0.18	0.0%	0.0%	-0.6%	-0.6%	0.6%	-22.6%	0.23/0.17
	RBC	9.12	1.5%	-0.3%	12.9%	-0.6%	-20.1%	-24.3%	12.1/7.53
	Metals and mining	Sitronics	7.08	3.7%	2.2%	20.4%	-1.4%	n/a	n/a
CTC Media		22.00	-0.5%	-4.9%	-4.3%	-22.3%	-17.0%	-8.4%	28.77/19.59
Rambler Media		39.58	-1.0%	3.3%	-3.2%	-17.6%	35.3%	17.3%	55/29.25
Norilsk Nickel		272.00	3.8%	2.1%	4.8%	22.6%	90.9%	73.2%	280/135.5
Polyus Gold		44.60	-0.3%	2.5%	-1.1%	6.2%	-4.1%	-9.5%	55.25/38.3
Severstal		23.10	6.0%	7.4%	12.7%	27.6%	84.9%	106.3%	23.84/10.84
Evrast Group		73.00	5.0%	9.8%	22.3%	50.2%	194.4%	184.2%	73/24.25
Mechel		80.93	8.8%	15.4%	62.2%	86.8%	255.0%	217.6%	80.93/21.79
NLMK		38.50	2.7%	-1.3%	15.6%	15.3%	84.2%	65.6%	42.05/20.5
MMK		1.21	0.0%	2.1%	4.8%	5.2%	55.6%	39.1%	1.28/0.77
TMK		43.50	-2.9%	-5.4%	5.3%	5.6%	n/a	24.3%	46.99/21.6
VSMPO		300.00	0.0%	0.0%	3.4%	-2.8%	25.0%	2.4%	330/221.5
Sberbank		4.30	1.3%	-1.8%	5.4%	-0.1%	86.3%	24.5%	4.42/2.21
Rosbank	7.32	0.1%	0.4%	6.4%	-3.5%	18.8%	-4.3%	7.67/5.55	
Industrials, consumer, banks	X5	34.50	1.5%	-1.4%	2.5%	4.5%	56.8%	32.7%	37.5/22
	Seventh Continent	26.05	1.6%	0.6%	3.8%	-0.6%	-4.2%	-2.4%	29.3/24.1
	Dixy Group	14.10	1.1%	-0.4%	10.2%	-3.1%	39.5%	29.0%	15.6/13.95
	Magnit	46.05	-0.1%	1.9%	10.2%	-3.1%	39.5%	29.0%	47.6/33
	Wimm-Bill-Dann	116.03	4.5%	5.2%	1.4%	23.5%	157.0%	74.4%	121.18/41.2
	Lebedyansky	89.00	1.3%	1.1%	0.0%	-5.3%	20.1%	11.3%	99/73.5
	Nutritek	51.25	0.0%	-0.5%	11.4%	0.8%	21.5%	8.5%	53.8/44.9
	Baltika (euro)	33.91	0.0%	0.0%	2.1%	0.8%	21.5%	8.5%	36.96/31.12
	Razgulay	4.60	0.0%	2.7%	13.6%	7.0%	15.0%	15.0%	4.63/3.6
	Severstal Auto	46.00	0.5%	-3.2%	-2.1%	29.2%	97.8%	52.1%	48.75/23.25
	AvtoVAZ	1.60	0.0%	0.0%	14.5%	15.3%	45.9%	55.3%	1.74/0.65
	Aeroflot	3.40	0.0%	0.0%	14.5%	15.3%	45.9%	55.3%	3.4/2.17
	Veropharm	43.50	0.0%	-1.1%	1.2%	1.9%	57.6%	37.0%	48.65/27.6
	Apteka 36.6	78.50	0.0%	1.3%	6.1%	-10.8%	74.4%	34.8%	96.1/45
	Pharmstandard	20.00	-1.1%	-2.5%	6.7%	25.0%	n/a	n/a	21.2/13.6
	Kalina	37.00	-1.3%	2.2%	6.5%	-12.7%	-20.4%	-28.2%	51.5/34.25
	Oriflame (euro)	40.45	0.1%	-1.1%	-5.9%	5.4%	46.5%	31.9%	44.07/27.61
Cherkizovo	14.30	4.4%	5.7%	14.4%	9.6%	-4.7%	5.1%	16.1/11.05	
Sistema Hals	10.20	1.6%	2.0%	-1.9%	-23.6%	n/a	-23.3%	15.05/9.1	
RTS Index	2,127.00	1.4%	-1.5%	4.2%	3.7%	32.2%	10.7%	2176.9/1590.33	

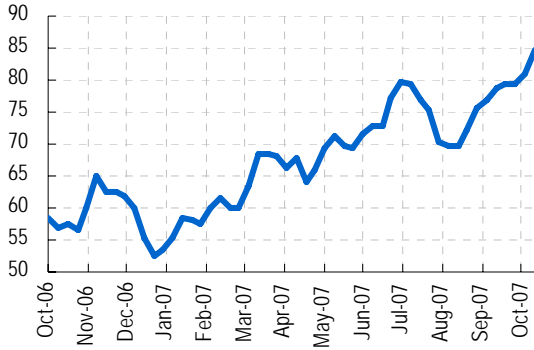
Source: Bloomberg

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	262,751	11.8	10.5	9.6	8.6	7.6	7.0	3.7	3.4	3.1		
	Novatek	16,212	23.5	17.4	13.2	14.7	11.2	8.8	7.0	5.4	4.0		
	Lukoil	71,739	9.7	10.3	10.3	6.4	6.7	6.6	1.2	1.2	1.2		
	Rosneft	90,409	21.8	18.4	16.9	12.0	10.6	9.0	2.9	2.6	2.5		
	Surгутneftegaz	50,532	12.1	12.4	14.9	5.9	6.1	6.8	2.1	2.0	2.1		
	Gazprom Neft	22,046	6.7	7.9	8.1	4.4	5.0	5.5	1.1	1.2	1.2		
	Tatneft	12,448	9.8	10.6	11.1	6.1	6.9	7.8	1.1	1.2	1.2		
	Bashneft	2,686	5.8	6.5	7.0	3.3	3.8	4.0	0.7	0.8	0.9		
	Transneft pref	12,026	5.4	4.6	4.1	3.8	3.1	2.7	2.1	1.7	1.6		
	West Siberian Resources	1,041	31.5	26.2	9.9	10.0	7.4	4.6	3.7	2.7	1.9		
	<b>Aggregate - oil and gas</b>	<b>540,850</b>	<b>11.8</b>	<b>10.9</b>	<b>10.6</b>	<b>7.2</b>	<b>6.8</b>	<b>6.5</b>	<b>2.4</b>	<b>2.2</b>	<b>2.0</b>		
Utilities	UES	50,974	33.8	29.7	20.0	17.4	14.1	10.2	3.4	3.0	2.6		
	Mosenergo	7,180	75.5	30.1	19.7	16.8	11.7	7.7	2.4	2.0	1.7		
	OGK-1	4,509	n/a	49.5	33.9	37.2	24.4	17.5	4.1	3.7	3.0		
	OGK-2	3,641	n/a	45.5	25.6	199.7	22.6	13.5	4.1	3.4	2.7		
	OGK-3	7,361	n/a	86.6	52.6	106.5	41.9	37.6	9.7	7.9	6.9		
	OGK-4	6,402	n/a	n/a	52.9	79.7	47.9	26.3	6.6	6.1	4.7		
	OGK 5	5,801	49.2	60.4	43.0	62.0	28.1	20.8	6.0	4.7	3.9		
	OGK-6	3,475	43.4	27.5	14.8	19.1	15.0	9.7	3.2	2.7	2.2		
	<b>Aggregate - utilities</b>	<b>89,343</b>	<b>24.3</b>	<b>27.3</b>	<b>20.9</b>	<b>35.1</b>	<b>15.4</b>	<b>11.6</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>		
Telecoms and technology	MTS	30,384	24.4	17.1	15.3	10.3	8.7	7.9	5.2	4.4	4.0		
	Sistema	16,876	18.7	14.0	12.8	8.7	7.2	6.6	3.2	2.9	2.7		
	VimpelCom	31,404	38.7	26.2	23.2	13.6	11.1	10.2	6.9	5.6	5.1		
		<b>Aggregate - mobile telecoms</b>	<b>78,664</b>	<b>27.2</b>	<b>19.1</b>	<b>17.1</b>	<b>10.9</b>	<b>9.0</b>	<b>8.3</b>	<b>5.1</b>	<b>4.3</b>	<b>3.9</b>	
	Comstar	4,911	59.9	44.2	14.4	16.9	9.7	8.4	5.5	4.2	3.7		
	Rostelecom	7,764	n/a	67.5	56.7	19.8	17.7	15.7	3.3	3.3	3.1		
	Golden Telecom	3,461	40.5	29.6	22.0	15.3	10.8	8.2	4.1	3.0	2.4		
	MGTS	2,828	16.3	11.6	10.5	10.0	7.4	6.7	4.1	3.3	3.1		
	Uralsvyazinform	2,363	76.2	17.3	13.3	9.6	6.4	5.6	2.6	2.3	2.1		
	Volga Telecom	1,719	22.0	12.9	10.7	6.9	5.3	4.7	2.4	2.0	1.8		
	Sibirtelecom	1,601	37.6	7.7	6.0	8.2	4.7	4.0	2.0	1.6	1.5		
	Northwest Telecom	1,885	40.1	16.0	15.3	9.1	6.2	5.7	3.0	2.4	2.1		
	Center Telecom	1,746	25.9	27.3	15.9	6.4	5.8	5.0	2.3	2.0	1.8		
	Southern Telecom	693	53.3	17.3	15.4	6.4	5.9	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	172	7.5	8.1	4.6	3.3	3.2	n/a	1.1	1.0	0.8		
	Sitronics	1,352	31.3	14.7	10.7	8.8	6.0	4.8	0.8	0.6	0.5		
		<b>Aggregate - fixed line telecoms</b>	<b>29,759</b>	<b>38.8</b>	<b>22.7</b>	<b>16.1</b>	<b>10.0</b>	<b>7.3</b>	<b>6.7</b>	<b>2.9</b>	<b>2.4</b>	<b>2.1</b>	
	RBC	1,049	26.5	27.4	13.0	15.7	10.8	7.9	4.7	3.6	2.9		
	CTC Media	3,333	22.5	17.3	13.6	13.4	10.4	8.4	6.4	4.9	4.0		
Rambler Media	594	49.0	24.6	16.0	30.0	13.6	9.4	7.4	4.3	3.3			
	<b>Aggregate - media</b>	<b>4,976</b>	<b>32.7</b>	<b>23.1</b>	<b>14.2</b>	<b>19.7</b>	<b>11.6</b>	<b>8.6</b>	<b>6.2</b>	<b>4.3</b>	<b>3.4</b>		
Metals and mining	Norilsk Nickel	49,776	6.7	8.0	10.7	4.3	5.3	7.2	3.1	3.5	4.1		
	Polyus Gold	8,519	40.7	52.9	60.7	19.3	23.0	22.9	8.3	8.6	8.7		
	Severstal	23,278	13.5	12.4	12.0	7.2	6.6	6.4	1.8	1.7	1.6		
	Evraz Group	25,602	14.2	14.2	13.6	8.6	8.3	9.0	2.8	2.6	2.5		
	Mechel	10,922	13.6	14.5	16.5	8.3	8.5	8.5	2.1	2.0	1.9		
	NLMK	23,073	11.0	11.6	11.5	6.8	7.0	6.8	3.1	3.1	2.8		
	MMK	12,297	7.6	7.5	6.8	5.3	5.1	4.8	1.6	1.5	1.4		
	TMK	9,483	14.3	9.9	12.5	8.6	6.4	8.2	2.6	2.2	2.0		
	VSMPO	3,600	14.2	11.2	8.8	9.1	7.4	5.8	3.5	3.0	2.3		
		<b>Aggregate - metals and mining</b>	<b>166,550</b>	<b>16.8</b>	<b>16.5</b>	<b>16.7</b>	<b>9.7</b>	<b>8.9</b>	<b>8.8</b>	<b>3.5</b>	<b>3.2</b>	<b>3.1</b>	
Industrials, consumer, banks	Sberbank *	234	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		<b>Aggregate - banks</b>	<b>234</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	7,469	36.8	26.8	19.3	16.6	12.3	9.8	1.7	1.2	0.9		
	Magnit	3,316	40.6	29.5	20.0	17.3	12.1	9.0	1.0	0.7	0.6		
	Seventh Continent	1,954	30.0	23.5	16.6	14.4	10.3	7.7	1.5	1.1	0.8		
	Lebedyansky	1,816	18.0	15.3	13.4	11.6	9.6	8.4	2.2	1.8	1.6		
	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	5,105	32.5	24.0	19.7	16.7	12.9	10.6	2.4	1.9	1.7		
		<b>Aggregate - FMCG</b>	<b>25,433</b>	<b>28.4</b>	<b>21.7</b>	<b>16.4</b>	<b>14.0</b>	<b>10.7</b>	<b>8.5</b>	<b>1.9</b>	<b>1.5</b>	<b>1.2</b>	
	Razgulay	488	22.9	11.1	10.3	8.1	5.7	5.4	1.0	0.9	0.8		
	Severstal Auto	1,564	24.9	15.8	14.3	13.0	8.9	7.3	1.9	1.2	1.0		
	AvtoVAZ	293	2.3	2.0	1.1	1.8	1.7	n/a	0.2	0.2	0.2		
	Aeroflot	3,777	13.0	14.7	11.7	9.2	8.2	6.6	1.3	1.2	0.9		
	Veropharm	435	17.7	13.2	10.3	11.3	8.7	6.5	3.8	2.9	2.4		
	Kalina	361	12.3	10.1	9.8	7.7	6.7	6.3	1.1	1.0	0.9		
Oriflame (euro)	2,253	22.5	18.0	13.7	15.1	12.8	10.6	2.3	2.1	1.8			
	<b>Aggregate valuation</b>	<b>944,980</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>268,322</b>	<b>15.3</b>	<b>14.5</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

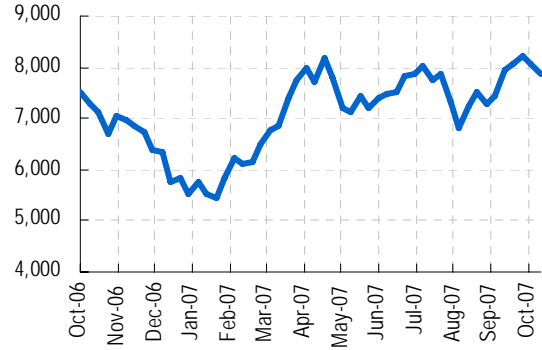
## Key commodities

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



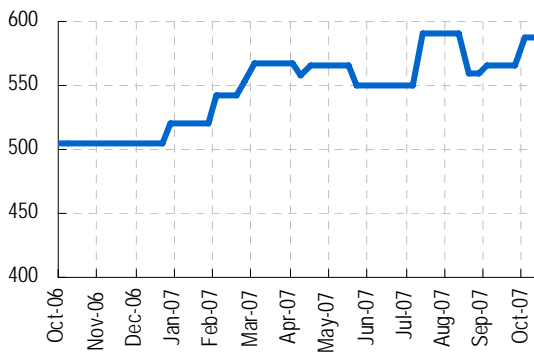
Source: Bloomberg

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



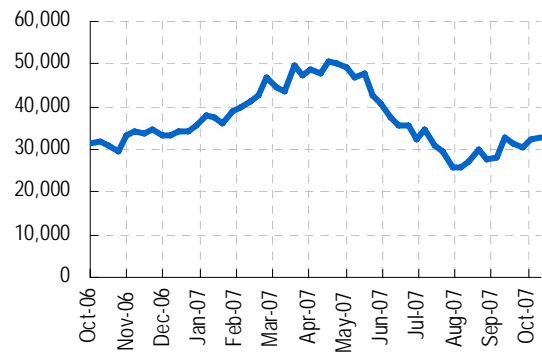
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



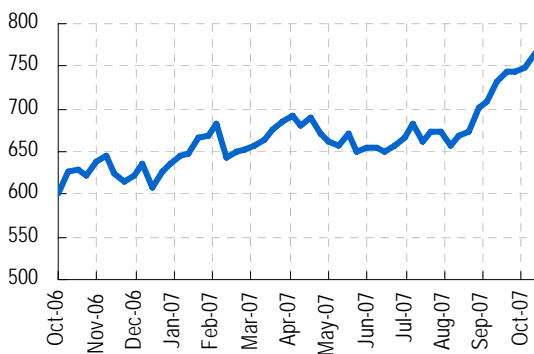
Source: Bloomberg

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



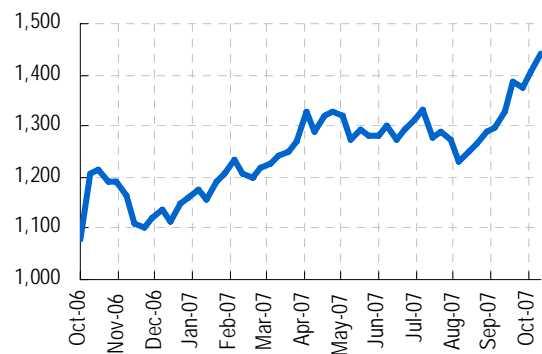
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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