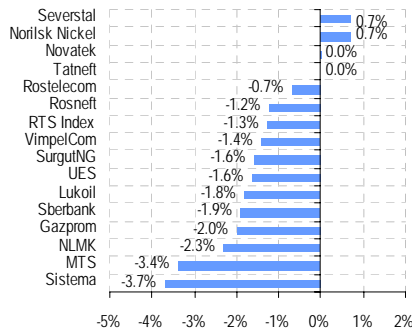
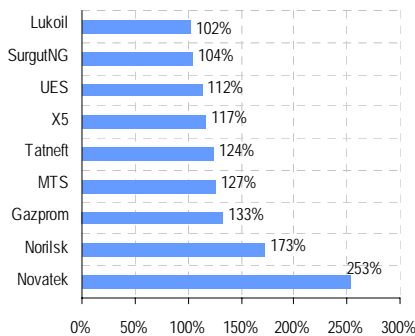


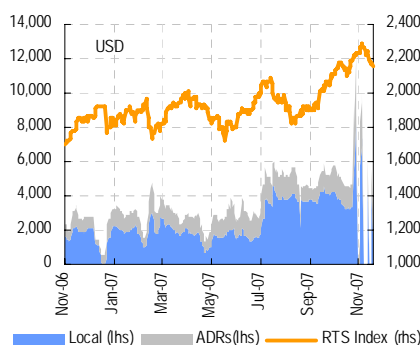
### Blue chips: advancers and decliners



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



### RTS index and weekly trading volumes



### Upcoming events

mid Nov	TGK-2 2006 IFRS
mid Nov	TGK-7 2006 IFRS
mid Nov	Comstar 3Q07 U.S.GAAP results
29 Nov	VimpelCom 3Q07U.S.GAAP results
29 Nov	X5 Retail Group 3Q07 IFRS results
end Nov	Severstal 3Q07 IFRS results
30 Nov	Wimm-Bill-Dann 3Q07U.S.GAAP results

### Market

Global equities tumbled yesterday amid growing concerns of US recession, and Russian stocks could not buck the trend. The RTS lost 1.3% to 2152 and the MICEX fell by 1.7% to 1785, with few big names avoiding losses. Weaker metal prices may have an impact today on Russian stocks. Thinner trading is expected in the last two sessions of the week due to the US Thanksgiving holiday.

### Top news and ideas

- Novatek: Releases solid 3Q07 IFRS financials.** Eye-catching headline figures drove Novatek stock into a mini-rally yesterday, but scratch the surface and surprisingly large production declines are exposed, which clearly disappointed investors as the stock closed even for the day. We still view Novatek as a sound long term play.
- OGK-1: Will not place shares on the open market.** UES sources stated in various news media yesterday that UES and government shares in OGK-1 will be sold to a strategic investor. We believe that waning market interest due to Gazprom's involvement and rich valuations has left UES with no other option.
- Norilsk Nickel: Offer on the table.** Prokhorov's Onexim has offered Potanin's Interros a 25% plus 1 share stake in Norilsk Nickel for USD15.7 bn, while Interros have made their own, as yet unspecified, offer. We view Prokhorov's offer as fair, but suspect that its miserly time constraints mean the deal is designed simply to apply pressure.

### Other highlights

- Brief - The Economy Ministry's chief forecaster said yesterday that both current account and trade surpluses will disappear by 2011 (Bloomberg).** He added that the trade surplus will shrink to USD130 bn and the current account surplus to USD78 bn this year. He attributed these trends to the rapid growth of imports. We concur and believe this should ring alarm bells in government fiscal and FX policy-making offices.
- Brief - The UES BoD failed to make a final decision on the sale of the government's stake in Mosenergo (Prime-Tass agency).** It is not clear yet what the new plan will be and when it will be discussed. We still view the sale of the stake to Moscow city government or to the public through GDRs as the most likely scenarios.

>>> More news on page 5

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,152	-1.3%	-4.1%	2.5%	16.1%	26.3%
MSCI EM Europe Index	758	-2.0%	-3.0%	3.1%	19.4%	29.5%
MSCI EM Index	1,188	-3.3%	-6.0%	-3.7%	16.8%	38.2%
S&P500 Index	1,417	-1.6%	-3.7%	-5.9%	-3.2%	0.8%
OIX (Oil majors) Index	803	-1.7%	0.2%	0.2%	11.7%	27.2%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	98.0	-0.9%	1.0%	10.7%	41.1%	69.0%
Nickel, USD/ton	29,608	-0.9%	-11.4%	-8.5%	13.2%	-6.3%
Steel (HR), USD/ton	588	0.0%	0.0%	0.0%	-0.4%	16.3%
LT U.S. Treasury YTM	4.5%	4.5%	4.6%	4.7%	5.0%	4.7%
EMBI-Russia spread, bp	177	167	163	145	127	116
RUB/USD	24.43	24.50	24.53	24.87	25.74	26.64

Source: Datastream, Bloomberg

## Novatek: Releases solid 3Q07 IFRS financials

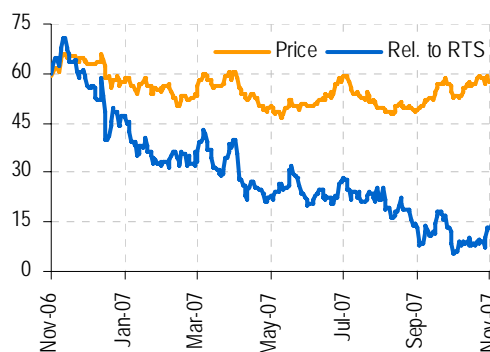
George Lilis, CFA, e-mail: George.Lilis@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
NVTK LI Equity	60*	n/a	Not Rated	66/46.5	14.1%	22.0%	1.7%

\* ADR = 10 common shares

Financials, USD mn	2006A	2007E	2008E
Revenue	2,281	2,963	3,971
EBITDA	1,091	1,430	1,828
Net income	689	933	1,228
Revenue growth	21%	30%	34%
EBITDA growth	7%	31%	28%
Net income growth	38%	36%	32%
EBITDA margin	48%	48%	46%
Net margin	30%	31%	31%
EV/Revenue	7.9	6.1	4.5
EV/EBITDA	16.5	12.6	9.9
P/E	26.5	19.5	14.8
MCAP, USD mn	18,216	Com., mn	3,036
EV, USD mn	18,043	Pref., mn	
Free float	29%	Total, mn	3,036

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Eye-catching top line figures.** Novatek reported solid results overall, but after digging below the surface, we believe they may not be as impressive as the eye-catching headline numbers suggest. Overall, the company reported net profit of USD210 mn, 38% higher than 3Q06 and 21% above the Bloomberg consensus estimates. On the EBITDA level, the company reported USD312 mn, 29% above last year's and 15% above consensus figures.

**Sales volumes dragged down by natural gas decline.** Novatek reported a 29% y-o-y increase in revenue and comfortably exceeded street expectations. However, the details were not particularly encouraging. While price realizations moved in the right direction (gas price up 17% y-o-y, crude 21%, gas condensate 16% and LPG 27%) the volume side was disappointing. Overall, sales volumes declined by 5.6%, pulled down by a 6.5% dip in natural gas (around 90% of total volumes) that was only partially offset by the 3% increase in liquids volumes. However, actual natural gas production fell by a surprising 17%, with a large increase in the volumes sent to storage. The company saw a 31% y-o-y decline in its East-Tarkosalinskoye field, where it referred to its inability "to inject gas into storage due to lack of available capacity at Gazprom's underground gas storage".

**Production declines impact DDA, net margin, EBITDA/boe ratios.** Moving to the cost side, the company did a decent job on the EBITDA level, with margins staying flat at the 50% level. In terms of cost items, transportation expenses rose by 17%, down from the 27% y-o-y rate last quarter (affected by increased tariffs this year), taxes other than income fell by 7% due to lower volumes, while total materials and GA rose by 18% and 15% respectively, mainly due to higher payroll (wage increases) and consulting fees. The reduced output had a positive impact on DDA, which fell by 19% y-o-y and led to a very nice 250 bps increase in net margin as well as an impressive increase in the EBITDA per boe ratio from USD5.3 in 3Q06 to USD6.5 in 3Q07. Finally, the company continued its rapid capex growth this year reaching USD240 mn this quarter (up 438%).

**Novatek a sound long term play.** The stock initially had a pleasing rally as the headline figures landed significantly above consensus expectations, but very poor natural gas production in the quarter and the company's admission that it could not even inject gas into storage disappointed investors. As a result, the stock ended the day flat – although admittedly in a negative day for the market. In the past three months, Novatek has been one of the good performers, recovering from big losses and boosted by oil prices. We still stand by our conviction that Novatek's solid production growth potential makes it a sound long-term prospect and view the stock as the appropriate vehicle to play the reorganization of the domestic gas market. However, recent gains have once again opened up the valuation gap vs its peers, probably making further relative gains more difficult to come by.

### Novatek: 3Q07 IFRS results,

	3Q07, RUB	3Q06, RUB	y-o-y change	3Q07, USD	3Q06, USD	y-o-y change	Consensus 3Q07, USD	Dif. from consensus
Revenues	15,196	13,098	16.0%	623	482	29.3%	569	9.6%
EBITDA	7,602	6,536	16.3%	312	242	28.9%	271	15.1%
Net income	5,119	4,086	25.3%	210	152	38.2%	173	21.4%
EBITDA margin	50.0%	49.9%		50.0%	50.2%		47.6%	
Net margin	33.7%	31.2%		33.7%	31.5%		30.4%	
EBITDA per boe, USD	6.46	5.30	21.9%					
Total production mboe	48.28	51.16	-5.6%					

Source: Company data

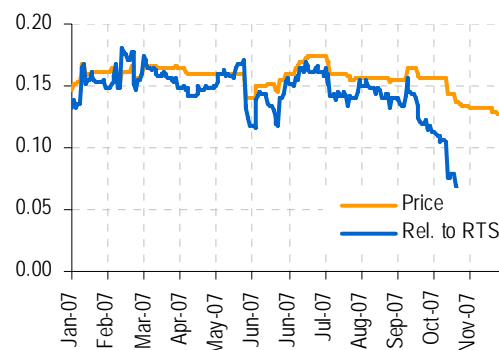
## OGK-1: Will not place shares on the open market

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.
OGKA RU Equity	0.13	0.14	Hold	0.18/0.09	n/a	n/a	n/a

Financials, USD mn	2006A	2007E	2008E
Revenue	1,106	1,229	1,527
EBITDA	122	186	260
Net income	27	91	133
Revenue growth		11%	24%
EBITDA growth		52%	40%
Net income growth		237%	46%
EBITDA margin	11%	15%	17%
Net margin	2%	7%	9%
EV/Revenue	4.7	4.2	3.4
EV/EBITDA	42.7	28.0	20.0
P/E	191.8	56.9	38.9
MCAP, USD mn	5,179	Com., mn	44,643
EV, USD mn	5,209	Pref., mn	
Free float	8%	Total, mn	44,643

Price performance, USD



Source: Bloomberg

Source: Bloomberg, MDM estimates

**OGK-1 to be sold to strategic investor, not market.** News media reported yesterday that UES sources have stated that OGK-1 shares will be sold to strategic investors and not on the open market as had been initially announced and expected by most investors. The list of strategic investors includes Endesa, Electricite De France, Gaz De France, Fortum (all foreign) and IES. According to the latest version, the company will issue 41% of new shares (post money) and UES will simultaneously sell the government's stake (another 34% stake on a post money basis). The same strategic investors will probably buy both stakes and take control of OGK-1.

**OGK-1 announces Gazprom supply deal; details unknown.** On a separate front, OGK-1 also announced yesterday that it has signed a long term agreement for the supply of natural gas to its power plants for the years 2008 until 2012. However, no pricing terms were revealed. According to the new contract, Permskaya GRES will buy 3.46 bn cm from the regional unit of Gazprom (compared to 3.5 bn cm consumed in 2006 and 3.7 bn cm expected to be consumed in 2007), Irklinskaya GRES will receive 2.4 bn cm (2.5 bcm in 2006, 2.8 bcm expected in 2007) and Kashirskaya GRES will get 619 mcm (1.14 bcm in 2006, 1.27 bcm in 2007). We remind clients that the other large plant, Nizhnevartovskaya GRES, will be utilizing gas from TNK-BP as agreed under the JV agreement between the two companies.

**Waning market interest leaves strategic investor route as only option.** The change of heart with regards to the offering and UES's decision (not final yet) is not a big surprise to us at all. The recent performance of the OGK stock prices highlights the lack of interest from institutional investors after the dynamic involvement of Gazprom and the rich valuations reached for these stocks. As a result, we view the new plan as essentially the only alternative left for UES. From another viewpoint, however, we are pleased with the interest from several foreign companies and believe that the good quality of OGK-1's assets will indeed attract significant interest. The only issue is that the stock free float and liquidity will be problematic in the long term under this option. As far as the supply agreement with Gazprom is concerned, we view it is a big positive as it seems to be covering a very high portion of the company's gas needs in the coming years, mitigating one of the big uncertainties on the cost side. We reiterate our Hold recommendation for the stock.

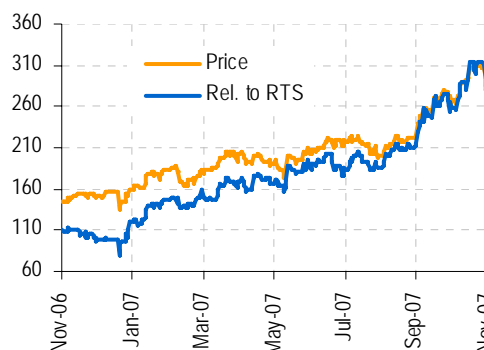
## Norilsk Nickel: Offer on the table

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.
GMKN RU Equity	283.00	n/a	Not Rated	309.9/135.5	8.0%	38.0%	95.8%

Financials, USD mn	2006A	2007E	2008E
Revenue	15,322	13,765	11,724
EBITDA	11,172	8,943	6,569
Net income	7,459	6,195	4,653
Revenue growth	33%	-10%	-15%
EBITDA growth	47%	-20%	-27%
Net income growth	49%	-17%	-25%
EBITDA margin	72.9%	65.0%	56.0%
Net margin	49%	45%	40%
EV/Revenue	3.2	3.6	4.2
EV/EBITDA	4.4	5.5	7.6
P/E	6.9	8.4	11.1
MCAP, USD mn	51,789	Com., mn	183
EV, USD mn	49,604	Pref., mn	
Free float	45%	Total, mn	183

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Norilsk Nickel saga rumbles on.** The Norilsk Nickel divorce soap opera showed no signs of abating yesterday as new revelations were made public. First, Prokhorov's Onexim Group announced that it has offered to sell a 25% plus one share stake at the nickel miner to Potanin's Interros for USD15.7 bn, while later in the day, Interros representatives told reporters that their side has put an offer on the table but did not reveal the price. Onexim Group added that Potanin had 30 days to make a decision and 45 days to complete it as he has pre-emptive rights. After this period Onexim will be able to sell the stake to other interested investors.

**Interros officials: Onexim offer impossible.** In terms of the price asked, Onexim Group argued that this level represents the moving average of the last 30 days plus a 12.5% premium which in their view is reasonable as Potanin would acquire control of Norilsk Nickel (already owns 25%). We note that the price asked is 16% above yesterday's closing price. Finally, another important detail of the offer from Prokhorov's side is that it has to be a cash only deal. As a consequence, Interros officials said yesterday that it would be impossible to complete such a large cash deal in 45 days.

**Lack of resolution bad news for minority shareholders.** Onexim Group presented the offer as a gesture of goodwill and admittedly the premium to be paid in order to win control of Norilsk Nickel is not demanding by international standards. However, the terms of the deal (cash only and very brief period allowed for the completion) indicate that Prokhorov's side is not really willing to make a deal but is using this as a tool of pressure on Potanin to complete the separation process. The timing is certainly not a coincidence, in our opinion, as it is a few weeks before the vote on the spin-off of the power assets. This, in our view, implies that this vote will be probably blocked by Prokhorov, particularly if by that time it is obvious that Potanin is not willing to acquire the 25% stake in Norilsk. Another tool Prokhorov could use to apply pressure is the rumor that RusAl is also interested in buying his Norilsk stake. All in all, we believe that the situation is getting more complicated and more difficult to resolve by the day, which does not bode well for Norilsk minority shareholders.

## News Briefs

### Oil and Gas

Gazprom and ENI are expected to sign a deal for the construction of the South Stream pipeline today during Prime Minister Prodi's visit to Moscow (Interfax). The pipeline could cost USD15 bn and is expected to supply 30 bcm a year to Southern European countries. Positive news, but we await more specifics on costs.

### Industrials, Consumer, Banks

An Interfax consensus of 6 analysts estimates Seventh Continent's 9M07 IFRS revenues will rise 35.6% y-o-y to USD908.3 mn, EBITDA will reach USD90.2 mn (up 20.1% y-o-y), and net profit will increase to USD69.4 mn (up 51.1%). Since the company did not open a single store in 3Q07, we believe the key figures for investors will be I-f-I sales and average ticket growth.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	12.59	-2.0%	-2.7%	10.8%	23.7%	16.0%	9.5%	13.2/8.75
	Novatek	60.00	0.0%	1.5%	14.1%	22.0%	1.7%	-5.5%	66/46.5
	Rosneft	8.70	-1.2%	-1.1%	3.0%	8.5%	-3.3%	-4.9%	9.49/7.66
	Lukoil	85.30	-1.8%	-5.0%	2.8%	16.4%	0.8%	-3.0%	95/71.9
	TNK-BP Holding	2.25	0.0%	-0.4%	7.4%	19.1%	0.9%	-13.5%	2.6/1.67
	Surgutneftegaz	1.19	-1.6%	-4.7%	-6.6%	1.4%	-10.1%	-22.5%	1.53/1.07
	Gazprom Neft	5.17	0.0%	-2.5%	11.2%	32.6%	22.2%	13.4%	5.3/3.7
	Tatneft	5.75	-1.0%	-4.9%	3.1%	12.5%	9.2%	14.6%	6.25/3.95
	Bashneft	15.85	0.0%	-2.2%	1.6%	17.4%	-10.2%	-0.9%	17.65/12
	Transneft pref	1,880.00	-1.1%	-1.1%	9.3%	19.7%	-23.7%	-18.1%	2495/1435
	Integra	14.50	-2.0%	-3.3%	-4.9%	n/a	n/a	n/a	21.55/13.55
C.A.T Oil	15.87	-6.6%	-11.8%	-17.4%	-21.1%	-10.7%	-20.7%	25.56/15.87	
West Siberian Resources	0.78	-3.4%	-3.4%	-11.3%	-1.0%	-34.1%	-33.6%	1.16/0.66	
Utilities	UES	1.21	-1.6%	-1.9%	2.1%	1.8%	47.2%	20.2%	1.37/0.82
	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	0.18/0.11
	OGK-3	0.14	-5.5%	-5.5%	-11.0%	-8.0%	42.3%	12.7%	0.18/0.1
	OGK-4	0.13	0.0%	0.0%	1.6%	17.3%	84.3%	61.3%	0.13/0.07
	OGK 5	0.17	0.6%	0.2%	4.2%	17.6%	50.5%	29.2%	0.17/0.11
	OGK-6	0.12	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.1
Telecoms and technology	MTS	84.52	-3.4%	-4.3%	15.2%	34.7%	87.2%	68.4%	93.78/43.71
	Sistema	37.90	-3.7%	-6.4%	11.8%	34.9%	41.7%	18.4%	40.6/25.85
	VimpelCom	31.05	-1.4%	3.8%	6.8%	46.5%	122.0%	96.6%	34.93/13.61
	Comstar	11.40	-6.6%	-10.2%	-4.0%	14.0%	58.8%	35.7%	13.71/6.9
	Rostelecom	9.83	-0.7%	1.1%	-2.0%	1.3%	68.0%	28.5%	10.7/5.85
	Golden Telecom	97.38	-0.8%	-0.1%	6.9%	53.3%	139.8%	107.9%	108.85/38.85
	MGTS	30.71	0.0%	0.7%	1.3%	-5.4%	29.9%	14.9%	34.29/21.64
	Uralsvyazinform	0.07	-0.5%	-2.7%	1.5%	6.8%	38.6%	-7.8%	0.07/0.04
	Volga Telecom	6.00	-3.2%	-6.3%	4.9%	25.8%	49.1%	-0.8%	6.6/4.03
	Sibirtelecom	0.12	-1.6%	-3.3%	11.4%	26.3%	41.6%	8.9%	0.13/0.09
	Northwest Telecom	1.78	-2.7%	-6.1%	-1.2%	23.9%	40.1%	3.5%	1.92/1.17
	Center Telecom	0.92	-0.5%	-1.3%	-4.4%	0.5%	60.5%	22.0%	1/0.57
	Southern Telecom	0.21	-2.3%	-2.3%	9.7%	21.7%	68.0%	16.7%	0.23/0.13
	Dalsvyaz	5.70	0.0%	0.0%	12.9%	21.3%	85.7%	37.0%	5.7/3.07
	Bashinformsvyaz	0.17	0.0%	-0.9%	-2.3%	-1.7%	-1.7%	-24.4%	0.23/0.17
	RBC	9.33	-0.7%	-2.4%	1.6%	11.9%	-24.4%	-24.3%	12.1/7.53
	Metals and mining	Sitronics	6.20	-6.1%	-9.5%	-9.2%	7.8%	n/a	n/a
CTC Media		23.71	-1.0%	-4.6%	7.2%	5.1%	-1.3%	-1.2%	28.77/19.59
Rambler Media		32.87	1.1%	-7.4%	-17.8%	-24.9%	-1.9%	-2.6%	55/31.79
Norilsk Nickel		283.00	0.7%	-7.7%	8.0%	38.0%	95.8%	80.3%	309.9/135.5
Polyus Gold		42.40	0.0%	-8.8%	-5.3%	8.2%	-12.0%	-14.0%	55.25/38.3
Severstal		22.00	0.7%	0.0%	0.9%	45.7%	87.2%	96.4%	23.84/10.84
Evrast Group		66.30	-2.5%	-5.6%	-4.6%	54.9%	173.4%	158.1%	82.6/24.25
Mechel		74.08	-3.9%	-5.8%	-0.4%	93.4%	225.3%	190.7%	86.73/22.77
NLMK		38.10	-2.3%	-1.1%	1.6%	29.6%	73.2%	63.9%	44.89/20.8
MMK		1.22	0.2%	-0.7%	0.6%	21.7%	57.6%	39.9%	1.39/0.77
TMK		39.29	-1.1%	-5.3%	-12.3%	14.7%	n/a	12.3%	46.99/27.5
Industrials, consumer, banks	VSMPO	321.00	0.0%	0.3%	7.0%	16.7%	27.1%	9.6%	330/251
	Sberbank	4.09	-1.9%	-4.7%	-3.5%	13.0%	65.3%	18.6%	4.42/2.45
	Rosbank	7.15	0.1%	-3.1%	-4.3%	1.1%	16.7%	-8.5%	7.67/5.61
	X5	33.40	-0.7%	1.2%	-1.8%	16.0%	27.7%	28.5%	37.5/24.6
	Seventh Continent	26.60	-1.5%	-4.1%	3.7%	6.4%	3.5%	-0.4%	29.3/24.1
	Dixy Group	13.95	0.0%	-0.7%	4.3%	20.7%	41.5%	34.7%	15.6/13.95
	Magnit	48.10	-0.3%	0.6%	4.3%	20.7%	41.5%	34.7%	48.45/33.75
	Wimm-Bill-Dann	119.70	-3.0%	-7.1%	7.8%	24.0%	161.0%	79.9%	134.62/45.68
	Lebedyansky	88.50	0.0%	0.5%	0.7%	1.7%	11.7%	10.6%	99/73.5
	Nutritek	53.00	-0.9%	1.0%	3.4%	5.4%	15.5%	9.6%	53.8/44.9
	Baltika (euro)	32.68	-0.5%	-0.5%	1.0%	5.4%	15.5%	9.6%	36.96/31.59
	Razgulay	5.00	0.0%	-2.3%	8.7%	25.3%	31.6%	25.0%	5.45/3.6
	Severstal Auto	50.00	-2.2%	1.0%	9.2%	28.2%	100.0%	65.3%	51.1/25
	AvtoVAZ	1.60	-1.1%	2.6%	4.7%	33.3%	57.2%	62.6%	1.74/0.67
	Aeroflot	3.56	-1.1%	2.6%	4.7%	33.3%	57.2%	62.6%	3.6/2.17
	Veropharm	48.10	0.0%	0.2%	10.6%	7.5%	59.0%	51.5%	48.65/29.1
	Apteka 36.6	75.75	0.0%	0.0%	-3.5%	-4.7%	47.1%	30.0%	96.1/51.45
Pharmstandard	20.00	-5.8%	-13.9%	-1.1%	26.3%	n/a	n/a	23.28/13.6	
Kalina	43.40	0.0%	-0.2%	15.7%	10.6%	-4.1%	-15.7%	51.5/34.25	
Oriflame (euro)	38.41	-3.4%	-5.7%	-3.6%	1.4%	38.2%	27.0%	44.07/27.77	
Cherkizovo	14.50	-1.4%	-3.3%	5.8%	26.1%	-3.3%	6.6%	17.35/11.05	
Sistema Hals	9.00	-3.6%	-8.2%	-10.4%	-20.9%	n/a	-32.3%	15.05/9	
<b>RTS Index</b>	<b>2,151.88</b>	<b>-1.3%</b>	<b>-4.1%</b>	<b>2.5%</b>	<b>16.1%</b>	<b>26.3%</b>	<b>12.0%</b>	<b>2288.15/1703.13</b>	

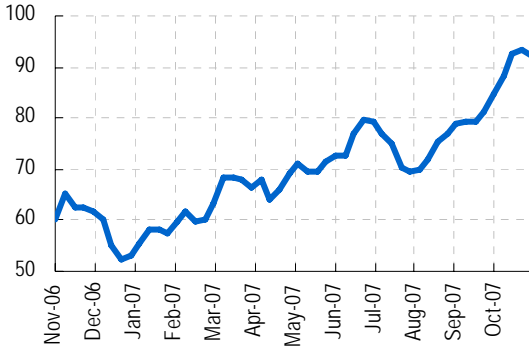
Source: Bloomberg

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	286,410	12.8	11.5	10.4	9.2	8.2	7.5	3.9	3.6	3.4	
	Novatek	18,216	26.5	19.5	14.8	16.5	12.6	9.9	7.9	6.1	4.5	
	Lukoil	72,590	9.8	10.4	10.4	6.5	6.8	6.7	1.2	1.2	1.2	
	Rosneft	92,211	22.3	18.8	17.3	12.2	10.8	9.1	3.0	2.7	2.6	
	Surгутneftegaz	47,320	11.3	11.6	13.9	5.4	5.6	6.3	2.0	1.9	2.0	
	Gazprom Neft	24,511	7.4	8.7	9.1	4.9	5.6	6.1	1.3	1.3	1.3	
	Tatneft	12,991	10.3	11.1	11.6	6.4	7.2	8.1	1.2	1.2	1.2	
	Bashneft	2,695	5.8	6.5	7.0	3.3	3.8	4.0	0.7	0.8	0.9	
	Transneft pref	12,994	5.8	5.0	4.5	4.0	3.3	2.9	2.2	1.8	1.7	
	West Siberian Resources	916	27.7	23.1	8.7	9.0	6.7	4.1	3.3	2.4	1.7	
	<b>Aggregate - oil and gas</b>	<b>569,937</b>	<b>12.4</b>	<b>11.4</b>	<b>11.0</b>	<b>7.6</b>	<b>7.1</b>	<b>6.7</b>	<b>2.6</b>	<b>2.3</b>	<b>2.1</b>	
Utilities	UES	49,784	33.0	29.0	19.5	17.2	14.0	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	5,179	n/a	56.9	38.9	42.7	28.0	20.0	4.7	4.2	3.4	
	OGK-2	3,363	n/a	42.0	23.7	185.0	20.9	12.5	3.8	3.1	2.5	
	OGK-3	6,553	n/a	77.1	46.8	95.0	37.3	33.6	8.6	7.1	6.1	
	OGK-4	6,338	n/a	n/a	52.4	78.9	47.5	26.1	6.6	6.0	4.7	
	OGK 5	6,137	52.0	63.9	45.5	65.8	29.9	22.1	6.4	5.0	4.1	
OGK-6	3,248	40.5	25.7	13.8	17.9	14.0	9.1	3.0	2.5	2.1		
	<b>Aggregate - utilities</b>	<b>87,669</b>	<b>24.1</b>	<b>26.9</b>	<b>20.8</b>	<b>34.0</b>	<b>15.3</b>	<b>11.5</b>	<b>3.3</b>	<b>2.9</b>	<b>2.5</b>	
Telecoms and technology	MTS	33,723	27.1	19.0	16.9	11.3	9.6	8.7	5.7	4.8	4.4	
	Sistema	18,306	20.3	15.2	13.9	9.6	8.0	7.3	3.6	3.2	2.9	
	VimpelCom	31,845	39.2	26.5	23.5	13.8	11.2	10.3	7.0	5.6	5.2	
		<b>Aggregate - mobile telecoms</b>	<b>83,874</b>	<b>28.8</b>	<b>20.2</b>	<b>18.1</b>	<b>11.6</b>	<b>9.6</b>	<b>8.8</b>	<b>5.4</b>	<b>4.5</b>	<b>4.2</b>
	Comstar	4,765	58.1	42.9	13.9	16.5	9.5	8.2	5.4	4.1	3.6	
	Rostelecom	7,815	n/a	68.0	57.0	19.9	17.8	15.8	3.3	3.4	3.1	
	Golden Telecom	3,569	41.7	30.5	22.7	15.8	11.1	8.4	4.2	3.1	2.5	
	MGTS	2,881	16.6	11.9	10.7	10.1	7.5	6.8	4.2	3.3	3.1	
	Uralsvyazinform	2,407	77.6	17.6	13.5	9.7	6.5	5.7	2.7	2.3	2.1	
	Volga Telecom	1,802	23.1	13.5	11.3	7.1	5.5	4.8	2.5	2.1	1.9	
	Sibirtelecom	1,790	42.0	8.6	6.7	8.9	5.1	4.3	2.2	1.8	1.6	
	Northwest Telecom	1,865	39.7	15.8	15.2	9.1	6.1	5.6	2.9	2.3	2.1	
	Center Telecom	1,775	26.3	27.7	16.1	6.4	5.9	5.0	2.4	2.0	1.8	
	Southern Telecom	746	57.4	18.6	16.6	6.7	6.2	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	168	7.4	7.9	4.5	3.2	3.1	n/a	1.1	1.0	0.8	
	Sitronics	1,184	27.4	12.8	9.3	7.7	5.3	4.3	0.7	0.6	0.5	
	<b>Aggregate - fixed line telecoms</b>	<b>30,268</b>	<b>40.3</b>	<b>23.1</b>	<b>16.5</b>	<b>10.2</b>	<b>7.5</b>	<b>6.8</b>	<b>3.0</b>	<b>2.4</b>	<b>2.2</b>	
RBC	1,073	27.2	28.0	13.3	16.1	11.1	8.0	4.8	3.7	3.0		
CTC Media	3,592	24.3	18.6	14.6	14.5	11.3	9.1	6.9	5.3	4.3		
Rambler Media	494	40.7	20.4	13.3	24.8	11.3	7.8	6.2	3.6	2.8		
	<b>Aggregate - media</b>	<b>5,159</b>	<b>30.7</b>	<b>22.4</b>	<b>13.8</b>	<b>18.5</b>	<b>11.2</b>	<b>8.3</b>	<b>5.9</b>	<b>4.2</b>	<b>3.3</b>	
Metals and mining	Norilsk Nickel	51,789	6.9	8.4	11.1	4.4	5.5	7.6	3.2	3.6	4.2	
	Polyus Gold	8,098	38.7	50.3	57.7	18.1	21.6	21.5	7.8	8.1	8.2	
	Severstal	22,169	12.8	11.8	11.4	6.8	6.3	6.1	1.7	1.6	1.6	
	Evraz Group	23,252	12.9	12.9	12.4	7.9	7.6	8.3	2.5	2.4	2.3	
	Mechel	9,998	12.5	13.3	15.1	7.6	7.8	7.8	1.9	1.8	1.8	
	NLMK	22,833	10.9	11.4	11.4	6.7	7.0	6.7	3.1	3.0	2.8	
	MMK	12,368	7.6	7.6	6.9	5.3	5.2	4.8	1.6	1.5	1.4	
	TMK	8,565	12.9	9.0	11.3	7.8	5.8	7.4	2.3	2.0	1.8	
	VSMPO	3,852	15.2	12.0	9.4	9.7	7.9	6.2	3.8	3.2	2.5	
		<b>Aggregate - metals and mining</b>	<b>162,926</b>	<b>16.1</b>	<b>15.9</b>	<b>16.0</b>	<b>9.3</b>	<b>8.6</b>	<b>8.5</b>	<b>3.4</b>	<b>3.1</b>	<b>3.0</b>
Industrials, consumer, banks	Sberbank *	231	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
		<b>Aggregate - banks</b>	<b>231</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	7,230	35.6	25.9	18.7	16.1	11.9	9.6	1.7	1.2	0.9	
	Magnit	3,463	42.4	30.8	20.9	18.0	12.7	9.4	1.0	0.7	0.6	
	Seventh Continent	1,995	30.7	24.0	17.0	14.7	10.5	7.8	1.5	1.1	0.8	
	Lebedyansky	1,806	17.9	15.2	13.3	11.5	9.5	8.3	2.2	1.8	1.5	
	Baltika (euro)	5,588	12.1	10.8	9.0	7.3	6.7	5.5	2.3	2.1	1.7	
	Wimm-Bill-Dann	5,267	33.5	24.7	20.4	17.2	13.3	10.9	2.4	2.0	1.8	
		<b>Aggregate - FMCG</b>	<b>25,350</b>	<b>28.7</b>	<b>21.9</b>	<b>16.5</b>	<b>14.1</b>	<b>10.8</b>	<b>8.6</b>	<b>1.9</b>	<b>1.5</b>	<b>1.2</b>
	Razgulay	530	24.9	12.0	11.1	8.5	6.0	5.6	1.1	0.9	0.8	
	Severstal Auto	1,700	27.1	17.2	15.5	13.8	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	3,955	13.6	15.4	12.3	9.6	8.6	6.9	1.4	1.2	1.0	
Veropharm	481	19.6	14.6	11.4	12.5	9.6	7.2	4.2	3.2	2.7		
Kalina	423	14.4	11.9	11.5	8.8	7.6	7.2	1.3	1.1	1.1		
Oriflame (euro)	2,139	21.3	17.1	13.0	14.4	12.2	10.1	2.2	2.0	1.7		
	<b>Aggregate valuation</b>	<b>974,936</b>	<b>13.1</b>	<b>12.1</b>	<b>11.3</b>	<b>8.5</b>	<b>7.9</b>	<b>7.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.2</b>	
	<b>FF-adj. MCAP W.A. valuation</b>	<b>280,946</b>	<b>15.9</b>	<b>14.8</b>	<b>13.7</b>	<b>10.1</b>	<b>8.5</b>	<b>8.0</b>	<b>3.5</b>	<b>3.2</b>	<b>3.1</b>	

Source: MDM estimates, IBES consensus

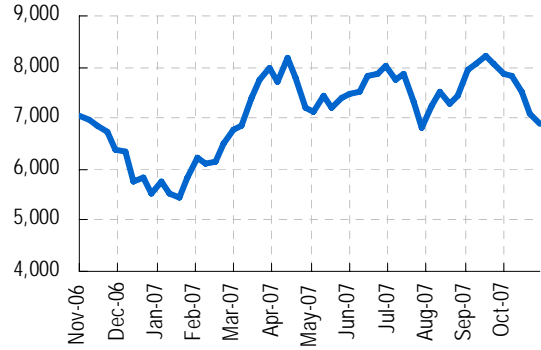
## Key commodities

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



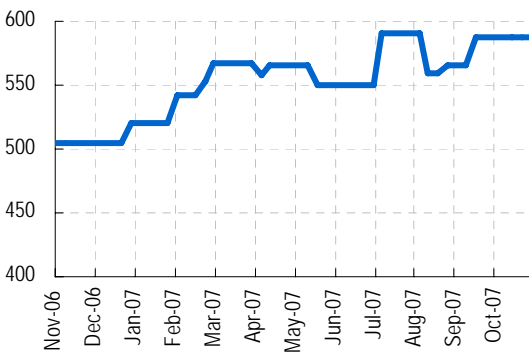
Source: Bloomberg

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



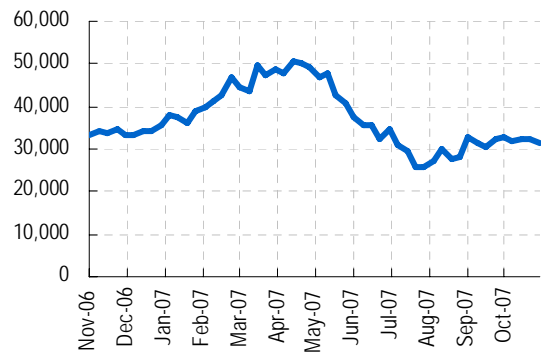
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



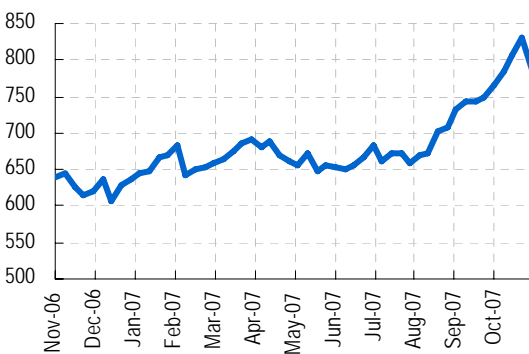
Source: Bloomberg

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



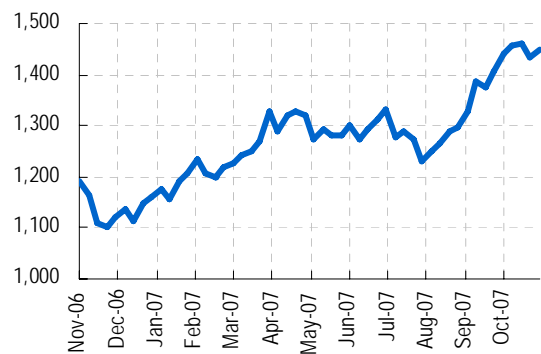
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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