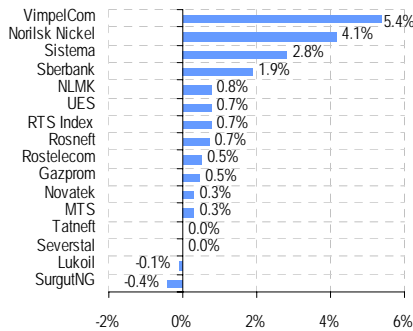
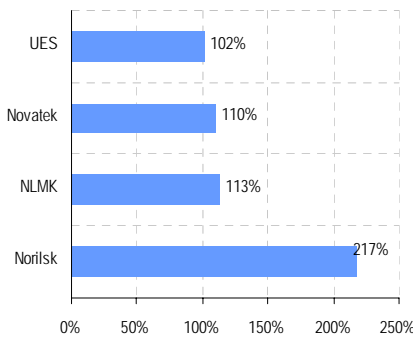


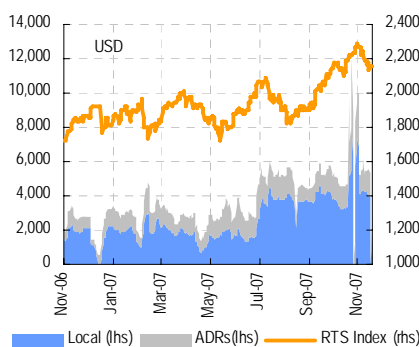
Blue chips: advancers and decliners



Volume monitor: daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

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

Market

Stronger oil and metal prices and recovering Western European markets helped Russian stocks finish the week on a positive note. The MICEX index gained 0.9% to 1793 and the RTS increased by 0.75% to 2152 on Friday. The first estimates of post-Thanksgiving shopping data from the US will set the tone for today's session, while Russia's parliamentary elections are entering their final phase.

Top news and ideas

- Gazprom: 2Q IFRS financials expected today.** We believe the most important figures will be cost items, i.e. repairs/maintenance, social expenses, and the cost of purchased supplies from CIS countries. Cost issues have called into question the company's ability to increase margins beyond the leverage offered by higher prices.
- Gazprom: Turkmenistan asks for a 30% price increase.** We believe any increases will be passed on to the end user, Ukraine, and will therefore not hit Gazprom's bottom line. Overall, Gazprom is moving on the right direction, putting more emphasis on gas price increases for its CIS customers.
- CAT Oil: Signs new contract with Rosneft.** CAT oil established itself as a major player in the Yugansk region with a deal that will see it hold a 30% market share of Yukanskneftegaz fracturing jobs. We view the deal as positive, and believe the current share price to be a good support level in the short term.
- Norilsk Nickel: Prokhorov tentatively agrees to sell a 25%+1 stake to RusAl.** The transaction can be completed only if Potanin's Interros doesn't buy the stake for USD15.7 bn. Given recent media comments by Potanin, we believe the RusAl deal is likely.

Other highlights

- Brief - German media reported that Gazprom and Electricite de France have their sights set on German utility company RWE (*Financial Times Deutschland*).** RWE's market cap is USD76 bn, which is large, but Gazprom's size could absorb such a big deal in theory – particularly in co-operation with EdF.

>>> More news on page 6

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,152	0.7%	-1.7%	-1.9%	15.4%	24.9%
MSCI EM Europe Index	763	0.7%	-0.2%	-2.5%	18.8%	29.3%
MSCI EM Index	1,186	0.1%	-3.3%	-9.6%	14.1%	37.4%
S&P500 Index	1,441	1.7%	-0.7%	-6.2%	-2.6%	2.8%
OIX (Oil majors) Index	814	1.3%	3.9%	-3.2%	10.4%	28.9%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	98.2	0.1%	1.0%	13.4%	40.3%	68.0%
Nickel, USD/ton	28,473	-3.8%	-11.4%	-10.2%	1.3%	-12.2%
Steel (HR), USD/ton	588	0.0%	0.0%	0.0%	-0.4%	16.3%
LT U.S. Treasury YTM	4.5%	4.5%	4.5%	4.7%	5.0%	4.7%
EMBI-Russia spread, bp	173	177	177	156	128	115
RUB/USD	24.32	24.34	24.46	24.81	25.84	26.61

Source: Datastream, Bloomberg

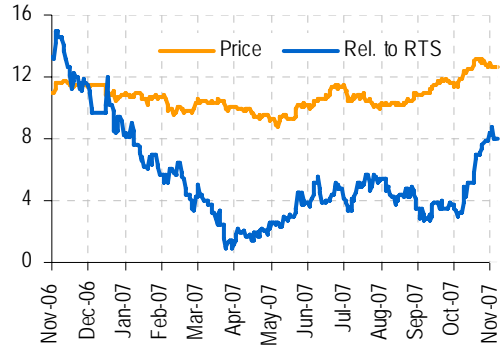
Gazprom: 2Q IFRS financials expected today

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	12.61	n/a	Not Rated	13.2/8.75	5.3%	23.7%	15.2%

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	3.9	3.6	3.4
EV/EBITDA	9.2	8.2	7.5
P/E	12.9	11.5	10.5
MCAP, USD mn	287,547	Com., mn	22,749
EV, USD mn	337,899	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Consensus estimates 3% y-o-y net income decline. Gazprom, the world's largest gas producer, is expected to release its second quarter financials today. On Friday, the median estimates of Bloomberg's eight analyst consensus were reported. The net income median estimate calls for a 3% y-o-y decline in RUB terms from RUB136 bn in 2Q06 to RUB132 bn (USD5.3 bn) this year. Sales are forecasted to be 6% higher in ruble terms (RUB536 bn or USD21.4 bn). EBITDA, on the other side, is expected to be flat at RUB208 bn.

Costs are key figure for investors. On the top line, we agree with the consensus for a 5-10% y-o-y increase, as stronger prices in both domestic and exports, particularly to CIS countries, should more than offset possible declines in volumes sold to Western Europe. We note, though, that in the second quarter the impact of milder weather was probably mitigated compared to the first quarter of this year. However, in our view, the most interesting part of the release for investors will once again be the company's cost items. The company has thus far not convinced investors it can reverse the trend of deteriorating expenses, especially on repairs/maintenance and social expenses. Another important cost item will be, in our view, the cost of purchased supplies from CIS countries. Overall, costs rising above inflation will imply the company's continued inability to restrain costs and enhance its margins beyond the leverage offered by higher prices.

Sakhalin-2 Vityaz project shut till end of year. In separate news, Gazprom's Sakhalin-2 Vityaz offshore project has been suspended for this year and is not expected to resume production before the end of 2007. The company said that there was a small release of oil (10 liters) but could not specify how much production would be lost. We remind investors that the project's production throughout the winter depends heavily on ice conditions and therefore events like this might be commonplace in the future.

Bloomberg Consensus estimates for Gazprom 2Q IFRS financials

RUB, bn	2Q2007E	2Q2006A	y-o-y change	High/low Estimate
Revenue	536	506	6%	560/503
EBITDA	208	208	0%	248/189
Net income	132	136	-3%	143/110

Gazprom: Turkmenistan asks for a 30% price increase

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

Gazprom faces big Turkmen price increase. Gazprom's CEO Alexei Miller made some very interesting comments on Friday after his meetings with Turkmen officials on gas price negotiations between the two sides (Turkmenistan sells around 50 bn cm a year to Gazprom). Apparently, the Turkmen side has asked for a price increase of 30% y-o-y for 2008 prices to USD130 per th cm, under pressure from W. Europe and the US that prices sold to Gazprom are too low. Miller initially said that talks are continuing and no final decisions have been made yet. Later, he added that this is not an issue that will affect Gazprom's cost side as the largest part – if not all – of the price increase will be passed through to its end customers – in this case Ukraine. Miller was careful in saying that Ukraine's economy needs to be adjusted before gas prices paid get in line with European netbacks. Finally, Miller aired an average price of USD354 per th cm price to be charged to European customers in 2008, a significant increase from the USD250-280 per th cm paid now.

Gazprom price policy moving in the right direction. As talks between Gazprom and its CIS neighbors intensify in the last few weeks of the year, more statements like these from Miller will be made. Nevertheless, as we have noted in the past, the negotiations with Turkmenistan is probably the starting point that will certainly lead the way to agreements with Ukraine and Belarus, where Gazprom has asked for 20-40% y-o-y increases for 2008. For the Baltic states, negotiations continue and on Friday Gazprom's head of gas marketing said that the company has asked Latvia for a 40-50% y-o-y increase, which is close to the price increase asked from Lithuania a few months ago. In terms of Western European customers, the average price Miller mentioned is in line with the price increases of global oil prices in the last few months and should be expected as there is a 6-9 months lag between the two prices. All in all, we believe Gazprom is moving on the right direction, putting more emphasis on gas price increases for its CIS customers and sticking to the norm for its Western European customers. We see significant benefits for its EBITDA line in the coming years from closing the gap between CIS and European netbacks.

CAT Oil: Signs new contract with Rosneft

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

CAT oil to complete 30% of Yukanskneftegaz frac jobs. CAT Oil, one of the leading independent oil services companies in Russia and Kazakhstan, announced last Friday that it has signed a major contract with Rosneft. The contract involves 385 hydraulic fracturing jobs in 2008 for the oil and gas fields of Yukanskneftegaz, Rosneft's main subsidiary. This would give CAT Oil a 30% market share of Yukanskneftegaz frac jobs. We remind clients that earlier this year, CAT oil announced a three-year contract with Rosneft that would cover 567 hydraulic fracturing jobs.

Yugansk experience gives CAT oil the edge. With this contract, CAT Oil almost doubles its business with Russia's largest oil producer. We note that the company has been working in the Yugansk area since 2002, which gives it a relative advantage. In total, CAT Oil has conducted around 580 frac jobs for Yuganskneftegaz. Furthermore, the more sophisticated geological structure of the area means higher volumes of proppant for the fracturing jobs. Specifically, the frac jobs in the area consume 70 to 115 tons of proppant per job compared to 40 to 50 tons per job on average for the entire country.

News justifies 4% stock gain. This is another strong signal of CAT Oil's competence in the fracturing market. After the three large contracts announced at the beginning of the year, this contract establishes CAT Oil as one of the largest oil services companies in the Yugansk area, where we expect margins for the frac jobs to be significantly above the national average. We view the news as positive, completely justifying the 4% move on Friday. The stock has fallen back to close to its IPO price, which we believe will be a good support level in the short term, assuming no big market moves. We do not officially cover this stock.

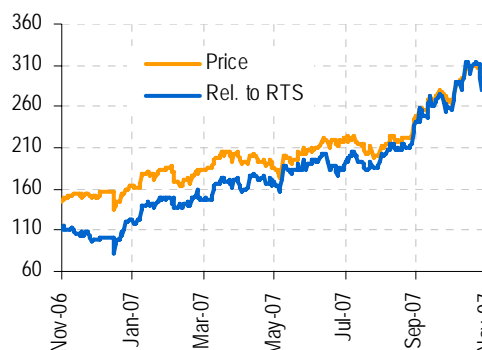
Norilsk Nickel: Prokhorov tentatively agrees to sell a 25%+1 stake to RusAI

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
GMKN RU Equity	290.00	n/a	Not Rated	309.9/135.5	-0.3%	38.1%	99.0%

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	3.3	3.7	4.3
EV/EBITDA	4.6	5.7	7.7
P/E	7.1	8.6	11.4
MCAP, USD mn	53,070	Com., mn	183
EV, USD mn	50,885	Pref., mn	
Free float	45%	Total, mn	183

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

RusAI wants to buy blocking stake in Norilsk Nickel. Mikhail Prokhorov's investment vehicle Onexim agreed to sell a 25% plus one share stake in Norilsk Nickel to Oleg Deripaska-controlled RusAI, the companies' representatives said on Friday. The price and other terms of the deal have not been disclosed yet but RusAI wants to issue 11% (post money) of new shares, which will be given to Onexim Group and take as much as USD10 bn in loans. RusAI has already received commitment letters from a consortium of international banks to provide a credit facility to finance the deal.

The ball is in Potanin's court. The transaction can be completed only if Interros, controlled by Vladimir Potanin, fails to accept an offer made on Wednesday to buy the 25%-plus-one blocking stake in Norilsk Nickel for USD15.7 bn. We remind investors that the current market price for 25% in Norilsk Nickel equals approximately USD13.8 bn, making the offer price 13.8% higher than the market price. According to the terms of the offer, Onexim's stake may be paid only in cash. Potanin has 45 days to make a decision.

The deal could be completed in 1Q08. Potanin recently told the *Financial Times* that the merger of Norilsk Nickel and RusAI makes sense, as a big company would have more serious capability to finance ambitious projects. Keeping in mind that the buy out of Onexim's stake would require from Interros a large amount of cash, in our view it is now likely that Potanin would let Prokhorov sell his stake to RusAI. This development could also be welcomed by Russian authorities. Onexim and Rusal plan to complete the deal in 1Q08 after the deal is approved by Russian and international antimonopoly services. Overall, we view this development as negative for minority shareholders of Norilsk Nickel in the long term, as the risk of more low ROIC acquisitions in the future increases as well due to an increased risk of government-friendly strategies getting implemented.

News Briefs

Oil and Gas

China's CNPC and Rosneft will jointly build a refinery in northern China with capacity of 10 mn tns a year (Bloomberg). No cost details or timing were provided. The two companies have extensively discussed such plans in the past but no final agreements have been announced yet.

West Siberian Resources is not under threat of losing its license to its biggest field, the Natural Resources Ministry said Friday (Bloomberg), citing its commitment to start upstream by the end of this year in line with the license. The stock rose 8.2% as the news hit the market.

Gazprom may sell a 5% stake in OGK-5 to Enel (Interfax). Gazprom may accept a buyout offer Enel made OGK-5's shareholders, Italian media have reported, citing a source familiar with the situation. We remind investors that the offer price equals RUB4.4275 per share.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	12.64	0.5%	-1.3%	5.3%	23.7%	15.2%	9.9%	13.2/8.75
	Novatek	60.90	0.3%	6.1%	9.1%	25.3%	-1.0%	-4.1%	66/46.5
	Rosneft	8.71	0.7%	-1.9%	-1.1%	9.0%	-3.8%	-4.8%	9.49/7.66
	Lukoil	85.00	-0.1%	-1.3%	-3.3%	15.6%	-1.0%	-3.4%	95/71.9
	TNK-BP Holding	2.15	0.0%	-4.4%	-5.7%	12.0%	-11.2%	-17.1%	2.6/1.67
	Surgutneftegaz	1.17	-0.4%	-2.9%	-10.1%	-0.8%	-11.8%	-23.5%	1.53/1.07
	Gazprom Neft	5.17	0.0%	-2.5%	11.2%	32.6%	26.1%	13.4%	5.3/3.7
	Tatneft	5.66	0.7%	-3.1%	-7.4%	10.2%	5.9%	12.9%	6.25/3.95
	Bashneft	15.55	0.0%	-4.0%	-2.8%	15.2%	-11.9%	-2.8%	17.65/12
	Transneft pref	1,845.00	0.4%	-4.9%	1.1%	23.0%	-23.1%	-19.6%	2495/1435
	Integra	14.85	5.2%	-1.0%	-4.2%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	16.10	4.3%	-8.5%	-16.6%	-18.7%	-9.0%	-19.5%	25.56/15.44
West Siberian Resources	0.78	8.2%	0.0%	-13.3%	-2.0%	-34.7%	-33.3%	1.16/0.66	
Utilities	UES	1.22	0.7%	-1.3%	-1.7%	3.4%	40.1%	20.5%	1.37/0.86
	OGK-1	0.12	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.09
	OGK-2	0.12	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.11
	OGK-3	0.14	0.0%	-5.5%	-11.0%	-8.0%	35.3%	12.7%	0.18/0.1
	OGK-4	0.13	0.0%	0.0%	-0.4%	16.2%	68.6%	61.3%	0.13/0.08
	OGK 5	0.17	0.6%	0.5%	0.6%	6.9%	42.9%	29.4%	0.17/0.11
OGK-6	0.13	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.1	
Telecoms and technology	MTS	84.77	0.3%	-2.0%	3.3%	36.5%	88.8%	68.9%	93.78/43.71
	Sistema	38.05	2.8%	-4.9%	-0.9%	32.6%	44.1%	18.9%	40.6/25.85
	VimpelCom	32.72	5.4%	10.1%	-0.8%	46.9%	132.9%	107.2%	34.93/13.61
	Comstar	11.10	-1.8%	-11.2%	-10.3%	7.8%	59.7%	32.1%	13.71/6.92
	Rostelecom	9.90	0.5%	0.2%	-0.4%	1.5%	63.6%	29.4%	10.7/6.05
	Golden Telecom	102.38	5.1%	5.0%	-5.9%	55.0%	155.2%	118.6%	108.85/38.85
	MGTS	30.58	0.5%	-0.8%	-0.8%	-5.9%	24.2%	14.4%	34.29/21.87
	Uralsvyazinform	0.06	0.1%	-1.0%	-2.6%	6.2%	33.4%	-8.3%	0.07/0.04
	Volga Telecom	5.70	0.0%	-9.5%	4.6%	21.3%	33.8%	-5.8%	6.6/4.15
	Sibirtelecom	0.12	0.0%	-4.8%	7.2%	22.7%	30.8%	5.8%	0.13/0.09
	Northwest Telecom	1.75	-1.2%	-7.4%	-6.2%	12.2%	28.2%	1.4%	1.92/1.23
	Center Telecom	0.91	-0.5%	-1.9%	-0.5%	1.1%	50.4%	21.3%	1/0.61
	Southern Telecom	0.21	0.0%	-2.8%	9.7%	21.7%	57.3%	16.7%	0.23/0.13
	Dalsvyaz	5.50	0.0%	-3.5%	7.8%	17.0%	69.2%	32.2%	5.7/3.25
	Bashinformsvyaz	0.17	0.0%	-0.9%	-2.3%	-1.7%	-1.7%	-24.4%	0.23/0.17
	RBC	9.32	1.1%	-2.5%	-0.3%	14.5%	-21.7%	-24.4%	12.1/7.53
	Metals and mining	Sitronics	5.70	-5.0%	-15.6%	-21.9%	9.0%	n/a	n/a
CTC Media		23.66	-0.2%	-4.8%	9.6%	5.8%	1.5%	-1.5%	28.77/19.59
Rambler Media		33.75	-0.5%	-3.7%	-11.8%	-22.0%	0.7%	0.0%	55/31.79
Norilsk Nickel		290.00	4.1%	1.9%	-0.3%	38.1%	99.0%	84.7%	309.9/135.5
Polyus Gold		42.40	0.0%	-4.7%	-5.4%	6.0%	-13.2%	-14.0%	55.25/38.3
Severstal		22.25	0.0%	2.8%	-6.1%	36.5%	93.3%	98.7%	23.84/10.84
Evrast Group		66.60	1.7%	-2.9%	-19.4%	42.2%	171.8%	159.2%	82.6/24.4
Mechel		77.50	4.6%	1.2%	-10.6%	98.5%	232.6%	204.2%	86.73/23.3
NLMK		38.95	0.8%	9.7%	-8.7%	31.1%	76.2%	67.5%	44.89/20.8
MMK		1.25	2.3%	3.3%	-1.2%	20.3%	59.6%	43.1%	1.39/0.77
TMK		40.50	3.8%	3.2%	-7.5%	19.5%	n/a	15.7%	46.99/27.5
VSMPO	318.50	-0.8%	-0.8%	3.4%	15.8%	26.4%	8.7%	330/252	
Sberbank	4.08	1.9%	-3.7%	-6.5%	11.6%	63.7%	18.1%	4.42/2.45	
Rosbank	7.07	0.2%	-3.1%	-7.5%	-1.3%	15.3%	-9.6%	7.67/5.64	
X5	32.88	-0.5%	-1.9%	-4.7%	7.3%	32.0%	26.5%	37.5/24.6	
Seventh Continent	26.65	0.2%	-4.0%	2.7%	6.6%	-0.1%	-0.2%	29.3/24.1	
Industrials, consumer, banks	Dixy Group	13.95	0.0%	-0.4%	5.9%	20.3%	38.6%	34.7%	15.6/13.95
	Magnit	48.10	0.0%	-0.7%	5.9%	20.3%	38.6%	34.7%	48.45/33.75
	Wimm-Bill-Dann	121.79	1.7%	-3.5%	3.1%	20.7%	163.3%	83.0%	134.62/45.68
	Lebedyansky	88.50	0.0%	-1.0%	-5.6%	0.6%	11.7%	10.6%	99/73.5
	Nutritek	52.80	-0.4%	-1.8%	3.0%	5.4%	14.8%	9.6%	53.8/44.9
	Baltika (euro)	32.68	0.0%	-0.5%	1.0%	5.4%	14.8%	9.6%	36.96/31.59
	Razgulay	5.00	0.0%	-1.0%	5.3%	25.3%	25.0%	25.0%	5.45/3.6
	Severstal Auto	49.00	0.0%	-1.0%	0.0%	22.5%	87.7%	62.0%	51.1/26.1
	AvtoVAZ	1.60	1.1%	1.4%	5.9%	32.4%	56.5%	64.4%	1.74/0.67
	Aeroflot	3.60	1.1%	1.4%	5.9%	32.4%	56.5%	64.4%	3.6/2.17
	Veropharm	48.50	0.0%	1.0%	5.4%	10.2%	58.0%	52.8%	48.65/29.1
	Apteka 36.6	75.75	0.0%	0.0%	0.3%	-4.7%	47.2%	30.0%	96.1/51.45
	Pharmstandard	20.40	2.0%	-10.3%	-2.9%	26.9%	n/a	n/a	23.28/13.6
	Kalina	43.40	0.0%	0.0%	8.5%	11.0%	-4.1%	-15.7%	51.5/34.25
	Oriflame (euro)	39.45	0.4%	-1.9%	-3.6%	2.1%	42.6%	30.0%	44.07/27.77
Cherkizovo	14.35	-0.3%	-4.3%	-0.6%	29.9%	-5.9%	5.5%	17.35/11.05	
Sistema Hals	9.05	1.6%	-2.7%	-10.6%	-21.3%	n/a	-32.0%	15.05/8.91	
RTS Index	2,151.89	0.7%	-1.7%	-1.9%	15.4%	24.9%	12.0%	2288.15/1722.73	

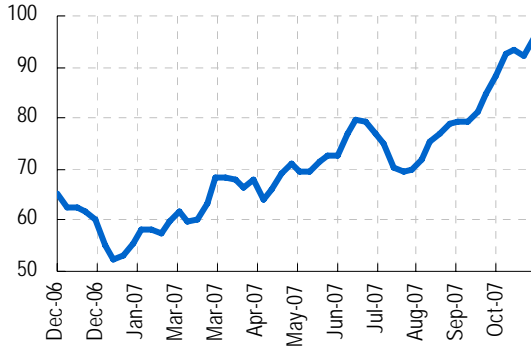
Source: Bloomberg

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	287,547	12.9	11.5	10.5	9.2	8.2	7.5	3.9	3.6	3.4		
	Novatek	18,489	26.9	19.8	15.1	16.8	12.8	10.0	8.0	6.2	4.6		
	Lukoil	72,335	9.7	10.4	10.4	6.5	6.8	6.7	1.2	1.2	1.2		
	Rosneft	92,317	22.3	18.8	17.3	12.2	10.8	9.1	3.0	2.7	2.6		
	Surгутneftegaz	46,748	11.2	11.4	13.8	5.4	5.6	6.2	1.9	1.9	1.9		
	Gazprom Neft	24,511	7.4	8.7	9.1	4.9	5.6	6.1	1.3	1.3	1.3		
	Tatneft	12,806	10.1	10.9	11.4	6.3	7.1	8.0	1.2	1.2	1.2		
	Bashneft	2,644	5.7	6.4	6.9	3.3	3.7	3.9	0.7	0.8	0.8		
	Transneft pref	12,752	5.7	4.9	4.4	3.9	3.3	2.8	2.1	1.8	1.6		
	West Siberian Resources	922	27.9	23.2	8.8	9.0	6.7	4.2	3.4	2.4	1.7		
Aggregate - oil and gas	570,149	12.4	11.4	11.0	7.6	7.1	6.7	2.6	2.3	2.1			
Utilities	UES	49,907	33.1	29.1	19.6	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	3,244	n/a	40.5	22.8	178.8	20.2	12.0	3.6	3.0	2.4		
	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	6,172	52.3	64.3	45.7	66.2	30.0	22.2	6.4	5.0	4.1		
	OGK-6	3,515	43.9	27.9	14.9	19.3	15.1	9.8	3.2	2.7	2.2		
Aggregate - utilities	87,975	24.3	27.0	20.8	33.7	15.3	11.5	3.3	2.9	2.5			
Telecoms and technology	MTS	33,823	27.1	19.0	17.0	11.3	9.6	8.8	5.7	4.8	4.4		
	Sistema	18,378	20.3	15.3	14.0	9.4	7.8	7.2	3.5	3.1	2.9		
	VimpelCom	33,558	41.3	28.0	24.8	14.5	11.8	10.9	7.3	5.9	5.5		
	Aggregate - mobile telecoms	85,759	29.6	20.8	18.6	11.8	9.7	8.9	5.5	4.6	4.3		
	Comstar	4,639	56.6	41.8	13.6	16.2	9.3	8.1	5.3	4.0	3.5		
	Rostelecom	7,866	n/a	68.4	57.4	20.0	17.9	15.9	3.4	3.4	3.1		
	Golden Telecom	3,752	43.9	32.1	23.9	16.6	11.7	8.9	4.4	3.2	2.6		
	MGTS	2,869	16.6	11.8	10.6	10.1	7.5	6.7	4.2	3.3	3.1		
	Uralsvyazinform	2,391	77.1	17.5	13.4	9.6	6.5	5.6	2.7	2.3	2.1		
	Volga Telecom	1,726	22.1	13.0	10.8	6.9	5.3	4.7	2.4	2.0	1.8		
	Sibirtelecom	1,740	40.8	8.3	6.5	8.7	5.0	4.2	2.1	1.7	1.6		
	Northwest Telecom	1,836	39.1	15.6	14.9	8.9	6.1	5.6	2.9	2.3	2.1		
	Center Telecom	1,762	26.1	27.5	16.0	6.4	5.9	5.0	2.3	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	668	51.4	13.9	9.5	9.0	5.3	4.2	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	1,089	25.2	11.8	8.6	7.1	4.9	3.9	0.6	0.5	0.4		
	Aggregate - fixed line telecoms	30,164	39.9	23.0	16.5	10.2	7.5	6.8	2.9	2.4	2.2		
	RBC	1,072	27.1	28.0	13.3	16.1	11.1	8.0	4.8	3.7	3.0		
	CTC Media	3,585	24.2	18.6	14.6	14.5	11.3	9.0	6.9	5.3	4.3		
Rambler Media	507	41.8	20.9	13.7	25.5	11.6	8.0	6.3	3.7	2.8			
Aggregate - media	5,164	31.1	22.5	13.9	18.7	11.3	8.4	6.0	4.2	3.4			
Metals and mining	Norilsk Nickel	53,070	7.1	8.6	11.4	4.6	5.7	7.7	3.3	3.7	4.3		
	Polyus Gold	8,098	38.7	50.3	57.7	18.1	21.6	21.5	7.8	8.1	8.2		
	Severstal	22,421	13.0	12.0	11.5	6.9	6.4	6.2	1.7	1.6	1.6		
	Evraz Group	23,357	13.0	12.9	12.4	8.0	7.6	8.4	2.6	2.4	2.3		
	Mechel	10,460	13.0	13.9	15.8	7.9	8.1	8.1	2.0	1.9	1.8		
	NLMK	23,343	11.2	11.7	11.6	6.9	7.1	6.9	3.2	3.1	2.9		
	MMK	12,653	7.8	7.8	7.0	5.4	5.3	5.0	1.7	1.6	1.4		
	TMK	8,829	13.3	9.2	11.7	8.0	5.9	7.6	2.4	2.0	1.9		
	VSMPO	3,822	15.1	11.9	9.4	9.7	7.9	6.2	3.8	3.2	2.5		
	Aggregate - metals and mining	166,053	16.3	16.1	16.2	9.4	8.7	8.6	3.4	3.2	3.0		
Industrials, consumer, banks	Sberbank *	229	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
	Aggregate - banks	229	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
	X5	7,118	35.1	25.5	18.4	15.9	11.8	9.4	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	1,999	30.7	24.1	17.0	14.7	10.5	7.9	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	5,359	34.1	25.2	20.7	17.5	13.5	11.1	2.5	2.0	1.8		
	Aggregate - FMCG	25,333	28.7	21.9	16.6	14.2	10.8	8.6	1.9	1.5	1.2		
	Razgulay	530	24.9	12.0	11.1	8.5	6.0	5.6	1.1	0.9	0.8		
	Severstal Auto	1,666	26.6	16.8	15.2	13.6	9.4	7.6	1.9	1.3	1.0		
	AvtoVAZ	293	2.3	2.0	1.1	1.8	1.7	n/a	0.2	0.2	0.2		
	Aeroflot	4,000	13.8	15.6	12.4	9.7	8.7	6.9	1.4	1.2	1.0		
	Veropharm	485	19.8	14.7	11.5	12.6	9.6	7.2	4.2	3.3	2.7		
	Kalina	423	14.4	11.9	11.5	8.8	7.6	7.2	1.3	1.1	1.1		
Oriflame (euro)	2,197	21.9	17.6	13.4	14.7	12.5	10.4	2.3	2.0	1.8			
Aggregate valuation	980,420	13.2	12.1	11.3	8.5	7.9	7.4	2.6	2.4	2.3			
FF-adj. MCAP W.A. valuation	282,393	16.0	14.9	13.8	10.1	8.6	8.0	3.6	3.3	3.1			

Source: MDM estimates, IBES consensus

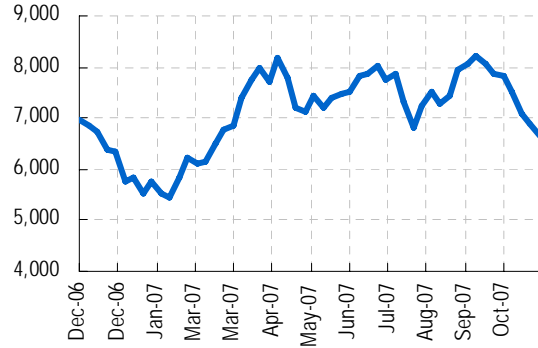
Key commodities

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



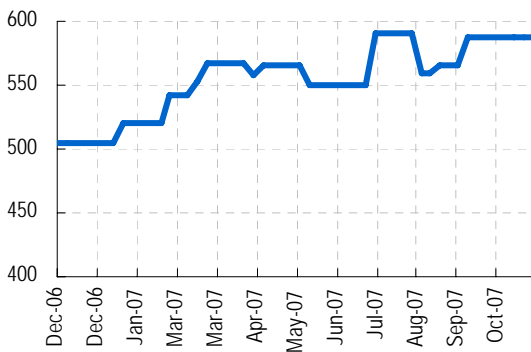
Source: Bloomberg

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



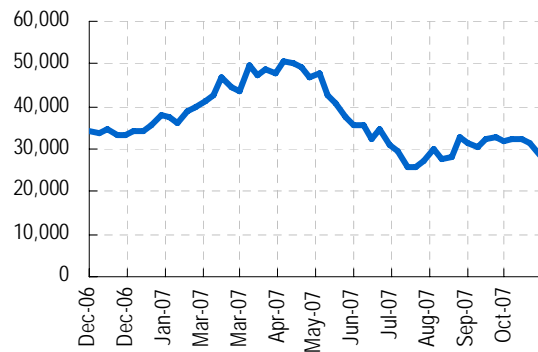
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



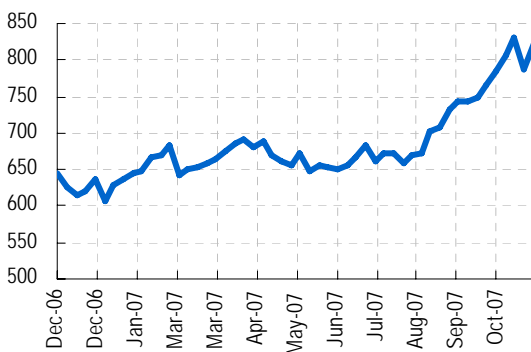
Source: Bloomberg

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



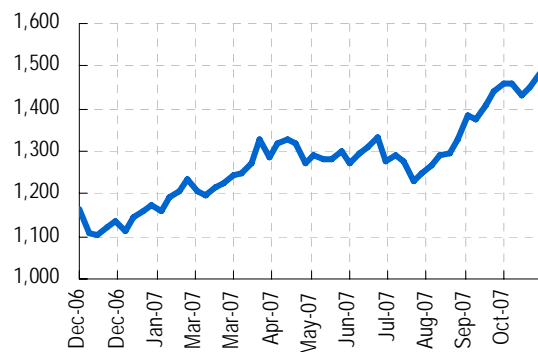
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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 Lilis, CFA	George.Lilis@mdmbank.com
Vladislav Nigmatullin	Vladislav.Nigmatullin@mdmbank.com
Ekaterina Generalova	Ekaterina.Generalova@mdmbank.com
Maria Shevtsova	Maria.Shevtsova@mdmbank.com

Editors/Production

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

© 2007 OAO MDM Bank. All rights reserved.

This report is being distributed in the Russian Federation by OAO MDM Bank (the "Bank"), which accepts responsibility for its contents. This report is for your private information, and we are not soliciting any action based upon it. This report is not to be construed as an offer to sell or the solicitation of an offer to buy any security and is specifically not a recommendation to purchase or sell any securities. The information herein has been obtained from, and any opinions herein are based upon, sources believed to be reliable, but we do not represent that it is accurate or complete and it should not be relied upon as such. We accept no liability in relation to the use of this information or any investor activity taken in the securities described herein. Opinions, forecasts and estimates expressed are current as of the date appearing on this report only and are subject to change without notice. We make no representation that we will update the information discussed in this report on a regular basis, or correct any inaccuracies contained herein. We and our affiliates and employees may, from time to time, have long or short positions in, and buy, sell, make a market or otherwise act as principal in transactions in the securities, or derivatives thereof, of companies mentioned herein. Investors should assume that the Bank does, or seeks to do, investment banking business with any of the companies mentioned in this report.

This report was prepared by the Bank and may be used by investors in the Russian Federation subject to the laws of the Russian Federation. The Bank is not registered as a broker or dealer with the SEC or NASD in the United States and this report may be distributed in the United States only to persons who by the acceptance hereof confirm that they are a "major U.S. institutional investor" as defined in Regulation 15a-16 of the Securities Exchange Act of 1934. The Bank is not registered with the FSA in the United Kingdom and this report may not be distributed in the United Kingdom to private clients. This report may be distributed to foreign investors in other jurisdictions only to institutional investors to subject to the laws of their home jurisdiction.

This report is confidential and may not be distributed or reproduced, in whole or part, without the express written permission of the Bank.