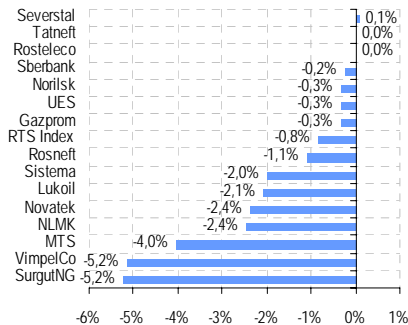
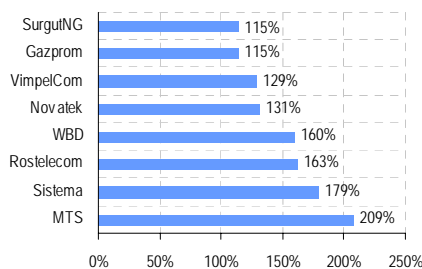


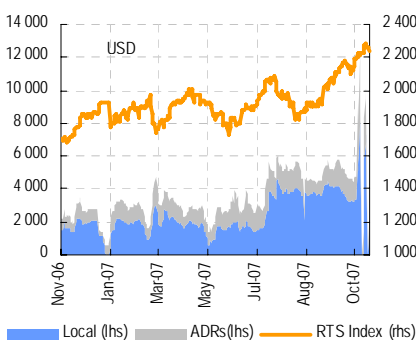
### Blue chips: advancers and decliners



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



### RTS index and weekly trading volumes



### Upcoming events

early Nov	TGK-2 2006 IFRS
early Nov	TGK-7 2006 IFRS
29 Nov	Comstar 3Q07 US GAAP results
29 Nov	VimpelCom 3Q07 US GAAP results
end Nov	Severstal 3Q07 IFRS results
30 Nov	X5 Retail Group 3Q07 IFRS results
3 Dec	Wimm-Bill-Dann 3Q07 US GAAP results

### Market

- Higher risk aversion stemming from increased global worries about the credit markets, and the slide in oil prices put pressure on Russian equities yesterday. The RTS declined by 0.8% to 2243 but the ruble denominated MICEX managed to stay flat at 1890. A strengthening of the yen could put more pressure on emerging markets today while the market waits on US home sales data.

### Top news and ideas

- Rosneft: Interested in asset swaps, may sell shares.** Rosneft aired a variety of options, including a sale to the public or asset swaps, as uses for the Rosneft shares it acquired at the Yukos auctions. A possible stock sale should be of limited size and we therefore do not expect a significant impact on the stock price.
- Gazprom: Gazprom subsidiary takes interest in Timan.** Hot on the heels of news that Gazprombank's offer to Imperial Energy, Zapsibgazprom signed a memorandum with Timan Oil and Gas. We believe the deal makes sense for both parties: it offers Timan protection from state authorities and gives Gazprom access to quality assets.
- MTS: To enter Kazakhstan as early as next year?** MTS is seeking a 51% stake in Kazakh MTS (no relation) from Kazakhtelecom, which the latter may dispose of as part of its restructuring program. We suspect this may involve prolonged deal talks and a high price.
- Power Machines: UES offers its 25% stake to strategic investors.** We believe Alexey Mordashov, who already owns 55%, will likely win the stake. In our view, this process will clarify the ownership and allow for swift strategy implementation.

### Other highlights

- Brief - BP Chairman George Robertson denied yesterday that there are ongoing discussions for the sale of a stake of TNK-BP to Gazprom (Bloomberg).** It is too early, in our view, to draw any final conclusions but a categorical "no" of such a prominent BP figure could cast doubts among investors.

>>> More news on page 6

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2 243	-0,8%	0,7%	3,7%	16,4%	31,5%
MSCI EM Europe Index	785	-1,5%	-2,7%	2,3%	17,9%	33,8%
MSCI EM Index	1 232	-3,6%	-5,6%	-3,5%	16,9%	46,5%
S&P500 Index	1 439	-1,0%	-4,2%	-7,9%	-0,9%	4,0%
OIX (Oil majors) Index	793	-4,2%	-4,3%	-3,6%	8,8%	25,4%
GSCI (Commodities) index	5 813	0,7%	-1,0%	-1,6%	1,4%	-15,7%
Oil (WTI), USD/bbl	94,6	-1,8%	1,0%	13,1%	32,4%	58,8%
Nickel, USD/ton	33 653	5,7%	6,2%	5,8%	25,7%	7,3%
Steel (HR), USD/ton	588	0,0%	0,0%	0,0%	-0,4%	16,3%
LT U.S. Treasury YTM	4,6%	4,6%	4,6%	4,9%	5,1%	4,7%
EMBI-Russia spread, bp	146	146	142	139	109	112
RUB/USD	24,45	24,48	24,67	24,92	25,34	26,70

Source: Datastream, Bloomberg

## Rosneft: Interested in asset swaps, may sell shares

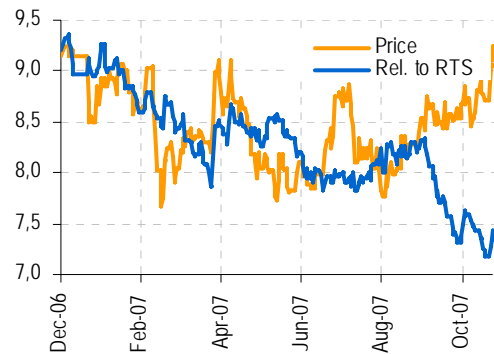
George Lilis, CFA, e-mail: George.Lilis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
ROSN Ru Equity	8,95	n/a	Not Rated	9,49/7,66	4,9%	8,6%	-4,2%

Financials, USDmn	2006A	2007E	2008E
Revenues	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/Revenues	3,0	2,7	2,6
EV/EBITDA	12,5	11,1	9,3
P/E	22,9	19,3	17,8
MCAP, USD mn	94 861	Com., mn	10 599
EV, USD mn	110 667	Pref., mn	
Free float	15%	Total, mn	10 599

Source: Datastream, IBES consensus

Price performance, USD



Source: Bloomberg

**Yukos auction Rosneft shares offer many opportunities.** Rosneft CEO Sergei Bogdanchikov said in Rome yesterday that Rosneft plans to swap most of its own shares bought at a Yukos auction (9.4% of total) earlier this year for assets – preferably for foreign ones but did not rule out Russian assets. Bogdanchikov added that a smaller portion of these shares could be sold to the public in order to pay down debt or may be used to issue a convertible bond sale to restructure its debt. For the same reason, they could issue ruble bonds in early 2008 or Eurobonds later this year. The company's BoD has already approved the issuance of USD1.8 bn of bonds. The allocation of the 9.4% to these different uses will, of course, depend on the stock's valuation.

**Rosneft plans to pay down debt to 1X EBITDA level.** Bogdanchikov's comments should not have come as a big surprise to investors. The company's debt has reached USD24 bn after the acquisitions of Yukos assets. The company plans to refinance its debt, sell shares and use free cash flows to pay down a portion of it to the level of 1X EBITDA by 2010 (approximately USD13-14 bn). An asset swap would, of course, depend on the value and the opportunities of the assets involved, but we would welcome a possible expansion abroad. A possible stock sale seems at this point to be of limited size and we therefore do not expect a significant impact on the stock price.

**New development plan calls for annual 5% increase in output.** On another front, Bogdanchikov commented on the company's long-term development plan to be released by the end of the year. According to this new plan, the company is expected to raise its total output to 3.2 mn boes/d from 2.3 mn boes/d currently by 2015 – a 5% annual growth rate. Natural gas output is projected at 40 bn cm per year by 2015. On the refining side, the company expects to triple its capacity by the same year and reach 90 mn tons. No capex figures were provided for these targets.

**Rosneft challenge is growth on limited capex.** The new targets on production are certainly optimistic, but, in our view, not completely impossible over the next 3-5 years. However, after these first years, it would become difficult to sustain such growth rates, in our opinion. The company has bought several underutilized assets in recent quarters and also has huge reserves that offer great opportunities for high volume growth rates. Rosneft's challenge, in our view, is to develop all these fields with a limited capex budget. Our fear is that the company may come up with a relatively large and above-expectations investment program to finance growth, which would imply high but 'expensive' long term growth rate. We do not officially cover this stock.

## Gazprom: Gazprom subsidiary takes interest in Timan

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
GAZP RU Equity	13,00	n/a	Not Rated	13,2/8,75	11,3%	23,7%	19,4%

**Gazprom subsidiary to invest USD500 mn in Timan.** Timan Oil and Gas, a London listed company with oil assets in western Russia and the Caspian Sea, announced that it has signed a memorandum of understanding with Zapsibgazprom, a Gazprom subsidiary. Under the agreement, Zapsibgazprom could invest up to USD500 mn in Timan's oil fields – almost twice Timan's current market capitalization. Furthermore, a possible purchase of Timan's shares by the Gazprom subsidiary was left open. We remind investors that last week Imperial Energy Plc also announced that Gazprombank, another Gazprom subsidiary is interested in making a bid for 25% of its shares but at an unknown price. The amount required for a stake like this would reach approximately USD360 mn. In total, for these two deals Gazprom, through its subsidiaries, may have to spend an amount slightly below USD900 mn.

**Acquisitions of Imperial, Timan make sense for all concerned.** The common denominator in the cases of both Timan and Imperial is that these companies have faced regulatory issues with Natural Resources Ministry agencies in Russia. Imperial Energy Plc. was accused by a Ministry agency of overstating its reserves, while Timan has faced delays and threats on exploration licenses withdrawals from the Ministry. Consequently, we view the involvement of Gazprom as an indirect investor on either the assets or the share capital of these companies, as a very good strategy from their perspective as it offers protection that would in theory guarantee continuation of their operations in the country. From Gazprom's perspective, it could mean further cash outflows, but we believe the quality of the assets under consideration will have a positive impact on the company's ROIC as they probably have higher returns than Gazprom's own assets. In addition, Gazprom is probably negotiating from a position of strength and may be able to secure favorable terms. We do not officially cover Gazprom.

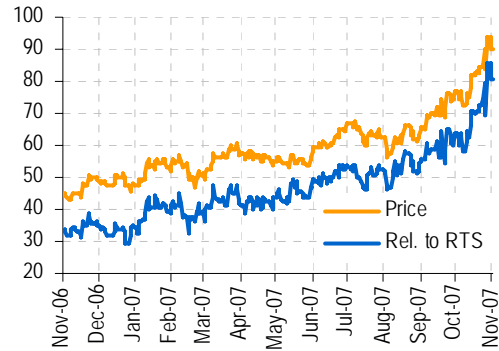
## MTS: To enter Kazakhstan as early as next year?

Ekaterina Generalova, e-mail: Ekaterina.Generalova@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
MBT US Equity	90,00	Under review	Under review	93,78/42,99	17,1%	44,1%	102,4%

Financials, USDmn	2006A	2007E	2008E
Revenues	6 384	7 631	8 324
EBITDA	3 230	3 814	4 181
Net income	1 246	1 776	1 990
Revenue growth	27%	20%	9%
EBITDA growth	27%	18%	10%
Net income growth	11%	43%	12%
EBITDA margin	51%	50%	50%
Net margin	20%	23%	24%
EV/Revenues	6,1	5,1	4,7
EV/EBITDA	12,0	10,2	9,3
P/E	28,8	20,2	18,0
MCAP, USD mn	35 910	ADRs, mn	399
EV, USD mn	38 726		
Free float	47%	Total, mn	399

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**MTS is seeking Kazakhtelecom's 51% stake in Mobile Telecom Service.** MTS hopes to get Kazakhtelecom's 51% stake in Mobile Telecom Service (brand "Neo") as part of its restructuring next year, *Vedomosti* reported today citing an undisclosed source. Given that Kazakhtelecom, local fixed-line monopoly, struggles to own stakes in two out of the three local GSM operators (the second is its 49% stake in GSM Kazakhstan (known under "K'Cell" brand), it will probably dispose one of them to avoid competition between subsidiaries.

**Entrance to lucrative market...** Kazakhstan, with population of 15 mn (the fourth largest in CIS) and robust economic growth prospects, remains one of the most lucrative cellular markets, despite high penetration of 75% and stiff competition with two thirds of market dominated by two GSM operators, K-Cell (4.45 mn subs) and Kar-Tel (5.45 mn). We note that the later has been controlled by VimpelCom since the fall of 2004. In 2Q07, VimpelCom reported Kazakhstan ARPU at USD13.6, the second highest among business units after Armenia's USD17.3 (vs. USD12.3 in Russia).

**...still could be delayed and viewed as too pricy.** MTS's interest in Kazakhstan is not new and Kazakhtelecom's reluctance to sell the asset so far is not news either. We note that Kazakh MTS has less than 2% of market (180,000 subs) and probably outmoded management and obsolete facilities to compete with weighty rivals. Therefore, we would not ascribe much value to this acquisition and consider it more as a marketing step (continued CIS expansion). However, we do not rule out that the Kazakh incumbent might play on MTS's willingness to enter the market, by procrastinating and asking for a significant premium (up to 40-45%) to recent CIS deals, which would value each subscriber at up to USD700-800 and the whole company at USD126- 145 mn.

## Power Machines: UES offers its 25% stake to strategic investors

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
SILM RU Equity	0,18	n/a	Not Rated	0,20/0,14	-4,2%	-3.7%	31,2%

**UES hawks Power Machines stake to billionaires.** UES, the Russian utilities monopoly, has sent a letter to several domestic strategic investors potentially interested in purchasing its 25% stake in Power Machines, the largest Russian power turbines maker. According to Russian news media, UES representatives have confirmed that the company is seeking a buyer for its blocking stake among a select group of investors that includes billionaires Oleg Deripaska and Alexey Mordashov, as well as Victor Vekselberg, who controls ZAO Renova. UES targets a sale of its stake by the end of the year and will accept bids until November 20<sup>th</sup>. We remind investors that UES will be broken up in the middle of July of 2008 and is in the process of liquidating its below-majority stakes in all the subsidiaries and other non-core assets under its umbrella. The 25% stake is expected to add approximately USD500 mn to UES' coffers at today's market prices.

**UES stake sale to clarify ownership situation.** The news is certainly in line with UES plan to sell its stake for cash and to a domestic strategic investor, as UES and its CEO Anatoli Chubais had expressed their disapproval of the idea that a foreign investor (including Siemens) could become majority owner of the largest player in one of the country's strategic industries. Last October, Alexey Mordashov won a 30% Interros stake that allowed him to reach a majority holding of 55%. As a result, we believe that Mr. Mordashov is closer to acquiring UES's stake in Power Machines, as he already controls the company and is in position to put his own people in the management team. It would be relatively difficult, in our view, for the other investors to accept a 25% stake in a company that will be controlled by Mordashov. While we do not anticipate any significant changes in the company's strategy or operating performance with this asset sale, we expect the sale to clarify the ownership situation. In turn, we expect this to lead to faster implementation of its new strategy and allow the company to take advantage of the huge potential lying in its industry.

## Briefs

### Oil & gas

- **Gazprom increased again its estimate of Europe's natural gas price for 2008 to USD300 per thousand cubic meters from USD275 before** (RIA Novosti). This should not be a big surprise as the previous projection was far behind market expectations.

### Utilities

- **TGK-12's shareholders can exercise their preemptive right to buy additional shares until December 2** (Interfax). The price will be set after additional shares are placed and will be equal to the price of the placement. SUEK, which currently owns 44% and will acquire another 6% as a result of share swaps with the state, announced to other minorities that it wanted to exercise the preemptive right.
- **Hydro OGK plans to spend USD65.44 bn on 22.2 GWs of new capacity until 2020** (Interfax). The baseline strategy submitted to Economy Ministry stipulates capex of USD3.07 bn for 2008 and USD3.27-3.48 bn for 2009. The required investment ratio is in the range USD3000-5000 per KW, the company reported. Bearing in mind the relatively high constructing costs and possible negative impact on free market electricity prices, these plans are overaggressive, in our view.

### Metals& mining

- **Norilsk Nickel's deputy CEO of marketing and sales said yesterday that his company sees higher demand for nickel in the fourth quarter vs the third quarter and they expect even stronger demand in 1Q08** (Bloomberg). He attributed most of the strength to a rebound in purchases from Chinese stainless steel mills. Certainly positive news for Norilsk Nickel.
- **RusAl wants to invest in other than aluminum metal assets** (Bloomberg). RusAl is considering other products traded on the London Metal Exchange to reduce its reliance on the lightweight metals, the company's head of strategy Artyom Volynets said. He also stated that no decision had been made on which metal or when to invest.

### Economics, politics

- **The Russian Finance Ministry reported yesterday that the government surplus reached USD90 bn, or 8% of real GDP in the first ten months of the year** (Bloomberg). Revenue totaled 89% of the planned revenues for 2007 in line with expectations, while expenditures totaled 72.4% of the plan for the year, below track but in line with previous years when a large portion of government spending takes place in the fourth quarter.

## Stock performance summary

	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	13.08	-0.3%	4.8%	11.3%	23.7%	19.4%	13.7%	13,2/8,75
	Novatek	57,00	-2.4%	0.7%	0.7%	9.8%	-4.2%	-10.2%	66/46,5
	Rosneft	8,95	-1.1%	2.8%	4.9%	8.6%	-4.2%	-2.2%	9,49/7,66
	Lukoil	89,60	-2.1%	-2.0%	1.4%	16.4%	4.2%	1.9%	95/71,9
	TNK-BP Holding	2,28	-0.4%	-0.2%	9.7%	14.1%	2.3%	-12.1%	2,6/1,67
	Surgutneftegaz	1,23	-5.2%	-3.2%	-6.0%	2.9%	-10.5%	-19.6%	1,53/1,07
	Gazprom Neft	5,30	0.0%	7.1%	16.2%	35.9%	30.2%	16.2%	5,3/3,7
	Tatneft	6,19	0.2%	0.4%	7.2%	24.6%	17.2%	24.8%	6,25/3,95
	Bashneft	16,20	0.0%	0.6%	9.8%	10.6%	-7.1%	1.3%	17,65/12
	Transneft pref	1 990,00	0.0%	2.6%	8.2%	14.0%	-17.1%	-13.3%	2540/1435
	Integra	15,64	-0.8%	2.4%	0.9%	n/a	n/a	n/a	21,55/13,55
	C.A.T Oil	18,46	0.6%	1.2%	-5.4%	-9.4%	-0.1%	-7.7%	25,56/17,12
	West Siberian Resources	0,81	-1.0%	-5.5%	-11.9%	2.0%	-30.2%	-29.3%	1,16/0,66
Utilities	UES	1,23	-0.3%	-1.0%	2.6%	-3.2%	57.9%	21.5%	1,37/0,78
	OGK-1	0,11	n/a	n/a	n/a	n/a	n/a	n/a	0,18/0,09
	OGK-2	0,13	n/a	n/a	n/a	n/a	n/a	n/a	0,18/0,1
	OGK-3	0,15	0.0%	0.0%	4.3%	-8.8%	58.5%	19.2%	0,18/0,09
	OGK-4	0,13	0.0%	0.9%	2.5%	11.8%	108.2%	62.1%	0,13/0,06
	OGK 5	0,17	0.1%	0.1%	6.5%	5.8%	62.1%	28.7%	0,17/0,1
	OGK-6	0,12	n/a	n/a	n/a	n/a	n/a	n/a	0,17/0,09
Telecoms and technology	MTS	90,00	-4.0%	5.5%	17.1%	44.1%	102.4%	79.3%	93,78/42,99
	Sistema	39,80	-2.0%	9.6%	10.6%	37.7%	51.9%	24.4%	40,6/25,85
	VimpelCom	29,78	-5.2%	-2.2%	-4.8%	40.1%	121.7%	88.6%	34,93/13,31
	Comstar	12,75	-0.8%	3.2%	3.2%	20.5%	78.3%	51.8%	13,71/6,9
	Rostelecom	9,70	0.0%	-1.2%	-7.2%	0.5%	76.7%	26.8%	10,75/4,48
	Golden Telecom	92,53	-8.5%	-7.1%	3.4%	42.5%	135.6%	97.5%	108,85/38,85
	MGTS	30,65	0.0%	1.4%	-0.7%	-10.7%	30.7%	15.4%	34,29/21,19
	Uralsvyazinform	0,07	2.6%	3.9%	3.8%	12.6%	56.5%	-2.5%	0,07/0,04
	Volga Telecom	6,39	-0.9%	11.1%	15.8%	27.2%	59.8%	5.6%	6,6/3,99
	Sibirtelecom	0,13	0.0%	8.7%	11.6%	22.0%	41.2%	11.1%	0,13/0,09
	Northwest Telecom	1,91	-0.1%	4.3%	7.4%	14.4%	54.6%	12.3%	1,92/1,14
	Center Telecom	0,90	0.0%	-1.6%	-3.2%	-5.8%	57.9%	20.0%	1,0/5,6
	Southern Telecom	0,22	0.0%	11.7%	12.3%	19.4%	74.8%	19.4%	0,23/0,12
	Dalsvyaz	5,60	0.0%	5.7%	10.9%	14.3%	80.6%	34.6%	5,6/3,07
	Bashinformsvyaz	0,18	n/a	n/a	n/a	n/a	n/a	n/a	0,23/0,17
	RBC	9,27	-0.2%	0.5%	-2.1%	4.2%	-24.2%	-23.9%	12,1/7,53
	Sitronics	6,50	-7.1%	-8.5%	-10.3%	22.6%	n/a	n/a	12/5
CTC Media	24,38	-0.2%	-2.4%	4.7%	8.2%	6.8%	1.5%	28,77/19,59	
Rambler Media	36,50	-1.3%	-0.8%	-4.6%	-12.3%	9.8%	8.1%	55/32,96	
Metals and mining	Norilsk Nickel	308,50	-0.3%	0.3%	10.8%	48.5%	118.0%	96.5%	309,9/135,5
	Polyus Gold	46,80	0.0%	2.9%	7.6%	13.3%	-2.5%	-5.1%	55,25/38,3
	Severstal	22,90	0.1%	-1.7%	0.9%	44.9%	94.1%	104.5%	23,84/10,84
	Evrz Group	72,00	-3.0%	-2.0%	5.1%	48.0%	188.0%	180.3%	82,6/24,25
	Mechel	75,34	-11.4%	-6.4%	5.0%	86.0%	240.9%	195.7%	86,73/22,1
	NLMK	40,00	-2.4%	-2.4%	-3.6%	36.3%	86.6%	72.0%	44,89/20,8
	MMK	1,30	1.6%	-4.4%	1.6%	18.2%	68.8%	49.4%	1,39/0,77
	TMK	41,75	-2.9%	-3.7%	-11.2%	10.0%	n/a	19.3%	46,99/25,8
	VSMPO	320,00	-0.6%	0.6%	8.5%	13.9%	25.5%	9.2%	330/246
	Sberbank	4,29	-0.2%	-0.2%	-1.7%	13.2%	78.0%	24.3%	4,42/2,36
	Rosbank	7,32	-1.0%	-3.5%	-0.9%	-1.8%	21.5%	-5.3%	7,67/5,55
X5	34,00	-0.7%	-0.6%	2.3%	16.2%	49.5%	30.8%	37,5/22,5	
Seventh Continent	27,65	-0.4%	5.9%	5.1%	10.4%	8.4%	3.6%	29,3/24,1	
Dixy Group	14,05	0.1%	-0.7%	6.2%	8.6%	40.6%	33.9%	15,6/13,95	
Magnit	47,80	-0.9%	3.9%	6.2%	8.6%	40.6%	33.9%	48,25/33,75	
Wimm-Bill-Dann	126,00	-0.1%	6.2%	14.9%	34.6%	179.1%	89.3%	126,11/44,77	
Lebedyansky	91,50	-1.7%	-1.6%	4.0%	-7.6%	15.8%	14.4%	99/73,5	
Nutritek	52,00	0.0%	0.0%	3.0%	-1.6%	17.1%	11.2%	53,8/44,9	
Baltika (euro)	33,82	0.9%	1.4%	2.5%	-1.6%	17.1%	11.2%	36,96/31,59	
Razqulay	5,09	1.8%	-2.1%	13.6%	24.1%	37.6%	27.3%	5,45/3,6	
Severstal Auto	49,50	2.6%	3.1%	3.7%	25.3%	95.1%	63.6%	49,5/25	
AvtoVAZ	1,60	0.0%	0.0%	6.8%	26.2%	48.9%	58.4%	1,74/0,65	
Aeroflot	3,47	0.0%	0.0%	6.8%	26.2%	48.9%	58.4%	3,48/2,17	
Veropharm	46,60	0.0%	0.2%	5.4%	-4.2%	66.4%	46.8%	48,65/28	
Apteka 36.6	75,75	0.0%	0.7%	0.6%	-11.1%	54.6%	30.0%	96,1/49	
Pharmstandard	23,21	-0.2%	6.5%	14.3%	48.8%	n/a	n/a	23,28/13,6	
Kalina	43,50	1.2%	5.5%	20.8%	1.9%	-2.8%	-15.5%	51,5/34,25	
Oriflame (euro)	41,42	-1.9%	3.1%	-3.3%	7.3%	49.0%	36.3%	44,07/27,77	
Cherkizovo	16,88	6.3%	14.8%	25.2%	33.4%	12.9%	24.1%	17,35/11,05	
Sistema Hals	9,60	-0.1%	-3.6%	-6.3%	-14.3%	n/a	-27.8%	15,05/9,1	
RTS Index	2 243,04	-0.8%	0.7%	3.7%	16.4%	31.5%	16.7%	2288,15/1677	

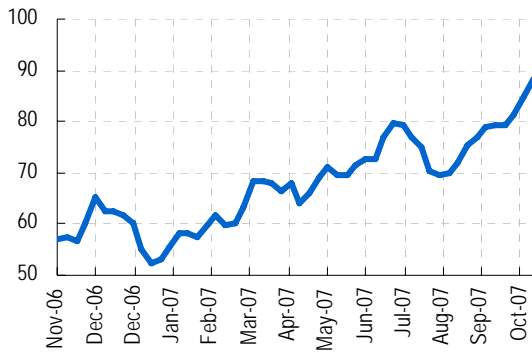
Source: Bloomberg

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	297 443	13,3	11,9	10,8	9,5	8,4	7,7	4,1	3,8	3,5		
	Novatek	17 305	25,1	18,5	14,1	15,7	12,0	9,4	7,5	5,8	4,3		
	Lukoil	76 250	10,3	10,9	10,9	6,8	7,1	7,0	1,2	1,2	1,2		
	Rosneft	94 861	22,9	19,3	17,8	12,5	11,1	9,3	3,0	2,7	2,6		
	Surgutneftegaz	49 034	11,7	12,0	14,4	5,7	5,9	6,6	2,0	2,0	2,0		
	Gazprom Neft	25 127	7,6	8,9	9,3	5,0	5,7	6,2	1,3	1,3	1,4		
	Tatneft	13 968	11,0	11,9	12,5	6,8	7,7	8,7	1,3	1,3	1,3		
	Bashneft	2 754	6,0	6,7	7,2	3,4	3,9	4,1	0,7	0,8	0,9		
	Transneft pref	13 754	6,1	5,3	4,7	4,2	3,5	3,0	2,3	1,9	1,7		
	West Siberian Resources	961	29,0	24,2	9,1	9,3	6,9	4,3	3,5	2,5	1,8		
	<b>Aggregate - oil and gas</b>	<b>590 496</b>	<b>12,7</b>	<b>11,7</b>	<b>11,3</b>	<b>7,7</b>	<b>7,2</b>	<b>6,9</b>	<b>2,6</b>	<b>2,3</b>	<b>2,1</b>		
Utilities	UES	50 317	33,4	29,4	19,7	17,3	14,0	10,1	3,4	3,0	2,6		
	Mosenergo	7 350	77,3	30,8	20,1	17,3	12,0	7,9	2,4	2,1	1,7		
	OGK-1	5 089	n/a	55,9	38,3	42,0	27,5	19,7	4,6	4,2	3,4		
	OGK-2	3 509	n/a	43,9	24,7	192,7	21,8	13,0	3,9	3,3	2,6		
	OGK-3	6 933	n/a	81,6	49,5	100,4	39,5	35,5	9,1	7,5	6,5		
	OGK-4	6 372	n/a	n/a	52,7	79,3	47,7	26,2	6,6	6,1	4,7		
	OGK-5	6 077	51,5	63,3	45,0	65,1	29,6	21,9	6,3	5,0	4,1		
	<b>Aggregate - utilities</b>	<b>88 895</b>	<b>24,6</b>	<b>27,6</b>	<b>21,2</b>	<b>34,9</b>	<b>15,6</b>	<b>11,7</b>	<b>3,4</b>	<b>2,9</b>	<b>2,5</b>		
Telecoms and technology	MTS	35 910	28,8	20,2	18,0	12,0	10,2	9,3	6,1	5,1	4,7		
	Sistema	19 223	21,3	16,0	14,6	10,0	8,3	7,6	3,7	3,3	3,1		
	VimpelCom	30 542	37,6	25,5	22,6	13,3	10,8	9,9	6,7	5,4	5,0		
		<b>Aggregate - mobile telecoms</b>	<b>85 676</b>	<b>29,2</b>	<b>20,5</b>	<b>18,4</b>	<b>11,7</b>	<b>9,7</b>	<b>8,9</b>	<b>5,5</b>	<b>4,6</b>	<b>4,2</b>	
	Comstar	5 329	65,0	48,0	15,6	18,1	10,4	9,0	5,9	4,5	3,9		
	Rostelecom	7 710	n/a	67,0	56,3	19,6	17,5	15,6	3,3	3,3	3,1		
	Golden Telecom	3 391	39,7	29,0	21,6	15,0	10,6	8,0	4,0	2,9	2,3		
	MGTS	2 875	16,6	11,8	10,7	10,1	7,5	6,8	4,2	3,3	3,1		
	Uralsvyazinform	2 507	80,9	18,3	14,1	10,0	6,7	5,8	2,8	2,4	2,2		
	Volga Telecom	1 912	24,5	14,4	12,0	7,5	5,7	5,1	2,6	2,2	2,0		
	Sibirtelecom	1 804	42,4	8,6	6,7	9,0	5,2	4,3	2,2	1,8	1,6		
	Northwest Telecom	1 996	42,5	16,9	16,2	9,6	6,5	6,0	3,1	2,5	2,2		
	Center Telecom	1 736	25,7	27,1	15,8	6,3	5,8	5,0	2,3	2,0	1,8		
	Southern Telecom	761	58,5	19,0	16,9	6,7	6,2	5,7	2,3	2,1	1,9		
	Dalsvyaz	677	52,1	14,1	9,7	9,1	5,3	4,2	2,3	1,7	1,5		
	Bashinformsvyaz	172	7,5	8,1	4,6	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>30 869</b>	<b>41,4</b>	<b>23,5</b>	<b>16,7</b>	<b>10,4</b>	<b>7,5</b>	<b>6,9</b>	<b>3,0</b>	<b>2,5</b>	<b>2,2</b>		
RBC	1 066	27,0	27,9	13,2	16,0	11,0	8,0	4,7	3,7	3,0			
CTC Media	3 694	25,0	19,2	15,0	14,9	11,6	9,3	7,1	5,5	4,4			
Rambler Media	548	45,2	22,6	14,8	27,6	12,5	8,7	6,8	4,0	3,1			
	<b>Aggregate - media</b>	<b>5 308</b>	<b>32,4</b>	<b>23,2</b>	<b>14,4</b>	<b>19,5</b>	<b>11,7</b>	<b>8,7</b>	<b>6,2</b>	<b>4,4</b>	<b>3,5</b>		
Metals and mining	Norilsk Nickel	56 456	7,6	9,1	12,1	4,9	6,1	8,3	3,5	3,9	4,6		
	Polyus Gold	8 939	42,7	55,5	63,7	20,4	24,4	24,3	8,8	9,2	9,2		
	Severstal	23 076	13,4	12,3	11,9	7,1	6,5	6,4	1,8	1,7	1,6		
	Evraz Group	25 251	14,0	14,0	13,4	8,5	8,2	8,9	2,7	2,5	2,4		
	Mechel	10 168	12,7	13,5	15,4	7,7	7,9	7,9	1,9	1,9	1,8		
	NLMK	23 972	11,5	12,0	11,9	7,1	7,3	7,1	3,3	3,2	3,0		
	MMK	13 212	8,2	8,1	7,3	5,7	5,5	5,2	1,7	1,6	1,5		
	TMK	9 102	13,7	9,5	12,0	8,3	6,1	7,8	2,5	2,1	2,0		
	VSMPO	3 840	15,1	11,9	9,4	9,7	7,9	6,2	3,8	3,2	2,5		
		<b>Aggregate - metals and mining</b>	<b>174 015</b>	<b>17,1</b>	<b>16,9</b>	<b>17,2</b>	<b>9,9</b>	<b>9,2</b>	<b>9,1</b>	<b>3,6</b>	<b>3,4</b>	<b>3,2</b>	
Industrials, consumer, banks	Sberbank *	242	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		<b>Aggregate - banks</b>	<b>242</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	7 360	36,2	26,4	19,0	16,3	12,1	9,7	1,7	1,2	0,9		
	Magnit	3 442	42,1	30,6	20,7	17,9	12,6	9,4	1,0	0,7	0,6		
	Seventh Continent	2 074	31,9	25,0	17,7	15,3	10,9	8,2	1,6	1,1	0,8		
	Lebedyansky	1 868	18,5	15,8	13,8	11,9	9,8	8,6	2,2	1,8	1,6		
	Baltika (euro)	5 762	12,4	11,2	9,3	7,6	6,9	5,6	2,4	2,1	1,8		
	Wimm-Bill-Dann	5 544	35,3	26,0	21,4	18,0	14,0	11,4	2,6	2,1	1,9		
		<b>Aggregate - FMCG</b>	<b>26 049</b>	<b>29,4</b>	<b>22,5</b>	<b>17,0</b>	<b>14,5</b>	<b>11,1</b>	<b>8,8</b>	<b>1,9</b>	<b>1,5</b>	<b>1,3</b>	
	Razgulay	540	25,4	12,2	11,3	8,6	6,0	5,7	1,1	0,9	0,9		
	Severstal Auto	1 683	26,8	17,0	15,4	13,7	9,5	7,7	2,0	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	3 855	13,3	15,0	12,0	9,4	8,4	6,7	1,4	1,2	1,0		
Veropharm	466	19,0	14,1	11,0	12,1	9,3	7,0	4,1	3,1	2,6			
Kalina	424	14,5	11,9	11,6	8,8	7,6	7,2	1,3	1,1	1,1			
Oriflame (euro)	2 307	23,0	18,5	14,1	15,4	13,1	10,9	2,4	2,1	1,9			
	<b>Aggregate valuation</b>	<b>1 011 119</b>	<b>13,6</b>	<b>12,5</b>	<b>11,7</b>	<b>8,7</b>	<b>8,1</b>	<b>7,6</b>	<b>2,7</b>	<b>2,5</b>	<b>2,3</b>		
	<b>FF-adj. MCAP W.A. valuation</b>	<b>292 763</b>	<b>16,4</b>	<b>15,3</b>	<b>14,2</b>	<b>10,4</b>	<b>8,8</b>	<b>8,3</b>	<b>3,7</b>	<b>3,4</b>	<b>3,2</b>		

Source: MDM estimates, IBES consensus

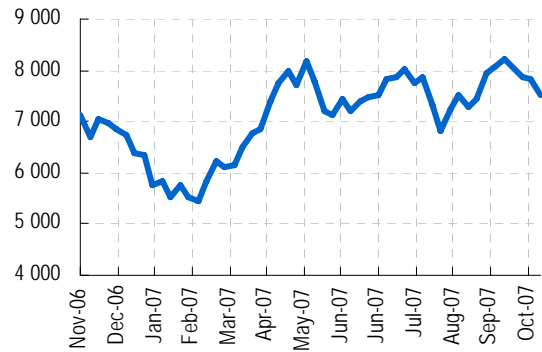
## Key commodities

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



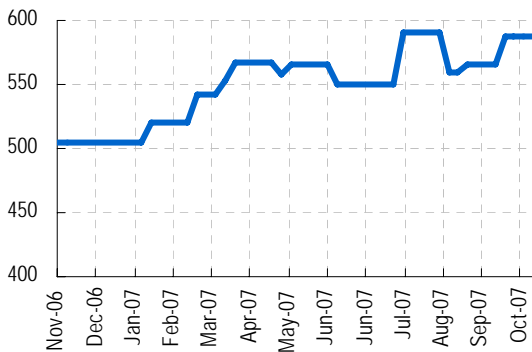
Source: Bloomberg

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



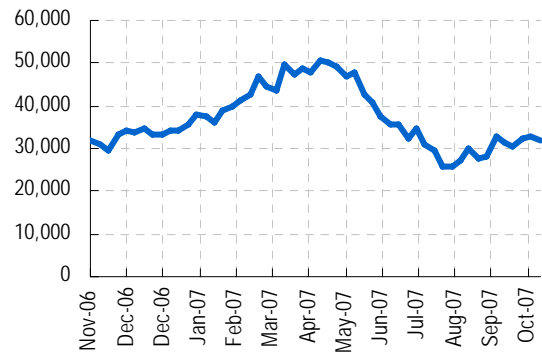
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



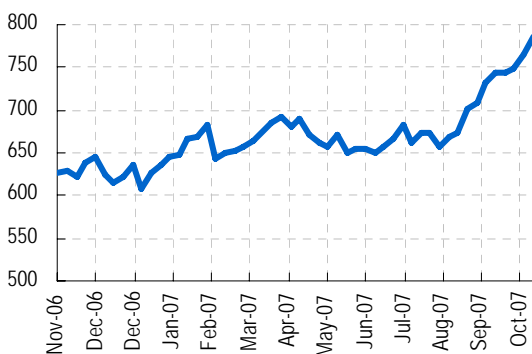
Source: Bloomberg

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



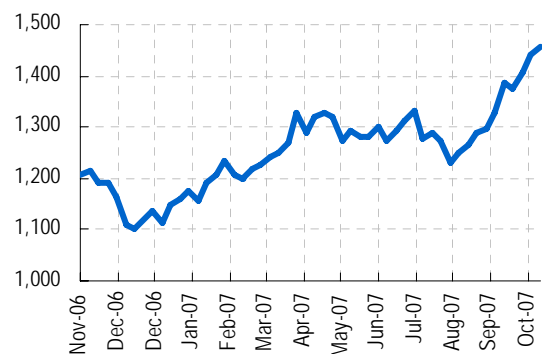
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



**MDM Bank**  
 Investment Division  
 33/1 Kotelnicheskaya Nab.  
 Moscow, Russia 115172

**Institutional Sales**

Kate Korolkevich	Kate.Korolkevich@mdmbank.com	+7 495 411-6223
Martynenko Sergey	Sergey.Martynenko@mdmbank.com	+7 495 228-3304

**research@mdmbank.com**  
**+7(495) 795-2521**  
 Bloomberg: MDMB <GO>  
 Reuters Dealing: MBWM, MDMB  
<http://www.mdmbank.com>

**Research Team**

George Liis, CFA	George.Liis@mdmbank.com
Vladislav Nigmatullin	Vladislav.Nigmatullin@mdmbank.com
Ekaterina Generalova	Ekaterina.Generalova@mdmbank.com

**Editors/Production**

Andrey Goncharov	Andrey.Goncharov@mdmbank.com
Andrew Mullinder	Andrew.Mullinder@mdmbank.com

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