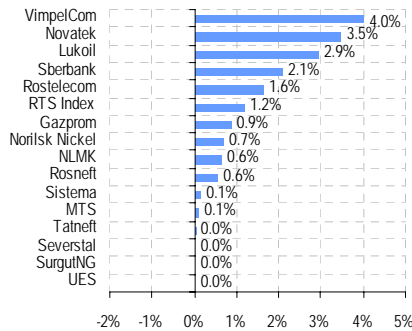
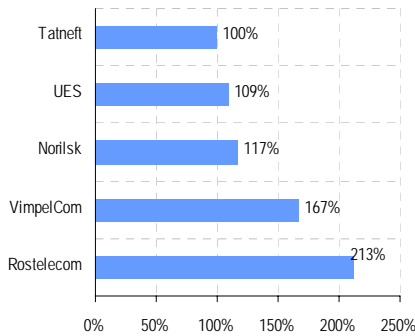


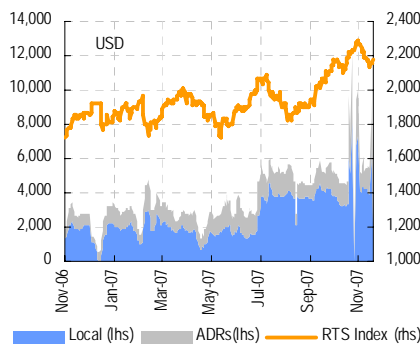
### Blue chips: advancers and decliners



### 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     |
| 29 Nov  | VimpelCom 3Q07 U.S.GAAP results   |
| 29 Nov  | X5 Retail Group 3Q07 IFRS results |
| end Nov | Severstal 3Q07 IFRS results       |

### Market

Positive momentum on oil prices and the potential Norilsk-RusAl merger news drove Russian equities higher yesterday with the RTS gaining 1.2% to 2177 and the MICEX up by 1.3% to 1817. However, big losses in the US market last night (S&P500 down 2.3%) amid increased fears of a US recession and more turmoil in the money and credit markets could have a negative impact at today's opening.

### Top news and ideas

- Transneft: Eastern Siberian Pipeline delay, cost overrun.** The setting of tariffs, in light of cost overruns, is the culprit. We view the cost overruns as a negative, but applaud Transneft's decision to pass these on to the end users. We believe the stock will remain cheap until it is organized under private sector criteria.
- Norilsk Nickel: Onexim to vote against power assets spin off.** It now appears certain that Prokhorov will sell his blocking stake to RusAl. Although Norilsk Nickel's energy assets may still be sold, we see this as unlikely before the RusAl deal is concluded.
- Golden Telecom: Vimpelcom offer rumored.** The offer values the company at USD4.03 bn, below yesterday's closing price. We believe the move makes sense for both sides, but offers little upside for GT shareholders.
- Veropharm: Releases 9M07 IFRS results.** Revenues were up 30% y-o-y, but missed the Interfax consensus estimate. We see the increase in the overall sales share of prescription drugs as a positive, but wonder why RX gross margins were unchanged.
- X5 Retail Group: Releases 3Q07 IFRS results.** We believe the 3Q07 results are positive for the company, and, moreover, after steps taken by management to shift store openings to 1Q08, believe investors may bet on strong 4Q07 results as well.
- Politics: Four parties to make 7% cut off.** The right wing Liberal Democratic Party and Fair Russia will unexpectedly join United Russia and the Communist party in the Duma, according to a recent poll. Despite this news, we do not expect any big surprises that would threaten political stability – good news for investors.

>>> More news on page 7

### Russian market in context

|                          | Last Close | Performance/Trends |       |       |       |        |
|--------------------------|------------|--------------------|-------|-------|-------|--------|
|                          |            | 1D                 | 1WK   | 1M    | 3M    | 12M    |
| RTS Index                | 2,177      | 1.2%               | 0.5%  | -0.8% | 14.8% | 26.0%  |
| MSCI EM Europe Index     | 769        | 0.8%               | -0.6% | -1.7% | 18.0% | 30.0%  |
| MSCI EM Index            | 1,201      | 1.3%               | -2.2% | -8.4% | 13.4% | 39.1%  |
| S&P500 Index             | 1,407      | -2.3%              | -3.5% | -8.3% | -4.1% | 1.8%   |
| OIX (Oil majors) Index   | 792        | -2.7%              | -1.2% | -5.8% | 8.2%  | 25.4%  |
| GSCI (Commodities) index | 5,813      | 0.7%               | -1.0% | -1.6% | 1.4%  | -15.7% |
| Oil (WTI), USD/bbl       | 97.7       | -0.5%              | 1.0%  | 6.4%  | 37.0% | 67.2%  |
| Nickel, USD/ton          | 29,198     | 2.6%               | -6.5% | -5.8% | 9.8%  | -15.4% |
| Steel (HR), USD/ton      | 588        | 0.0%               | 0.0%  | 0.0%  | -0.4% | 16.3%  |
| LT U.S. Treasury YTM     | 4.3%       | 4.5%               | 4.5%  | 4.7%  | 4.9%  | 4.7%   |
| EMBI-Russia spread, bp   | 189        | 173                | 177   | 163   | 129   | 117    |
| RUB/USD                  | 24.26      | 24.32              | 24.52 | 24.85 | 25.71 | 26.56  |

Source: Datastream, Bloomberg

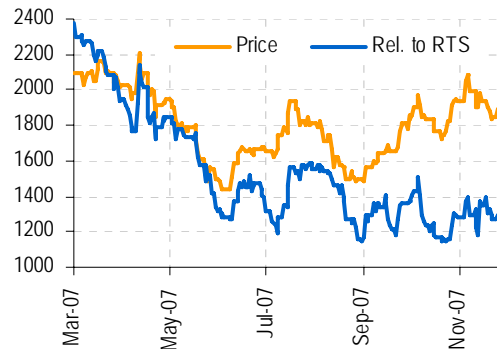
## Transneft: Eastern Siberian Pipeline delay, cost overrun

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. |
|------------------|------------|---------|-----------|--------------|----------|----------|-----------|
| TRNFP Ru Equity  | 1889.00    | n/a     | Not Rated | 2495/1435    | 3.5%     | 22.7%    | -20.6%    |

| Financials, USD mn | 2006A  | 2007E     | 2008E  |
|--------------------|--------|-----------|--------|
| Revenue            | 7,449  | 9,941     | 11,082 |
| EBITDA             | n/a    | 5,523     | 6,418  |
| Net income         | 2,019  | 2,615     | 2,912  |
| Revenue growth     | 16%    | 33%       | 11%    |
| EBITDA growth      | n/a    | n/a       | 16%    |
| Net income growth  | 6%     | 30%       | 11%    |
| EBITDA margin      | n/a    | 56%       | 58%    |
| Net margin         | 27%    | 26%       | 26%    |
| EV/Revenue         | 2.5    | 1.9       | 1.7    |
| EV/EBITDA          | n/a    | 3.3       | 2.9    |
| P/E                | 6.5    | 5.0       | 4.5    |
| MCAP, USD mn       | 13,056 | Com., mn  | 4.7    |
| EV, USD mn         | 18,405 | Pref., mn | 1.6    |
| Free float         | 70%    | Total, mn | 6.2    |

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**East Siberian Pipeline delayed, tariff indecision the culprit.** *Kommersant* reported over the weekend that the construction of the Eastern Siberian Pipeline (ESPO) is falling behind schedule. Moreover, it seems that the total cost of the project will be revised upwards once again. The main reason behind the delays, according to *Kommersant*, is the inability of the Federal Tariff Rates Service to make a final decision on the pipeline's tariffs. According to the story, Energy and Industry Minister Viktor Khristenko has admitted that the official timetable for the first stage of the pipeline's construction will be missed (in theory, 3Q07) but gave assurances that it will be conducted in the first months of next year. The official budget for the project is now estimated at USD13 bn, up from USD11.3 bn previously and an initial estimate of USD6.6 bn back in 2004. *Kommersant* did not provide a full explanation behind the new estimate.

**Economic viability in light of cost overruns likely cause of delay.** The FTS was supposed to formulate its tariff for the pipeline's first stage by December 15<sup>th</sup> of this year, but this, of course, will not be the case if the story mentioned above is true. The initial estimate for the tariff in the budget was USD38.8 per ton of crude oil transferred. However, this estimate was in line with the USD6 bn budget estimate. The increase in the cost budget necessitates higher tariffs to make ESPO economically viable. Nevertheless, we would argue that notwithstanding disagreements on tariffs, it is very possible that there are difficulties in the negotiations with the Chinese side in terms of both the price mechanism of the crude delivered as well as the portion of the construction budget that will be covered by the Chinese. While for Transneft we see as negative the high cost overruns, we are pleased with the company's effort to push for higher tariffs and pass through the higher costs to the end customers. Our opinion on Transneft, though, remains that it is a cheaply valued name that could stay as such for a long time – and will continue to be so until the company realizes that it needs to take into account minority shareholder interests and organize itself under private sector criteria.

## Norilsk Nickel: Onexim to vote against power assets spin off

Vladislav Nigmatullin, e-mail: [Vladislav.Nigmatullin@mdmbank.com](mailto:Vladislav.Nigmatullin@mdmbank.com)

| Bloomberg ticker | Company name   | Price, USD | Rating    | 12M High/Low | 2007 P/E | 2007 EV/EBITDA | MCAP, USD mn |
|------------------|----------------|------------|-----------|--------------|----------|----------------|--------------|
| GMKN RU          | Norilsk Nickel | 292.00     | Not Rated | 309.9/135.5  | 7.2      | 4.6            | 53,436       |

Source: IBES consensus, Data Stream

**RusAI deal appears most likely scenario as Onexim signals 'no' vote intent.** In yet another twist to the Potanin-Prokhorov divorce saga, Mikhail Prokhorov told *Vedomosti* yesterday that Onexim Group, his investment vehicle, will vote against the Norilsk Nickel generating and grid assets' spin off at the Norilsk Nickel EGM on December 14. Prokhorov said that Vladimir Potanin would not accept an offer to buy Onexim's stake in Norilsk Nickel as the merger with RusAI creates value for Norilsk's shareholders.

**OGK-3 might be sold again.** We remind investors that Onexim and RusAI signed an agreement according to which the blocking stake in Norilsk Nickel will be sold for an 11% stake in RusAI plus cash. The terms of the deal were not disclosed but Interfax, citing an unnamed source, reported that the 11% stake in RusAI was valued at approximately USD5 bn. This would imply that RusAI would need to take USD7-8 bn in loans to fund the cash portion of the deal. Norilsk Nickel CEO Denis Morozov said recently that the company could sell its generating and grid assets if Prokhorov voted against the Polyus Energy spin off. It is our belief that no assets will be sold until the deal with RusAI has been completed.

## Golden Telecom: Vimpelcom offer rumored

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

| Bloomberg ticker | Company name   | Price, USD   | Rating       | 12M High/Low | 2007 P/E | 2007 EV/EBITDA | MCAP, USD mn |
|------------------|----------------|--------------|--------------|--------------|----------|----------------|--------------|
| GLDN US          | Golden Telecom | Under review | Under review | 108.85/38.85 | 43.2     | 16.3           | 3,694        |

Source: IBES consensus, Data Stream

**Vimpelcom offers USD100 per share, values Golden at USD4.03 bn.** Several news media reported yesterday that Vimpelcom has made an offer to buy out Golden Telecom for USD100 per share or USD4.03 bn (slightly below yesterday's close). Golden Telecom, the provider of integrated telecom services, including international and domestic long distance and internet access services, has long been rumored to be under Vimpelcom's gaze and a few weeks ago there was another rumor published in the media that an offer in the USD95 to USD100 per share would be made. Representatives from both Golden Telecom and Vimpelcom declined to offer any comments to the media yesterday as did representatives from both Alfa Group and Telenor. We remind clients that Alfa Group (controlled by Mikhail Fridman) owns a 44% stake in Vimpelcom and 26.6% in Golden Telecom while Norway's Telenor owns 29.9% in Vimpelcom and 18.3% in Golden Telecom.

**Move makes strategic sense.** Such a deal has been rumored for some time, and earlier rumors have it that Vimpelcom has already negotiated a syndicated loan to finance such a large deal. The merged company would be a very good convergence play that would combine mobile and fixed services and would be able to expand in all types of business areas. While we cannot rule out at this point the possibility that these are just rumors aiding speculators of both stocks (Vimpelcom was 4% up in a negative US market), we believe that it makes strategic sense for such a deal, and it would help resolve the conflict between Telenor and Alfa Group. In addition, it would offer Vimpelcom one of the best companies in the sector – and before the operational turnaround of GT is completed. GT has just started leveraging the transition to its own federal network and the completion of its zonal networks. However, for GT minority shareholders the upside from here might be limited as the offer price is slightly below its current stock price. We are currently reviewing our GT Fair Value.

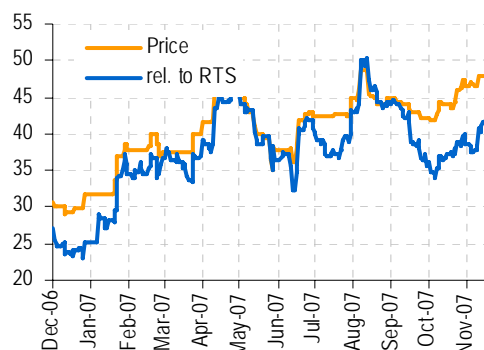
## Veropharm: Releases 9M07 IFRS results

Maria Shevtsova, e-mail: Maria.Shevtsova@mdmbank.com

| Bloomberg ticker | Price, USD | FV, USD | Rating    | 12M High/Low | 1M Perf. | 3M Perf. | 12M Perf. |
|------------------|------------|---------|-----------|--------------|----------|----------|-----------|
| VRPH RU Equity   | 48.25      | n/a     | Not Rated | 48.65/29.1   | 4.9%     | 9.7%     | n/a       |

| Financials, USD mn | 2006A | 2007E     | 2008E |
|--------------------|-------|-----------|-------|
| Revenue            | 118   | 153       | 186   |
| EBITDA             | 40    | 52        | 69    |
| Net income         | 25    | 33        | 42    |
| Revenue growth     | 24%   | 30%       | 21%   |
| EBITDA growth      | 22%   | 31%       | 33%   |
| Net income growth  | 10%   | 35%       | 28%   |
| EBITDA margin      | 34%   | 34%       | 37%   |
| Net margin         | 21%   | 22%       | 23%   |
| EV/Revenue         | 4.2   | 3.3       | 2.7   |
| EV/EBITDA          | 12.5  | 9.6       | 7.2   |
| P/E                | 19.7  | 14.6      | 11.4  |
| MCAP, USD mn       | 483   | Com., mn  | 10    |
| EV, USD mn         | 499   | Pref., mn |       |
| Free float         | 50%   | Total, mn | 10    |

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**30% y-o-y revenue increase falls below Interfax consensus estimate.** Veropharm released its 9M07 unaudited IFRS results yesterday. Revenues reached USD92.1 mn, up 30% y-o-y, missing, however, the Interfax pooled estimate of USD94.34 mn. Gross profit came to USD55.4 mn, up 33% y-o-y. EBITDA totaled USD24.5 mn (up 29%), short of the consensus estimate of USD29.2 mn. Net income rose to USD16.0 mn (up 33%), also missing the estimated target of USD18.3 mn. Gross margin came to 60.1%, 1.3pp higher than its 9M06 equivalent, EBITDA margin fell 0.2pp to 26.7% compared to last year's, and net margin increased 0.4pp to 17.3% y-o-y. Veropharm's sales as part of the Federal Reimbursement Program for 9M07 totaled USD4.3 mn, 4.8% of the total finished goods sales, down from last year's USD5.2 mn (7.6% of total finished goods sales for 9M06).

**Prescription drugs share is increasing.** For 9M07, Veropharm demonstrated a share increase of prescription drugs in total sales to 55.3% from 52.7% in 9M06. We see this as a positive for the company, as prescription drugs are value-added. The share of Veropharm's traditional medications also increased to 16.7% from 16.5% a year earlier, but the share of non-prescription medications remained the same at 8.6%.

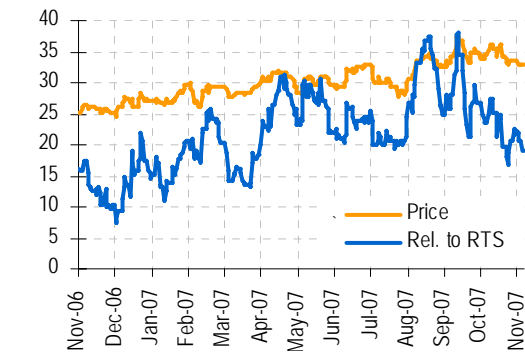
**Gross margin dynamics mixed.** We do question, however, why, despite a share increase in sales of prescription drugs, the gross margin for RX drugs remained the same as a year earlier and totaled 74.3%. The gross margin improvements were demonstrated in both non-prescription medications (56.1% from 54.1% y-o-y), and traditional drugs (35.8% from 35.2% y-o-y). Gross margin from adhesive bandages decreased 3.4pp to 55.7% y-o-y, as the sales volumes fell to 19.4% from 22.2% a year earlier. We do not officially cover this stock.

### Veropharm 9M07 IFRS results comparison

| USD, mn       | 9M07  | 9M07E | Difference | 9M07  | 9M06  | y-o-y change |
|---------------|-------|-------|------------|-------|-------|--------------|
| Revenues      | 92.1  | 94.3  | -2.3%      | 92.1  | 70.7  | 30.2%        |
| Gross profit  | 55.4  | n/a   | n/a        | 55.4  | 41.6  | 33.2%        |
| EBITDA        | 24.5  | 29.2  | -16.1%     | 24.5  | 19.0  | 29.0%        |
| Net profit    | 16.0  | 18.3  | -12.6%     | 16.0  | 12.0  | 33.4%        |
| Gross margin  | 60.1% | n/a   | n/a        | 60.1% | 58.8% | 1.3pp        |
| EBITDA margin | 26.7% | 31.0% | -4.3pp     | 26.7% | 26.9% | -0.2pp       |
| Net margin    | 17.3% | 19.4% | -2.1pp     | 17.3% | 16.9% | 0.4pp        |

## X5 Retail Group: Releases 3Q07 IFRS results

Maria Shevtsova, e-mail: Maria.Shevtsova@mdmbank.com

| Bloomberg ticker   | Price, USD | FV, USD   | Rating    | 12M High/Low   | 1M Perf. | 3M Perf. | 12M Perf. |
|--------------------|------------|-----------|-----------|--|----------|----------|-----------|
| FIVE LI Equity     | 32.8       | n/a       | Not Rated | 37.5/24.6  | -5.1%    | 6.9%     | 29.7%     |
| Financials, USD mn |            |           |           | Price performance, USD   |          |          |           |
|                    | 2006A      | 2007E     | 2008E     |  |          |          |           |
| Revenue            | 4,919      | 7,077     | 9,083     |  |          |          |           |
| EBITDA             | 514        | 693       | 865       |  |          |          |           |
| Net income         | 203        | 279       | 387       |  |          |          |           |
| Revenue growth     | 50%        | 44%       | 28%       |  |          |          |           |
| EBITDA growth      | 31%        | 35%       | 25%       |  |          |          |           |
| Net income growth  | 1%         | 37%       | 39%       |  |          |          |           |
| EBITDA margin      | 10%        | 10%       | 10%       |  |          |          |           |
| Net margin         | 4%         | 4%        | 4%        |  |          |          |           |
| EV/Revenue         | 1.7        | 1.1       | 0.9       |  |          |          |           |
| EV/EBITDA          | 15.8       | 11.7      | 9.4       |  |          |          |           |
| P/E                | 34.9       | 25.4      | 18.3      |  |          |          |           |
| MCAP, USD mn       | 7,090      | Com., mn  | 216.5     |  |          |          |           |
| EV, USD mn         | 8,132      | Pref., mn |           |  |          |          |           |
| Free float         | 25%        | Total, mn | 216.5     |  |          |          |           |

Source: Bloomberg

Source: Datastream, IBES consensus

**Net retail sales up, net margin deteriorates.** X5 Retail Group released 3Q07 unaudited IFRS results yesterday. Net retail sales reached USD1,261 mn, up 54% y-o-y. Gross profit totaled USD330 mn (up 54%), EBITDA came at USD99 mn (up 85%), and net income rose to USD13 mn (up 22%). Gross margin came to 25.9%, almost in-line with last year's 25.8% while EBITDA margin increased 1.4 pp to 7.8%. Net margin also deteriorated, down 0.3 pp to 1.0% due to a one-time 2.3x surge in financial expenses.

**Gross margins wishing to be higher.** Despite a traditionally difficult 3Q for all Russian food retailers, X5 was able to reach impressive retail sales, partially due to a successful promotional campaign. The I-f-I sales growth improved to 20% in 3Q in rubles from 15% and 17% in 1Q and 2Q respectively. Moscow region saw a 25% I-f-I 3Q sales growth increase, St. Petersburg reported a still disappointing 12%, and other regions had a 20% increase. Gross margin, however, remained at nearly the same level as last year (Excluding ESOP, EBITDA margin came at 8.9% from 9.0% from 3Q06), affirming that the 2006 Pyaterochka and Perekrestok merger synergies are weakening.

**Shifting store openings onto 2008.** The traditional strong performance in the fourth quarter was accentuated with the merger synergies of 2006, making 4Q06 an exceptionally strong quarter, and thus creating a rather high benchmark going forward. To avoid costs associated with new stores and to concentrate on delivering operational performance, management postponed the 4Q07 openings to 2008. The management also announced that certain risks would be avoided when new openings are shifted onto 1Q08. Thus, the company lowered its 2007 guidance to 140,000 sq.m. in store openings, from the original 150,000 sq.m.

**Rising operational costs.** The company revealed that along with other Russian food retailers, it experienced rising labor costs, which are pressuring operating margins. Wage inflation for X5 in RUB amounted to 15-25% YTD, Moscow being the highest at 25%. Rent costs are also increasing with new store openings. The company, however, is well hedged for now from rising rent costs, as 50% of its properties are owned, with the remaining 50% secured in long-term leases.

**Strong plan for 2008.** We are expecting to see strong performance in 4Q07: X5 CEO Lev Khasis, said yesterday that the USD5 bn revenue goal for 2007 is achievable. December-January is the period of supply contract negotiations, and we may well see synergetic deals that may boost gross margins. The company is taking steps to re-evaluate the efficiency of its personnel and hedge against rising labor costs. We look forward to seeing substantial results from the centralization process (so far with net zero effect). The company plans to consolidate Korzinka in mid December, which should bring additional synergies, and targets new hypermarket openings as early as 2H08 with 12 land slots already under construction. We think that the 3Q07 results are positive for the company, as investors may bet on strong 4Q07. We do not officially cover the stock.

**X5 Retail Group: 3Q07 and 9M07 IFRS results**

| USD, mn             | 3Q07  | 3Q06  | y-o-y change | 9M07  | 9M06  | y-o-y change |
|---------------------|-------|-------|--------------|-------|-------|--------------|
| Sales               | 1261  | 821   | 54%          | 3,592 | 2,386 | 51%          |
| Gross profit        | 330   | 214   | 54%          | 946   | 618   | 53%          |
| EBITDA              | 99    | 75    | 85%          | 311   | 175   | 78%          |
| Net income          | 13    | 11    | 22%          | 54    | 36    | 50%          |
| Gross margin        | 25.9% | 25.8% | 0.1pp        | 26.2% | 25.6% | 0.6pp        |
| EBITDA margin       | 7.8%  | 6.4%  | 1.4pp        | 8.6%  | 7.3%  | 1.3pp        |
| Net margin          | 1.0%  | 1.3%  | -0.3pp       | 1.5%  | 1.5%  | 0pp          |
| LFL growth:         |       |       |              |       |       |              |
| Sales, RUB          | 20%   | 14%   | 45%          | 17%   | 12%   | 41%          |
| Hypermarkets        | 17%   | 11%   | 56%          | 15%   | 10%   | 51%          |
| Supermarkets        | 21%   | 14%   | 47%          | 18%   | 12%   | 46%          |
| Soft discounters    | 20%   | 14%   | 43%          | 17%   | 12%   | 37%          |
| Traffic, mn         | 150.7 | 116.0 | 29.9%        | 433.5 | 329.8 | 31.4%        |
| Hypermarkets        | 6.9   | 4.6   | 50.0%        | 19.6  | 12.7  | 54.3%        |
| Supermarkets        | 45.4  | 33.7  | 34.7%        | 131.2 | 93.0  | 41.1%        |
| Soft discounters    | 98.4  | 77.7  | 26.6%        | 282.8 | 224.0 | 26.3%        |
| Average ticket, USD | 9.5   | 8.2   | 15.9%        | 9.4   | 8.4   | 11.9%        |
| Hypermarkets        | 15.5  | 14.3  | 8.4%         | 15.3  | 14.7  | 4.1%         |
| Supermarkets        | 11.6  | 10.1  | 14.9%        | 11.5  | 10.5  | 9.5%         |
| Soft discounters    | 8.2   | 7.0   | 17.1%        | 8.1   | 7.1   | 14.1%        |

Source: Company data

**Politics: Four parties to make 7% cut off**

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**LDPR and Fair Russia to join usual suspects in Duma.** A new poll published yesterday from the VTsIOM, a state run polling agency, showed that four parties will exceed the 7% of total votes required to enter the parliament. These four parties include the United Russia party (with president Putin heading its candidate list) with 62% of total votes, the Communist party with 12%, Vladimir Zhirinovskiy's Liberal Democratic Party with 8% and Fair Russia (headed by Sergei Mironov, speaker of the upper house) with 7%. Earlier polls had pointed to just the first two parties mentioned above as the only ones likely to make the 7% cut-off.

**Electoral Commission chief rules no third Putin term despite potential loophole.** In separate news, the upper house of the parliament set yesterday the date for the presidential election as March 2, 2008. Candidates must confirm their intention to run from Nov 28 through Dec. 23 and submit the required documents from Dec. 12 to Jan. 16. The official campaign will start on Feb. 2 and run until Feb. 29. Moreover, the chief of Central Election Commission, Vladimir Churov, told reporters yesterday that president Putin cannot be a candidate in the presidential elections even if he steps down early. This was a scenario aired by the speaker of the upper house Sergei Mironov, who said that president Putin could resign early and run again for president, thus overcoming constitutional constraints.

**No big surprises for markets from the parliamentary elections.** As we approach parliamentary elections, more rumors for Putin's plans will be circulated by political analysts and media. We believe that President Putin does not intend to change the constitution or 'run around' it. He simply wants to make sure that his party will secure at least two thirds of the State Duma votes. That way, United Russia will be able to control the next president. All in all, we do not expect any big surprises for the stock markets from the parliamentary elections, even if more than two parties exceed the 7% cut-off. What is important for investors is that the status quo continues as it would secure political stability and the continuation of government economic policy. In our view, this could be secured by president Putin taking an active role either directly as Prime Minister or indirectly under a 'national leader' role.

## News Briefs

### Oil and Gas

Novatek plans to spend USD300-350 mn in capital investments in 4Q07 vs. USD510 mn in 9M07, its CFO said in a conference call yesterday (Bloomberg). We welcome the company's aggressive capex (vs. USD555 mn of preliminary net income in 9M07) against its modest capex in previous years.

### Utilities

The UES CFO told reporters yesterday that TGK-7 will go ahead with its SPO in February 2008 (Reuters). The company will increase its capital by 12.9% by issuing new shares. IES has already built a 23% stake and is on our view the most likely candidate to gain control.

The RAO UES auctions to sell 17 supply companies are between November 27 and November 29 (Interfax). Today Kostromaenergosbyt, Vladimirenergosbyt, Lipetskenenergosbyt, Orelenergosbyt and Tulaenergosbyt will be auctioned. Tomorrow UES plans to hold auctions for Buryatenergosbyt, Marienergosbyt, Novgorodenergosbyt, Omskenenergosbyt and Tomskenergosbyt while Khakasenergosbyt, Udmurtenergosbyt, Stavropolenergosbyt, Rostovenergosbyt, Astrakhanenergosbyt, Brianskenenergosbyt and Komienergosbyt will be sold on Thursday.

| Stock performance summary    |                   |                 |       |        |        |        |        |                 |              |
|------------------------------|-------------------|-----------------|-------|--------|--------|--------|--------|-----------------|--------------|
|                              | Company name      | Last price, USD | 1D    | 1WK    | 1M     | 3M     | 12M    | YTD             | 12M High/Low |
| Oil and gas                  | Gazprom           | 12.75           | 0.9%  | 0.4%   | 6.3%   | 22.8%  | 16.1%  | 10.9%           | 13.2/8.75    |
|                              | Novatek           | 63.00           | 3.4%  | 8.4%   | 12.9%  | 29.6%  | 2.4%   | -0.8%           | 66/46.5      |
|                              | Rosneft           | 8.76            | 0.6%  | -1.0%  | -0.6%  | 9.0%   | -5.1%  | -4.3%           | 9.49/7.66    |
|                              | Lukoil            | 87.50           | 2.9%  | 2.7%   | -0.5%  | 17.0%  | 2.3%   | -0.5%           | 95/71.9      |
|                              | TNK-BP Holding    | 2.15            | 0.0%  | -4.2%  | -5.7%  | 10.3%  | -11.2% | -17.1%          | 2.6/1.67     |
|                              | Surgutneftegaz    | 1.17            | 0.0%  | -2.4%  | -10.1% | -7.9%  | -12.2% | -23.5%          | 1.53/1.07    |
|                              | Gazprom Neft      | 5.17            | 0.0%  | 0.0%   | 11.2%  | 32.6%  | 26.1%  | 13.4%           | 5.3/3.7      |
|                              | Tatneft           | 5.87            | 3.6%  | 2.5%   | -4.1%  | 14.1%  | 10.3%  | 16.9%           | 6.25/3.95    |
|                              | Bashneft          | 15.55           | 0.0%  | -2.8%  | -2.8%  | 15.2%  | -11.9% | -2.8%           | 17.65/12     |
|                              | Transneft pref    | 1,889.00        | 2.4%  | -2.6%  | 3.5%   | 22.7%  | -20.6% | -17.7%          | 2495/1435    |
|                              | Integra           | 14.60           | -1.7% | -3.4%  | -5.8%  | n/a    | n/a    | n/a             | 21.55/13.55  |
|                              | C.A.T Oil         | 17.18           | 6.7%  | 0.5%   | -11.0% | -13.5% | -3.2%  | -14.1%          | 25.56/15.44  |
| West Siberian Resources      | 0.77              | -1.4%           | 3.4%  | -14.5% | -2.4%  | -33.8% | -34.3% | 1.16/0.66       |              |
| Utilities                    | UES               | 1.22            | 0.0%  | -0.8%  | -1.7%  | 1.8%   | 40.8%  | 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             | 0.13            | n/a   | n/a    | n/a    | n/a    | n/a    | n/a             | 0.18/0.12    |
|                              | 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%  | 66.5%  | 61.3%           | 0.13/0.08    |
|                              | OGK-5             | 0.17            | 0.0%  | 0.5%   | 0.9%   | 6.2%   | 43.0%  | 29.8%           | 0.17/0.11    |
| Telecoms and technology      | OGK-6             | 0.13            | n/a   | n/a    | n/a    | n/a    | n/a    | n/a             | 0.17/0.11    |
|                              | MTS               | 84.85           | 0.1%  | -6.7%  | 3.4%   | 34.9%  | 92.1%  | 69.1%           | 93.78/43.71  |
|                              | Sistema           | 38.10           | 0.1%  | -4.8%  | -0.8%  | 32.8%  | 44.0%  | 19.1%           | 40.6/25.85   |
|                              | VimpelCom         | 34.03           | 4.0%  | 10.7%  | 3.2%   | 50.7%  | 150.0% | 115.5%          | 34.93/13.61  |
|                              | Comstar           | 10.65           | -4.1% | -13.4% | -14.0% | 3.4%   | 51.1%  | 26.8%           | 13.71/6.92   |
|                              | Rostelecom        | 10.06           | 1.6%  | 2.7%   | 1.3%   | 1.6%   | 62.4%  | 31.5%           | 10.7/6.2     |
|                              | Golden Telecom    | 100.79          | -1.6% | 2.2%   | -7.4%  | 51.8%  | 157.0% | 115.2%          | 108.85/38.85 |
|                              | MGTS              | 30.33           | -0.9% | -1.7%  | -1.7%  | -7.3%  | 27.8%  | 13.4%           | 34.29/21.87  |
|                              | Uralsvyazinform   | 0.06            | 0.5%  | -0.3%  | -2.1%  | 6.5%   | 35.3%  | -7.9%           | 0.07/0.04    |
|                              | Volga Telecom     | 5.90            | 3.5%  | -4.1%  | 8.3%   | 25.5%  | 34.1%  | -2.5%           | 6.6/4.15     |
|                              | Sibirtelecom      | 0.12            | 0.0%  | -3.3%  | 7.2%   | 22.7%  | 31.9%  | 5.8%            | 0.13/0.09    |
|                              | Northwest Telecom | 1.79            | 2.3%  | -3.8%  | -4.1%  | 11.5%  | 31.7%  | 3.8%            | 1.92/1.23    |
|                              | Center Telecom    | 0.91            | -0.5% | -2.2%  | -1.1%  | -0.5%  | 48.4%  | 20.7%           | 1/0.61       |
|                              | Southern Telecom  | 0.21            | 0.0%  | -2.8%  | 9.7%   | 21.7%  | 55.6%  | 16.7%           | 0.23/0.14    |
|                              | Dalsvyaz          | 5.50            | 0.0%  | -3.5%  | 7.8%   | 17.0%  | 66.7%  | 32.2%           | 5.7/3.3      |
|                              | Bashinformsvyaz   | 0.17            | 0.0%  | -0.9%  | -2.3%  | 1.2%   | -1.7%  | -24.4%          | 0.23/0.17    |
|                              | Metals and mining | RBC             | 9.21  | -1.2%  | -2.3%  | -1.5%  | 12.3%  | -22.5%          | -25.3%       |
| Sitronics                    |                   | 5.70            | 0.0%  | -12.3% | -21.9% | 9.0%   | n/a    | n/a             | 12/5         |
| CTC Media                    |                   | 23.59           | -0.3% | -5.6%  | 9.3%   | 4.2%   | 1.7%   | -1.7%           | 28.77/19.59  |
| Rambler Media                |                   | 32.50           | -3.7% | 2.2%   | -15.0% | -24.9% | -3.0%  | -3.7%           | 55/31.79     |
| Norilsk Nickel               |                   | 292.00          | 0.7%  | 7.4%   | 0.4%   | 35.8%  | 96.0%  | 86.0%           | 309.9/135.5  |
| Polyus Gold                  |                   | 42.40           | 0.0%  | -1.4%  | -5.4%  | 6.0%   | -15.2% | -14.0%          | 55.25/38.3   |
| Severstal                    |                   | 22.25           | 0.0%  | 2.1%   | -6.1%  | 34.0%  | 96.9%  | 98.7%           | 23.84/10.84  |
| Evraz Group                  |                   | 68.10           | 2.3%  | -1.2%  | -17.6% | 45.4%  | 177.4% | 165.1%          | 82.6/24.4    |
| Mechel                       |                   | 74.84           | -3.4% | -1.5%  | -13.7% | 89.6%  | 211.2% | 193.7%          | 86.73/23.73  |
| NLMK                         |                   | 39.20           | 0.6%  | 5.2%   | -8.1%  | 32.0%  | 72.7%  | 68.6%           | 44.89/20.8   |
| MMK                          |                   | 1.25            | 0.0%  | 3.3%   | -1.2%  | 15.3%  | 59.6%  | 43.1%           | 1.39/0.77    |
| TMK                          |                   | 41.01           | 1.3%  | 7.9%   | -6.4%  | 21.0%  | n/a    | 17.2%           | 46.99/27.5   |
| VSMPO                        |                   | 318.50          | 0.0%  | -0.8%  | 3.4%   | 15.8%  | 26.4%  | 8.7%            | 330/252      |
| Industrials, consumer, banks | Sberbank          | 4.16            | 2.1%  | -0.7%  | -4.6%  | 12.1%  | 69.8%  | 20.6%           | 4.42/2.45    |
|                              | Rosbank           | 7.09            | 0.2%  | -2.1%  | -7.3%  | -2.6%  | 15.0%  | -9.3%           | 7.67/5.64    |
|                              | X5                | 32.75           | -0.4% | -2.8%  | -5.1%  | 6.9%   | 29.7%  | 26.0%           | 37.5/24.6    |
|                              | Seventh Continent | 26.65           | 0.0%  | -1.7%  | 2.7%   | 6.6%   | -0.4%  | -0.2%           | 29.3/24.1    |
|                              | Dixy Group        | 13.85           | -0.7% | -0.7%  | 5.9%   | 19.4%  | 38.6%  | 34.7%           | 15.6/13.85   |
|                              | Magnit            | 48.10           | 0.0%  | -0.3%  | 5.9%   | 19.4%  | 38.6%  | 34.7%           | 48.45/33.75  |
|                              | Wimm-Bill-Dann    | 115.79          | -4.9% | -14.0% | -2.0%  | 8.7%   | 152.3% | 74.0%           | 134.62/45.68 |
|                              | Lebedyansky       | 88.50           | 0.0%  | -0.6%  | -5.6%  | 0.6%   | 9.3%   | 10.6%           | 99/73.5      |
|                              | Nutritek          | 52.85           | 0.1%  | -0.3%  | 3.1%   | 2.6%   | 14.8%  | 9.6%            | 53.8/44.9    |
|                              | Baltika (euro)    | 32.68           | 0.0%  | -0.5%  | 1.0%   | 2.6%   | 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           | 1.56            | 0.0%  | 1.7%   | 5.9%   | 31.9%  | 56.5%  | 64.4%           | 1.74/0.67    |
|                              | Aeroflot          | 3.60            | 0.0%  | 1.7%   | 5.9%   | 31.9%  | 56.5%  | 64.4%           | 3.6/2.17     |
|                              | Veropharm         | 48.25           | -0.5% | 0.5%   | 4.9%   | 9.7%   | 57.2%  | 52.0%           | 48.65/29.1   |
|                              | Apteka 36.6       | 75.25           | -0.7% | -0.7%  | -0.3%  | -5.3%  | 46.3%  | 29.2%           | 96.1/51.45   |
|                              | Pharmstandard     | 19.99           | -2.0% | -9.5%  | -4.8%  | 24.3%  | 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)              | 40.72             | 3.0%            | 2.6%  | -0.7%  | 3.6%   | 48.3%  | 33.9%  | 44.07/27.77     |              |
| Cherkizovo                   | 14.40             | 0.3%            | -2.5% | -0.2%  | 30.3%  | -5.6%  | 5.9%   | 17.35/11.05     |              |
| Sistema Hals                 | 9.29              | 2.7%            | 0.4%  | -8.2%  | -19.2% | n/a    | -30.2% | 15.05/8.91      |              |
| RTS Index                    | 2,177.07          | 1.2%            | 0.5%  | -0.8%  | 14.8%  | 26.0%  | 13.3%  | 2288.15/1724.69 |              |

Source: Bloomberg

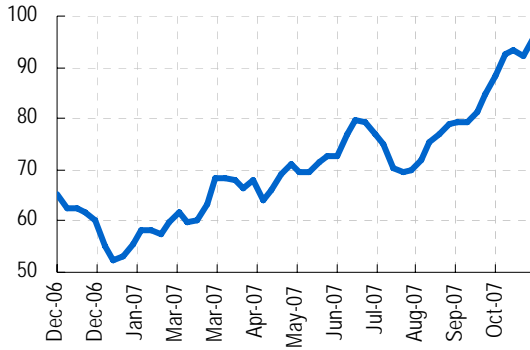


| Stock valuation summary      |                                    |  |                |             |             |             |             |             |            |            |            |            |
|------------------------------|------------------------------------|--|----------------|-------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|
|                              | Company name                       | MCAP,                                  |                | P/E         |             |             | EV/EBITDA   |             |            | EV/Revenue |            |            |
|                              |                                    | USD mn                                 | 2006E          | 2007E       | 2008E       | 2006E       | 2007E       | 2008E       | 2006E      | 2007E      | 2008E      |            |
| Oil and gas                  | Gazprom                            | 290,050                                | 13.0           | 11.6        | 10.6        | 9.3         | 8.3         | 7.6         | 4.0        | 3.7        | 3.4        |            |
|                              | Novatek                            | 19,127                                 | 27.8           | 20.5        | 15.6        | 17.4        | 13.3        | 10.4        | 8.3        | 6.4        | 4.8        |            |
|                              | Lukoil                             | 74,463                                 | 10.0           | 10.7        | 10.7        | 6.7         | 7.0         | 6.9         | 1.2        | 1.2        | 1.2        |            |
|                              | Rosneft                            | 92,847                                 | 22.4           | 18.9        | 17.4        | 12.3        | 10.9        | 9.2         | 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                            | 13,258                                 | 10.5           | 11.3        | 11.8        | 6.5         | 7.3         | 8.3         | 1.2        | 1.2        | 1.3        |            |
|                              | Bashneft                           | 2,644                                  | 5.7            | 6.4         | 6.9         | 3.3         | 3.7         | 3.9         | 0.7        | 0.8        | 0.8        |            |
|                              | Transneft pref                     | 13,056                                 | 5.8            | 5.0         | 4.5         | 4.0         | 3.3         | 2.9         | 2.2        | 1.9        | 1.7        |            |
|                              | West Siberian Resources            | 913                                    | 27.6           | 23.0        | 8.7         | 9.0         | 6.7         | 4.1         | 3.3        | 2.4        | 1.7        |            |
|                              | <b>Aggregate - oil and gas</b>     | <b>576,702</b>                         | <b>12.6</b>    | <b>11.6</b> | <b>11.1</b> | <b>7.7</b>  | <b>7.2</b>  | <b>6.8</b>  | <b>2.6</b> | <b>2.3</b> | <b>2.1</b> |            |
| 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                              | 3,363                                  | 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                              | 6,172                                  | 52.3           | 64.3        | 45.7        | 66.2        | 30.0        | 22.2        | 6.4        | 5.0        | 4.1        |            |
|                              | OGK-6                              | 3,475                                  | 43.4           | 27.5        | 14.8        | 19.1        | 15.0        | 9.7         | 3.2        | 2.7        | 2.2        |            |
|                              | <b>Aggregate - utilities</b>       | <b>88,054</b>                          | <b>24.3</b>    | <b>27.1</b> | <b>20.9</b> | <b>34.1</b> | <b>15.4</b> | <b>11.5</b> | <b>3.3</b> | <b>2.9</b> | <b>2.5</b> |            |
| Telecoms and technology      | MTS                                | 33,855                                 | 27.2           | 19.1        | 17.0        | 11.4        | 9.6         | 8.8         | 5.7        | 4.8        | 4.4        |            |
|                              | Sistema                            | 18,402                                 | 20.4           | 15.3        | 14.0        | 9.4         | 7.8         | 7.2         | 3.5        | 3.1        | 2.9        |            |
|                              | VimpelCom                          | 34,901                                 | 43.0           | 29.1        | 25.8        | 15.1        | 12.2        | 11.3        | 7.6        | 6.1        | 5.7        |            |
|                              |                                    | <b>Aggregate - mobile telecoms</b>     | <b>87,159</b>  | <b>30.2</b> | <b>21.1</b> | <b>18.9</b> | <b>11.9</b> | <b>9.9</b>  | <b>9.1</b> | <b>5.6</b> | <b>4.7</b> | <b>4.3</b> |
|                              | Comstar                            | 4,451                                  | 54.3           | 40.1        | 13.0        | 15.7        | 9.0         | 7.8         | 5.1        | 3.9        | 3.4        |            |
|                              | Rostelecom                         | 7,983                                  | n/a            | 69.4        | 58.3        | 20.3        | 18.2        | 16.2        | 3.4        | 3.4        | 3.2        |            |
|                              | Golden Telecom                     | 3,694                                  | 43.2           | 31.6        | 23.5        | 16.3        | 11.5        | 8.7         | 4.4        | 3.2        | 2.5        |            |
|                              | MGTS                               | 2,853                                  | 16.5           | 11.7        | 10.6        | 10.1        | 7.4         | 6.7         | 4.2        | 3.3        | 3.1        |            |
|                              | Uralsvyazinform                    | 2,405                                  | 77.6           | 17.6        | 13.5        | 9.7         | 6.5         | 5.7         | 2.7        | 2.3        | 2.1        |            |
|                              | Volga Telecom                      | 1,775                                  | 22.8           | 13.3        | 11.1        | 7.0         | 5.4         | 4.8         | 2.5        | 2.1        | 1.9        |            |
|                              | Sibirtelecom                       | 1,748                                  | 41.0           | 8.4         | 6.5         | 8.8         | 5.0         | 4.2         | 2.1        | 1.7        | 1.6        |            |
|                              | Northwest Telecom                  | 1,869                                  | 39.8           | 15.8        | 15.2        | 9.1         | 6.1         | 5.7         | 2.9        | 2.3        | 2.1        |            |
|                              | Center Telecom                     | 1,754                                  | 26.0           | 27.4        | 15.9        | 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        |            |
|                              |                                    | <b>Aggregate - fixed line telecoms</b> | <b>30,114</b>  | <b>39.7</b> | <b>23.0</b> | <b>16.5</b> | <b>10.2</b> | <b>7.5</b>  | <b>6.8</b> | <b>2.9</b> | <b>2.4</b> | <b>2.2</b> |
|                              | RBC                                | 1,060                                  | 26.8           | 27.7        | 13.2        | 15.9        | 11.0        | 7.9         | 4.7        | 3.7        | 2.9        |            |
|                              | CTC Media                          | 3,574                                  | 24.1           | 18.5        | 14.6        | 14.4        | 11.2        | 9.0         | 6.9        | 5.3        | 4.3        |            |
| Rambler Media                | 488                                | 40.3                                   | 20.2           | 13.2        | 24.6        | 11.1        | 7.7         | 6.1         | 3.5        | 2.7        |            |            |
|                              | <b>Aggregate - media</b>           | <b>5,122</b>                           | <b>30.4</b>    | <b>22.1</b> | <b>13.6</b> | <b>18.3</b> | <b>11.1</b> | <b>8.2</b>  | <b>5.9</b> | <b>4.2</b> | <b>3.3</b> |            |
| Metals and mining            | Norilsk Nickel                     | 53,436                                 | 7.2            | 8.6         | 11.5        | 4.6         | 5.7         | 7.8         | 3.3        | 3.7        | 4.4        |            |
|                              | 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                        | 23,884                                 | 13.3           | 13.2        | 12.7        | 8.1         | 7.8         | 8.5         | 2.6        | 2.4        | 2.3        |            |
|                              | Mechel                             | 10,101                                 | 12.6           | 13.4        | 15.3        | 7.7         | 7.8         | 7.9         | 1.9        | 1.8        | 1.8        |            |
|                              | NLMK                               | 23,493                                 | 11.2           | 11.8        | 11.7        | 6.9         | 7.2         | 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                                | 8,940                                  | 13.5           | 9.4         | 11.8        | 8.1         | 6.0         | 7.7         | 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        |            |
|                              |                                    | <b>Aggregate - metals and mining</b>   | <b>166,847</b> | <b>16.3</b> | <b>16.0</b> | <b>16.2</b> | <b>9.4</b>  | <b>8.7</b>  | <b>8.6</b> | <b>3.4</b> | <b>3.2</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                                 | 7,090                                  | 34.9           | 25.4        | 18.3        | 15.8        | 11.7        | 9.4         | 1.7        | 1.1        | 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                     | 5,095                                  | 32.4           | 23.9        | 19.7        | 16.7        | 12.9        | 10.5        | 2.4        | 1.9        | 1.7        |            |
|                              |                                    | <b>Aggregate - FMCG</b>                | <b>25,041</b>  | <b>28.4</b> | <b>21.7</b> | <b>16.4</b> | <b>14.0</b> | <b>10.7</b> | <b>8.5</b> | <b>1.8</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                     | 1,666                                  | 26.6           | 16.8        | 15.2        | 13.6        | 9.4         | 7.6         | 1.9        | 1.3        | 1.0        |            |
|                              | AvtoVAZ                            | 292                                    | 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                          | 483                                    | 19.7           | 14.6        | 11.4        | 12.5        | 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)              | 2,268                              | 22.6                                   | 18.1           | 13.8        | 15.2        | 12.9        | 10.7        | 2.4         | 2.1        | 1.8        |            |            |
|                              | <b>Aggregate valuation</b>         | <b>988,931</b>                         | <b>13.3</b>    | <b>12.3</b> | <b>11.4</b> | <b>8.6</b>  | <b>8.0</b>  | <b>7.5</b>  | <b>2.6</b> | <b>2.4</b> | <b>2.3</b> |            |
|                              | <b>FF-adj. MCAP W.A. valuation</b> | <b>285,404</b>                         | <b>16.1</b>    | <b>15.1</b> | <b>13.9</b> | <b>10.2</b> | <b>8.7</b>  | <b>8.1</b>  | <b>3.6</b> | <b>3.3</b> | <b>3.1</b> |            |

Source: MDM estimates, IBES consensus

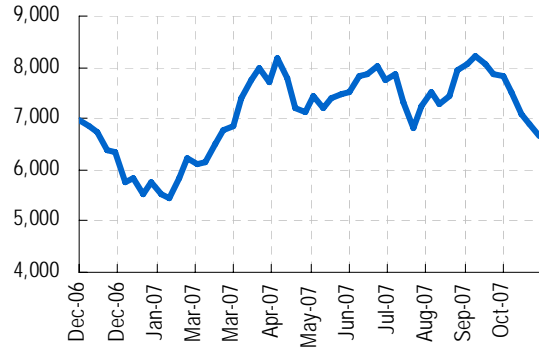
## Key commodities

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



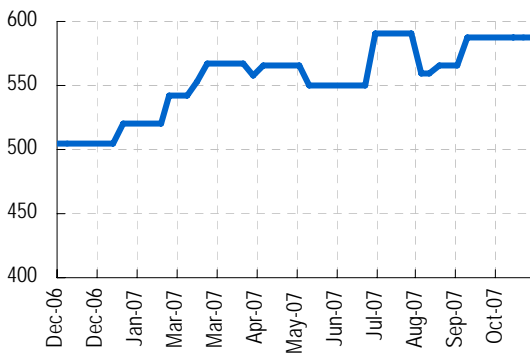
Source: Bloomberg

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



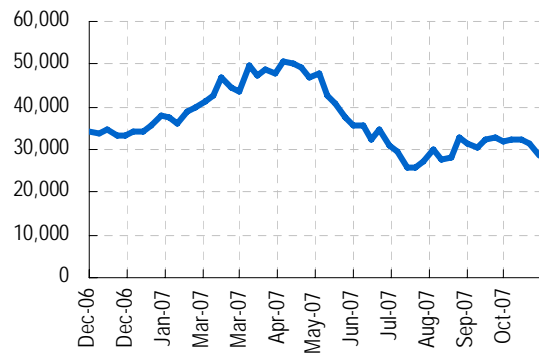
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



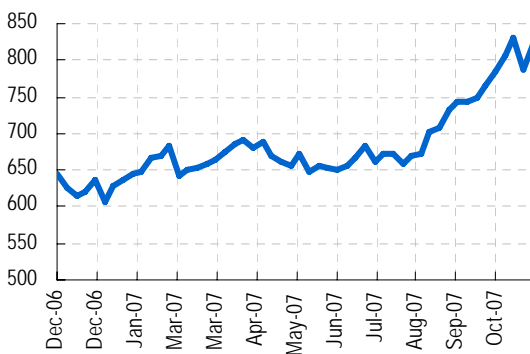
Source: Bloomberg

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



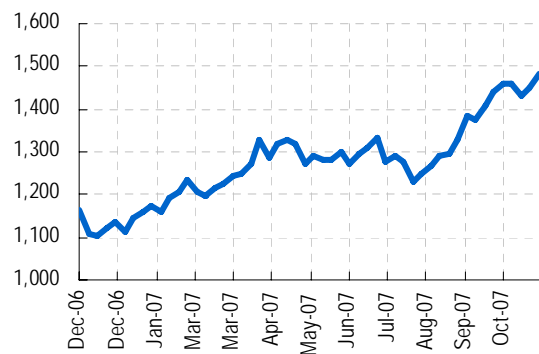
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



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