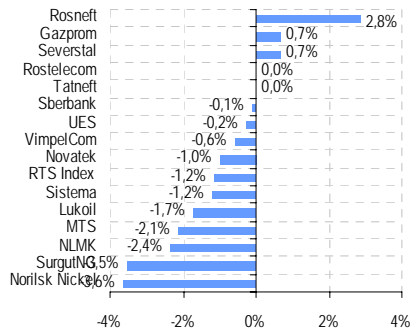
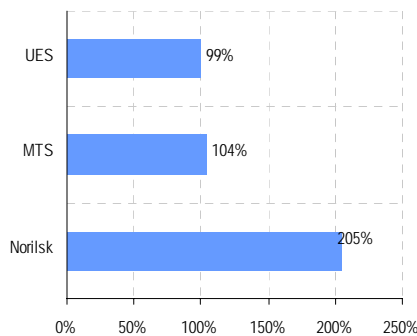


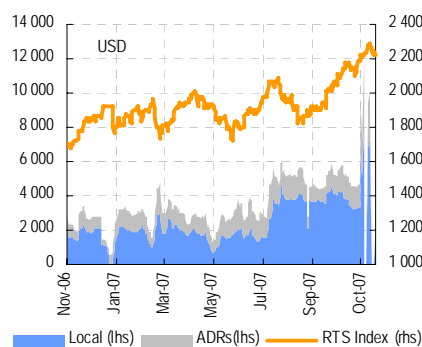
Blue chips: advancers and decliners



Volume monitor: daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

16 Nov	Kalina 3Q07 IFRS results
20 Nov	MTS 3Q07 US GAAP results
mid Nov	TGK-2 2006 IFRS
mid Nov	TGK-7 2006 IFRS
mid Nov	Seventh Continent 3Q07 IFRS results
29 Nov	Comstar 3Q07 US GAAP results
29 Nov	VimpelCom 3Q07 US GAAP results
end Nov	Severstal 3Q07 IFRS results
26 Nov	X5 Retail Group 3Q07 IFRS results
3 Dec	Wimm-Bill-Dann 3Q07 US GAAP results

Market

- An earnings warning from a US retail company and weak performance from Norilsk Nickel pushed Russian indices lower yesterday, with the RTS and the MICEX both falling by 1.2% to 2218 and 1856 respectively. Further weakness on metal prices last night and Asian markets this morning could lead to more negative momentum in today's opening

Top news and ideas

- UES: Chubais becomes vocal against Gazprom.** The UES CEO is concerned that the UES monopoly will be replaced by a Gazprom monopoly, thus defeating the object of the reform. This is a positive, in our view, but we wonder if Chubais may already be too late to curtail Gazprom's ambitions.
- OGK-5: Enel makes tender offer of USD0.181/share (RUB4.4275/share).** The offer is valid for 80 days (until February 2, 2008). We recommend investors sell at the offer price. Enel's CEO also expressed interest in greater cooperation with Gazprom on gas supplies.
- Mobile Telecoms: Subscriber growth continued in October.** Nominal subscriber statistics held no surprises, but confirm our positive view on the mobile sector. The figures are neutral for both MTS's and VimpelCom's stocks. The data also proved that the MTS subscriber mix is better positioned than VimpelCom's for blended APRU.
- Economics: President's advisor rings alarm bell for 2008 CPI.** The advisor also admitted that recent government deals with food producers are likely to have little long term impact. We believe that the government is coming to the realization that more than short term and administrative tools are required to combat inflation.

Other highlights

- Brief - Rosneft's CEO Sergei Bogdanchikov repeated his view that his company has no plans to acquire other oil companies that are not up for sale (Bloomberg).** The list would include Surgutneftegaz, Russneft and TNK-BP. We agree with his opinion, as we believe that it would make strategic sense for Rosneft to focus on integrating assets it has acquired in the last 2 years.

>>> More news on page 6

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2 218	-1,2%	-3,1%	2,7%	21,8%	29,4%
MSCI EM Europe Index	782	-1,4%	-1,8%	3,1%	29,0%	32,2%
MSCI EM Index	1 265	-1,2%	-1,0%	-0,8%	32,2%	48,6%
S&P500 Index	1 451	-1,3%	-1,6%	-5,7%	2,8%	3,7%
OIX (Oil majors) Index	783	-2,3%	-7,1%	-6,7%	12,3%	25,9%
GSCI (Commodities) index	5 813	0,7%	-1,0%	-1,6%	1,4%	-15,7%
Oil (WTI), USD/bbl	93,4	-0,7%	1,0%	8,5%	27,4%	59,0%
Nickel, USD/ton	32 125	-3,8%	0,1%	-0,9%	21,2%	7,1%
Steel (HR), USD/ton	588	0,0%	0,0%	0,0%	-0,4%	16,3%
LT U.S. Treasury YTM	4,6%	4,6%	4,7%	5,0%	5,0%	4,8%
EMBI-Russia spread, bp	148	145	142	142	110	110
RUB/USD	24,49	24,53	24,51	24,92	25,53	26,65

Source: Datastream, Bloomberg

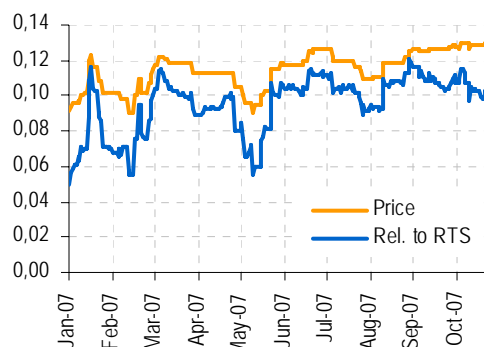
UES: Chubais becomes vocal against Gazprom

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 Equity	1,23	n/a	Not Rated	1,37/0,81	5,5%	3,2%	53,2%

Financials, USDmn	2006A	2007E	2008E
Revenues	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/Revenues	3,4	3,0	2,6
EV/EBITDA	17,3	14,1	10,2
P/E	33,6	29,5	19,9
MCAP, USD mn	50 646	Com., mn	41 042
EV, USD mn	126 753	Pref., mn	
Free float	0%	Total, mn	41 042

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Chubais: The bulwark against Gazprom. Speaking at an investors' conference in Moscow yesterday, Anatoli Chubais once again voiced his concerns over Gazprom's role in the power sector and its reform process. The UES CEO insisted that it would be very "damaging" for the sector reform to have a new monopoly, Gazprom, replacing the old one, UES, which the reform process was designed to dissipate. Chubais stated that he and UES would resist Gazprom's efforts to control large generation stakes and added that several government officials shared his view. Seemingly with regards to this point, Chubais indicated that more anti-monopoly legislation will be introduced by June 2008 that will address the fuel supplies to the power sector – where Gazprom's role has and will be significant.

Larger stakes in TGKs and OGKs for portfolio investors. The UES CEO also made some comments on the placements of UES subsidiaries in the coming months. He implied that the involvement of Gazprom in some OGKs and TGKs has set back UES plans, but, looking ahead, he seems to support the idea of going back to earlier plans and offer larger stakes to both portfolio and strategic investors, thus limiting Gazprom's role. However, he reiterated he is not willing to "sell cheap" under any circumstances.

Resistance to Gazprom may have come too late. It has been obvious for some time that the main reason behind the low success of the latest placements and the flattening of the sector's stock prices has been attributed to the increasingly dominant role of Gazprom. This new landscape has not only surfaced for the placements but also on the signing of long-term contracts between OGKs and Gazprom for gas deliveries. Chubais's reactions have been known, but he understands now that as time is running out for UES (will be broken up in July 2008) there are not too many tools to prevent Gazprom from taking a dominant role in the power sector. Further measures on the fuel supply contracts are more than welcome and positive for all OGKs and TGKs, but we question how effective these new measures will be. On the other hand, the delay of the Gazprom-SUEK merger is a good sign, but we still believe that the merger will take place at the end of the day. Overall, we view as positive UES's attempts to resist Gazprom's monopolistic ambitions, but we are afraid it might be too late and this could increase the risk for the power reform process itself.

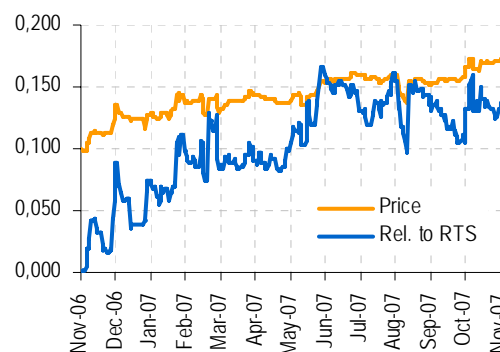
OGK-5: Enel makes tender offer of USD0.181/share (RUB4.4275/share)

Vladislav Nigmatullin, e-mail: Vladislav.Nigmatullin@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
OGKE RU Equity	0,17	0,16	Hold	0,17/0,1	2,9%	12,5%	59,0%

Financials, USDmn	2006A	2007E	2008E
Revenues	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/Revenues	6,4	5,0	4,1
EV/EBITDA	65,3	29,7	21,9
P/E	51,7	63,5	45,2
MCAP, USD mn	6 098	Com., mn	35 372
EV, USD mn	5 813	Pref., mn	
Free float	18%	Total, mn	35 372

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Enel offers USD0.181/share (RUB4.4275/share). Yesterday Enel Investment Holding B.V., a branch of Italian energy concern Enel, made a buy-out offer to OGK-5's minorities of USD0.181/share (RUB4.4275). The offer is valid for 80 days (until February 2, 2008), while payments will be finalized in a period between February 20 and March 5, Enel's representative said.

Enel is eyeing initiatives with Gazprom. Enel is looking at initiatives with Gazprom, the company's CEO Fulvio Conti said yesterday. The unnamed source said that Enel offered Gazprom small stakes in its European power assets in return for buying Russian gas for the Italian utility. It is not clear how big these stakes are at this point. Enel has also signed a deal with Gazprom guaranteeing the transport of gas from Enel's assets in Russia to OGK-5's power plants. We believe that cooperation between Enel and Gazprom could facilitate long term gas supply for OGK-5.

We recommend investors sell at the offer price Enel which currently owns 37.15% in OGK-5 recently received Federal Antimonopoly Service approval for acquiring 100% of the company. It was announced, however, that the state does not want to sell its 26% stake, and, as a result of the offer, Enel can acquire up to 74% of the company. We remind investors that our target price for OGK-5 shares is USD0.155/share. We believe that the tender is a good opportunity for investors and recommend they sell OGK-5's shares at the offer price.

Mobile Telecoms: Subscriber growth continued in October

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

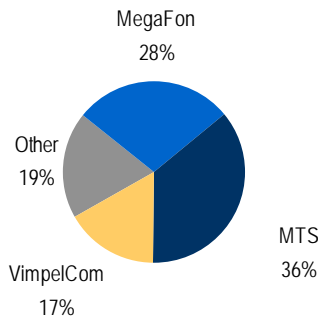
Steady growth continues. ACM-Consulting reported yesterday that the Russian mobile market ended up October with 167 mn subscribers, up 1.2% m-o-m and 10% YTD. Net additions in Russia exceeded 2 mn and nominal penetration rate increased further to 115.3% (up 1.4pp m-o-m).

MTS is leader in net adds in Russia; VimpelCom completes clean-up. MTS signed up 36% of all new Russian subs in October, thus leading the way in net additions for a third month in a row. Meantime, VimpelCom added 17% of new subscribers (following an outflow in September), signaling some cleaning is done ahead of the switch to an active-subscriber counting with a three-month churn. We note that the market breakdown in Russia remained virtually intact, with MTS and VimpelCom retaining their 33% and 30% shares respectively.

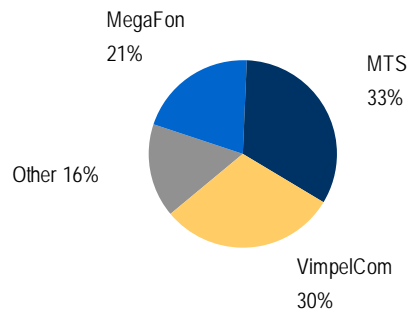
Ukraine retains strong momentum. The Ukrainian market grew 1.5pp m-o-m to 54.4 mn subs and the penetration rate reached 117.1% (up 1.8pp m-o-m) in October. VimpelCom's URS signed up only 3% of new subs, while MTS' UMC showed a modest outflow for a second straight month, which was an implication of more conservative tariff approach and a still uneasy (but improving) pricing environment. This leaves us hopeful of better times for MTS in Ukraine down the road. Both MTS and VimpelCom held their respective market shares intact, at 37% and 5%.

MTS subscriber mix is more ARPU-friendly. MTS's total subscriber base is larger than VimpelCom's (82.8 mn vs. 61.7 mn in October), although it lags behind in terms of growth rate (9% vs. 12% YTD). VimpelCom is more active in CIS expansion, with 51% of incremental subs coming from the CIS over the past 10 months, while MTS' subscriber base growth was 62% Russian. Given less exposure to CIS risks and the gradual stabilization in Ukraine, we see fewer downside risks to MTS' blended ARPU. Overall, we view the subscriber statistics as neutral for the stock prices of both MTS and VimpelCom.

Share of net subscriber adds in Russia, October 2007



Russian market breakdown, October 2007



Source: ACM-Consulting

Economics: President's advisor rings the bell for 2008 CPI.

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

Putin's advisor: Emphasis now on 2008 inflation. Arkady Dvorkovich, an economic advisor to President Putin, emphasized the need to focus on containing inflation in 2008 during a speech to an investors' conference in Moscow yesterday. He stated that the government needs to "think about the situation next year and make decisions to minimize inflation risks". He sees inflation this year in the 10-11% range and no significant slowdown in the last two months of the year. He noted, though, that CPI rose by 0.4% in the first two weeks of November. Dvorkovich expressed his doubts that the recent agreement between the government and food producers would have any "permanent" impact on inflation and added that ruble appreciation will not have a significant impact either as it usually fuels capital flows that long term lead to more inflation.

Industrial production, net capital flows stage comebacks. In separate news, the Economy Ministry's chief forecaster Andrei Klepach, said yesterday that industrial production in October advanced by 6.5% y-o-y but did not give any further details as the official release will take place later today. This is an encouraging comeback from the 3.8% y-o-y rate in August and the 3% rate in September. Moreover, Klepach noted that the government will miss its 2008 inflation target of 7% as well, which, of course, should not be big news. He added that net capital flows in the fourth quarter might reach USD20 bn, reversing the negative trend in the international credit crisis affected third quarter, reaching approximately USD75 bn for the entire year.

Short term, administrative measures not enough to relieve inflationary pressure. The alarm raised by Putin's economic advisor indicates, in our view, the heightened risk of Russia's macroeconomic health entering stormy waters next year. We believe this could change the positive sentiment of investors as the government may have to adopt policies that could lead to a slowdown in real GDP growth. It appears that most government officials have realized that administrative and other short term tools are not adequate to fight global inflation trends as well as the structural weaknesses in the Russian economy that have increased inflationary pressure this year. On the industrial production front, the return to the 1H07 rate of 7-8% implies that August and September figures were indeed affected by the credit crisis and did not indicate a severe damage of Russian companies' competitiveness due to strong currency.

Briefs**Oil&Gas**

Gazprom raised its estimates on the reserves of the Shtokman gas field from 3.7 trillion cm to 3.8 tcm, including 37 mn tons of gas condensate up from 31 m tons before (Bloomberg). Atlantic markets would be added to the European markets for the gas produced at the field. The change in the reserves is not immaterial, but the speed of the field's development and overall costs could be the important factors.

CNPC is ready to renegotiate its 2004 oil supply contract with Rosneft when the latter's CEO visits Beijing later this month, according to an unidentified source from China's oil & gas industry (Interfax). We wrote in Morning Call of 14 November that renegotiation was inevitable, and it now looks as if CNPC is ready to play ball, a possible catalyst for Rosneft's stock.

Consumer

Wimm-Bill-Dann released 9M07 RAS results yesterday (*RBC Daily*). Net profit reached RUB1.18 bn (USD48 mn) up 100% y-o-y, while the company's revenues increased to RUB31.38 bn (USD1.28 bn) up 464% y-o-y. Gross profit rose to RUB6.87 bn (approx. USD280.65 mn), an increase of 352%. We believe that such strong growth numbers will translate into an increase in market share this quarter for WBD.

Seventh Continent released 9M07 RAS results yesterday (Prime-Tass). Net profit rose to RUB1.48 bn, up 3.32% y-o-y. The company's revenue increased to RUB19.46 bn (up 10.09%) y-o-y, while gross profit reached RUB5.75 bn (up 5.54%) for the same period. We are waiting for the company's IFRS results to be released in the near future in order to evaluate the company's third quarter performance.

Utilities

Anatoly Chubais anticipates a 4.2% electricity consumption annual growth rate (Interfax). He said that distribution companies face a great number of bids for connection to the grid which they can not satisfy for technical reasons, so the actual growth rate might be even higher.

Hydro OGK released RAS financials for 9M07 (Interfax). Revenue equals RUB31.7 bn, with operation costs at RUB23.8 bn. Gross profit reached RUB7.9 bn while profit before tax totaled RUB10.3 bn. On the bottom line, the company reported net income of RUB8.4 bn. The y-o-y comparison is not meaningful as the company had not fully consolidated its power plants in 2006.

IPO for both Hydro OGK and the Federal Grid Company in 2008 (RIA Novosti). The shares of Hydro OGK and Federal Grid Company will be sold to investors in March 2008 and August 2008 respectively, UES's CEO Anatoly Chubais said yesterday.

Stock performance summary

	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	13.03	0.7%	-1.3%	11.0%	32.8%	18.3%	13.3%	13,2/8,75
	Novatek	58,50	-1,0%	-0,8%	7,3%	18,2%	-0,3%	-7,9%	66/46,5
	Rosneft	9,05	2,8%	-2,2%	4,0%	15,7%	-1,1%	-1,1%	9,49/7,66
	Lukoil	88,20	-1,7%	-6,0%	-1,3%	21,9%	1,6%	0,3%	95/71,9
	TNK-BP Holding	2,26	0,2%	-0,9%	8,5%	16,8%	1,1%	-12,9%	2,6/1,67
	Surgutneftegaz	1,20	-3,5%	-7,6%	-9,1%	4,8%	-11,6%	-21,6%	1,53/1,07
	Gazprom Neft	5,30	0,0%	0,0%	16,2%	35,9%	25,3%	16,2%	5,3/3,7
	Tatneft	5,95	-0,8%	-4,4%	2,1%	20,0%	10,4%	19,6%	6,25/3,95
	Bashneft	16,20	0,0%	0,0%	6,6%	20,0%	-8,2%	1,3%	17,65/12
	Transneft pref	1 985,00	4,5%	-4,6%	8,2%	26,4%	-21,9%	-13,5%	2540/1435
	Integra	14,75	-1,7%	-8,4%	-4,2%	n/a	n/a	n/a	21,55/13,55
	C.A.T Oil	17,43	-3,2%	-5,3%	-8,9%	-6,4%	-6,0%	-12,9%	25,56/17,12
	West Siberian Resources	0,79	-1,4%	-6,9%	-14,1%	8,5%	-34,9%	-32,2%	1,16/0,66
Utilities	UES	1,23	-0,2%	-0,7%	5,5%	3,2%	53,2%	22,3%	1,37/0,81
	OGK-1	0,12	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%	-2,7%	54,5%	19,2%	0,18/0,09
	OGK-4	0,13	0,0%	0,4%	0,8%	17,3%	106,4%	61,3%	0,13/0,06
	OGK 5	0,17	0,8%	6,5%	2,9%	12,5%	59,0%	29,5%	0,17/0,1
Telecoms and technology	OGK-6	0,12	n/a	n/a	n/a	n/a	n/a	n/a	0,17/0,1
	MTS	86,46	-2,1%	-4,9%	16,5%	54,3%	97,8%	72,3%	93,78/42,99
	Sistema	40,00	-1,2%	2,6%	14,3%	50,9%	53,3%	25,0%	40,6/25,85
	VimpelCom	29,73	-0,6%	-9,5%	-1,7%	56,1%	120,7%	88,3%	34,93/13,31
	Comstar	12,43	-2,1%	-4,4%	3,6%	28,8%	73,8%	48,0%	13,71/6,9
	Rostelecom	9,72	0,0%	0,7%	-5,6%	4,5%	69,8%	27,1%	10,75/7,3
	Golden Telecom	97,52	0,1%	-3,8%	10,7%	63,0%	146,2%	108,2%	108,85/38,85
	MGTS	30,52	0,8%	-0,9%	-0,3%	-5,0%	32,3%	15,1%	34,29/21,19
	Uralsvyazinform	0,07	-1,2%	-3,3%	1,5%	8,4%	47,4%	-6,4%	0,07/0,04
	Volga Telecom	6,40	0,0%	3,4%	11,9%	32,0%	60,4%	5,8%	6,6/3,99
	Sibirtelecom	0,13	0,0%	4,7%	11,1%	31,3%	45,6%	12,6%	0,13/0,09
	Northwest Telecom	1,89	0,3%	-0,3%	5,0%	17,2%	50,2%	10,6%	1,92/1,14
	Center Telecom	0,93	0,0%	3,1%	-0,3%	0,8%	65,6%	23,7%	1/0,56
	Southern Telecom	0,22	1,4%	4,3%	13,9%	21,1%	69,7%	21,1%	0,23/0,13
	Dalsvyaz	5,70	0,0%	4,6%	12,9%	21,3%	81,0%	37,0%	5,7/3,07
	Bashinformsvyaz	0,17	0,0%	-1,4%	-1,4%	-0,9%	-0,9%	-23,7%	0,23/0,17
	RBC	9,49	0,0%	1,9%	2,2%	8,7%	-23,0%	-22,4%	12,1/7,53
Metals and mining	Sitronics	6,85	0,0%	-0,7%	-1,2%	24,5%	n/a	n/a	12/5
	CTC Media	24,84	-0,1%	1,3%	7,4%	20,4%	7,4%	3,5%	28,77/19,59
	Rambler Media	34,79	-2,0%	-5,9%	-9,2%	-15,7%	3,9%	3,1%	55/32,96
	Norilsk Nickel	295,50	-3,7%	-4,6%	10,9%	49,2%	105,9%	88,2%	309,9/135,5
	Polyus Gold	45,70	-1,7%	-1,7%	5,1%	12,8%	-4,3%	-7,3%	55,25/38,3
	Severstal	22,15	0,7%	-5,9%	3,0%	52,8%	92,3%	97,8%	23,84/10,84
	Evrax Group	70,50	0,4%	-5,1%	6,0%	73,0%	177,0%	174,4%	82,6/24,25
	Mechel	76,61	-2,6%	-10,3%	9,2%	111,5%	237,6%	200,7%	86,73/22,69
	NLMK	37,60	-2,4%	-14,5%	-3,6%	31,9%	70,1%	61,7%	44,89/20,8
	MMK	1,20	-2,0%	-10,1%	1,3%	20,0%	56,9%	37,9%	1,39/0,77
	TMK	41,00	-1,2%	-6,8%	-10,9%	15,3%	n/a	17,1%	46,99/25,8
	VSMPO	320,00	0,0%	-1,5%	6,7%	16,4%	25,7%	9,2%	330/246
Industrials, consumer, banks	Sberbank	4,29	-0,1%	-1,7%	-2,0%	21,8%	73,5%	24,2%	4,42/2,43
	Rosbank	7,28	-0,4%	-2,7%	-1,4%	1,3%	19,4%	-6,0%	7,67/5,59
	X5	33,27	0,8%	-7,6%	-4,9%	19,4%	38,6%	28,0%	37,5/23,65
	Seventh Continent	27,75	0,0%	0,9%	7,1%	10,8%	11,2%	3,9%	29,3/24,1
	Dixy Group	14,05	0,0%	0,1%	6,6%	12,1%	41,8%	35,0%	15,6/13,95
	Magnit	48,20	0,8%	4,3%	6,6%	12,1%	41,8%	35,0%	48,25/33,75
	Wimm-Bill-Dann	126,26	-2,0%	0,5%	14,5%	48,8%	178,7%	89,7%	129,99/45,3
	Lebedyansky	89,40	1,5%	-4,0%	1,6%	-4,9%	12,8%	11,8%	99/73,5
	Nutritek	52,50	0,0%	1,0%	1,9%	3,7%	16,1%	10,2%	53,8/44,9
	Baltika (euro)	33,32	0,0%	0,0%	1,6%	3,7%	16,1%	10,2%	36,96/31,59
	Razqulay	5,12	0,0%	-3,4%	14,3%	28,0%	41,4%	28,0%	5,45/3,6
	Severstal Auto	49,50	0,0%	1,0%	4,2%	28,2%	93,4%	63,6%	49,5/25
	AvtoVAZ	1,60	0,0%	0,0%	2,1%	30,0%	53,2%	58,4%	1,74/0,67
	Aeroflot	3,47	0,0%	0,0%	2,1%	30,0%	53,2%	58,4%	3,48/2,17
	Veropharm	48,00	0,0%	2,7%	9,1%	5,7%	70,2%	51,2%	48,65/28,2
	Apteka 36.6	75,75	0,0%	0,7%	-2,3%	-2,9%	54,6%	30,0%	96,1/49
	Pharmstandard	23,20	-0,2%	-0,3%	13,1%	65,7%	n/a	n/a	23,28/13,6
Kalina	43,50	0,0%	1,2%	20,2%	5,8%	-2,8%	-15,5%	51,5/34,25	
Oriflame (euro)	40,10	-2,2%	-4,0%	-1,3%	10,7%	41,3%	31,6%	44,07/27,77	
Cherkizovo	14,85	-1,0%	-14,4%	9,8%	19,5%	-4,2%	9,2%	17,35/11,05	
Sistema Hals	9,79	-0,1%	-2,4%	-2,1%	-7,6%	n/a	-26,4%	15,05/9,1	
RTS Index	2 217,95	-1,2%	-3,1%	2,7%	21,8%	29,4%	15,4%	2288,15/1677	

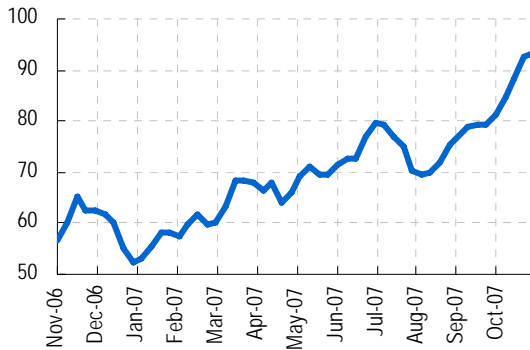
Source: Bloomberg

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	296 419	13,3	11,9	10,8	9,5	8,4	7,7	4,1	3,7	3,5	
	Novatek	17 761	25,8	19,0	14,5	16,1	12,3	9,6	7,7	5,9	4,4	
	Lukoil	75 058	10,1	10,8	10,8	6,7	7,0	6,9	1,2	1,2	1,2	
	Rosneft	95 921	23,2	19,5	18,0	12,6	11,2	9,4	3,1	2,8	2,6	
	Surgutneftegaz	47 723	11,4	11,7	14,0	5,5	5,7	6,4	2,0	1,9	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	13 432	10,6	11,4	12,0	6,6	7,4	8,4	1,2	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	13 719	6,1	5,2	4,7	4,1	3,5	3,0	2,3	1,9	1,7	
	West Siberian Resources	929	28,1	23,4	8,8	9,1	6,8	4,2	3,4	2,5	1,8	
Aggregate - oil and gas		587 916	12,7	11,7	11,2	7,7	7,2	6,9	2,6	2,3	2,1	
Utilities	UES	50 646	33,6	29,5	19,9	17,3	14,1	10,2	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	5 134	n/a	56,4	38,6	42,3	27,8	19,9	4,7	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	6 338	n/a	n/a	52,4	78,9	47,5	26,1	6,6	6,0	4,7	
	OGK-5	6 098	51,7	63,5	45,2	65,3	29,7	21,9	6,4	5,0	4,1	
OGK-6	3 261	40,7	25,8	13,9	18,0	14,1	9,1	3,0	2,5	2,1		
Aggregate - utilities		89 269	24,5	27,6	21,2	34,9	15,6	11,7	3,4	2,9	2,5	
Telecoms and technology	MTS	34 498	27,7	19,4	17,3	11,6	9,8	8,9	5,8	4,9	4,5	
	Sistema	19 320	21,4	16,0	14,7	9,8	8,2	7,5	3,6	3,3	3,0	
	VimpelCom	30 491	37,6	25,4	22,5	13,3	10,7	9,9	6,7	5,4	5,0	
	Aggregate - mobile telecoms		84 309	28,9	20,3	18,2	11,5	9,6	8,8	5,4	4,5	4,2
	Comstar	5 195	63,4	46,8	15,2	17,7	10,1	8,8	5,8	4,4	3,8	
	Rostelecom	7 725	n/a	67,2	56,4	19,7	17,6	15,6	3,3	3,3	3,1	
	Golden Telecom	3 574	41,8	30,5	22,8	15,8	11,2	8,5	4,2	3,1	2,5	
	MGTS	2 870	16,6	11,8	10,6	10,1	7,5	6,7	4,2	3,3	3,1	
	Uralsvyazinform	2 429	78,3	17,7	13,6	9,8	6,5	5,7	2,7	2,3	2,1	
	Volga Telecom	1 915	24,5	14,4	12,0	7,5	5,7	5,1	2,6	2,2	2,0	
	Sibirtelecom	1 825	42,8	8,7	6,8	9,1	5,2	4,4	2,2	1,8	1,6	
	Northwest Telecom	1 973	42,0	16,7	16,0	9,5	6,4	5,9	3,1	2,5	2,2	
	Center Telecom	1 779	26,4	27,8	16,2	6,5	5,9	5,0	2,4	2,0	1,9	
	Southern Telecom	769	59,2	19,2	17,1	6,8	6,3	5,7	2,3	2,1	1,9	
	Dalsvyaz	687	52,8	14,3	9,8	9,2	5,4	4,3	2,3	1,7	1,5	
	Bashinformsvyaz	170	7,4	7,9	4,6	3,3	3,1	n/a	1,1	1,0	0,8	
	Sitronics	1 308	30,3	14,2	10,3	8,5	5,8	4,7	0,7	0,6	0,5	
Aggregate - fixed line telecoms		30 910	41,4	23,6	16,8	10,4	7,6	6,9	3,0	2,5	2,2	
RBC	1 091	27,6	28,5	13,6	16,4	11,3	8,2	4,8	3,8	3,0		
CTC Media	3 763	25,4	19,5	15,3	15,2	11,9	9,5	7,2	5,6	4,5		
Rambler Media	522	43,1	21,6	14,1	26,3	11,9	8,3	6,5	3,8	2,9		
Aggregate - media		5 377	32,0	23,2	14,3	19,3	11,7	8,7	6,2	4,4	3,5	
Metals and mining	Norilsk Nickel	54 077	7,2	8,7	11,6	4,6	5,8	7,9	3,4	3,8	4,4	
	Polyus Gold	8 729	41,7	54,2	62,2	19,8	23,7	23,6	8,5	8,9	9,0	
	Severstal	22 320	12,9	11,9	11,5	6,9	6,3	6,2	1,7	1,6	1,6	
	Evraz Group	24 725	13,7	13,7	13,2	8,4	8,0	8,8	2,7	2,5	2,4	
	Mechel	10 339	12,9	13,7	15,6	7,9	8,0	8,1	2,0	1,9	1,8	
	NLMK	22 534	10,8	11,3	11,2	6,6	6,9	6,6	3,1	3,0	2,8	
	MMK	12 196	7,5	7,5	6,8	5,3	5,1	4,8	1,6	1,5	1,4	
	TMK	8 938	13,5	9,4	11,8	8,1	6,0	7,7	2,4	2,0	1,9	
	VSMPO	3 840	15,1	11,9	9,4	9,7	7,9	6,2	3,8	3,2	2,5	
	Aggregate - metals and mining		167 697	16,7	16,6	16,8	9,7	8,9	8,8	3,5	3,3	3,1
Sberbank *	243	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
Aggregate - banks		243	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
Industrials, consumer, banks	X5	7 202	35,5	25,8	18,6	16,0	11,9	9,5	1,7	1,2	0,9	
	Magnit	3 470	42,5	30,8	20,9	18,1	12,7	9,4	1,0	0,7	0,6	
	Seventh Continent	2 081	32,0	25,1	17,7	15,4	11,0	8,2	1,6	1,1	0,8	
	Lebedyansky	1 825	18,0	15,4	13,5	11,6	9,6	8,4	2,2	1,8	1,6	
	Baltika (euro)	5 691	12,3	11,0	9,2	7,5	6,8	5,6	2,4	2,1	1,8	
	Wimm-Bill-Dann	5 555	35,4	26,1	21,5	18,1	14,0	11,4	2,6	2,1	1,9	
	Aggregate - FMCG		25 825	29,3	22,4	16,9	14,4	11,0	8,8	1,9	1,5	1,3
	Razgulay	543	25,5	12,3	11,4	8,7	6,1	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	480	19,6	14,5	11,3	12,4	9,5	7,2	4,2	3,2	2,7	
	Kalina	424	14,5	11,9	11,6	8,8	7,6	7,2	1,3	1,1	1,1	
	Oriflame (euro)	2 234	22,3	17,9	13,6	14,9	12,7	10,6	2,3	2,1	1,8	
Aggregate valuation		1 001 057	13,4	12,4	11,6	8,7	8,0	7,5	2,7	2,5	2,3	
FF-adj. MCAP W.A. valuation		289 516	16,3	15,2	14,0	10,3	8,7	8,2	3,6	3,3	3,1	

Source: MDM estimates, IBES consensus

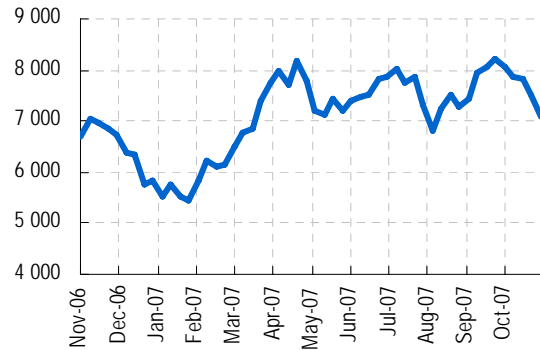
Key commodities

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



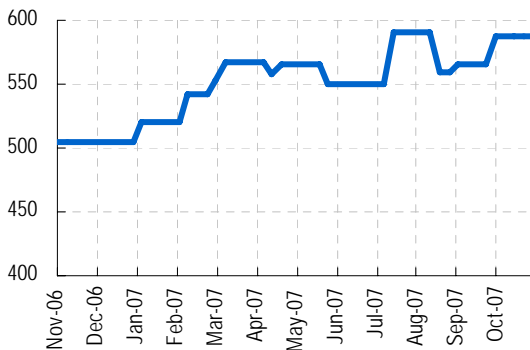
Source: Bloomberg

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



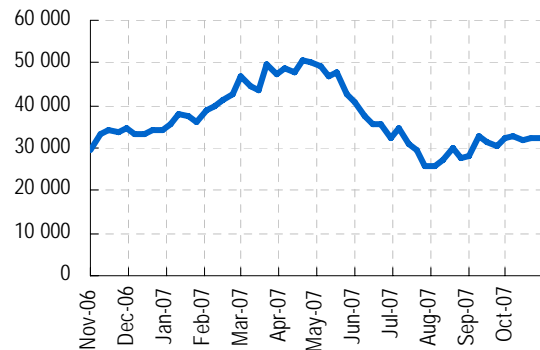
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



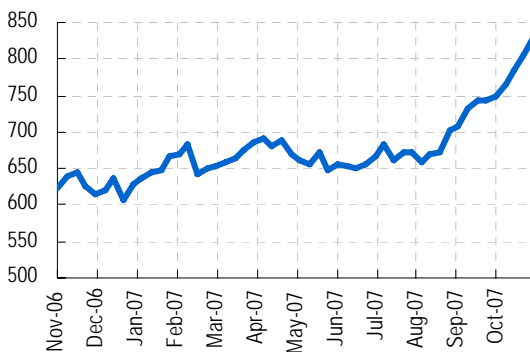
Source: Bloomberg

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



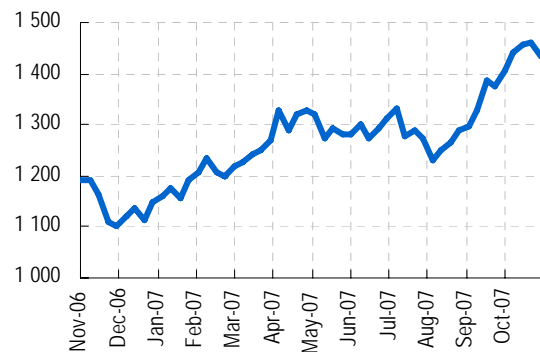
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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