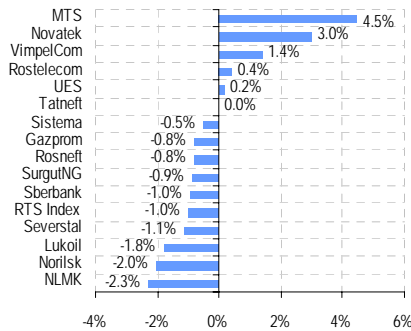
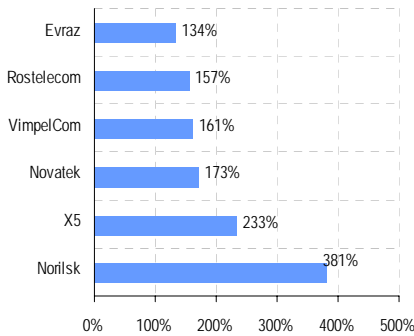


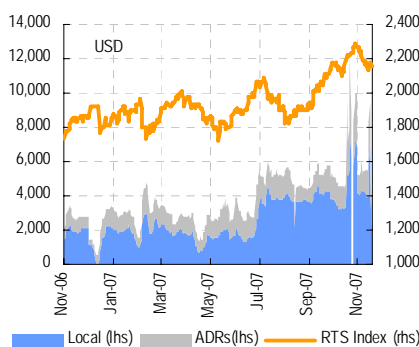
### Blue chips: advancers and decliners



### 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

■ Weaker European markets and commodity prices dragged Russian indices lower yesterday, with the RTS losing 1% to 2155 and the MICEX falling by 1.4% to 1792. WTI below USD94 and continued weakness in most base metals could add further pressure today despite the US markets' positive finish last night. This afternoon, markets will focus on US oil inventories, US existing homes sales and durables orders.

### Top news and ideas

- **Gazprom: Sakhalin-1 volumes on the table again.** Such a move would make Gazprom sole Russian gas exporter to China, but we believe Rosneft's inclusion in the Sakhalin-1 consortium and the prospect of squaring up to ExxonMobil may increase appetite for a compromise.
- **Gazprom: Agrees 50% price increase for Turkmen gas.** The increase was above the expected 30%, but Gazprom sweetened the deal by negotiating main gas buyer status through 2028. Gazprom will use the increase as the basis of CIS negotiations, which we believe will lead to increased profits.
- **Dixy Group: Promising 9M07 IFRS results.** A better product mix and solidifying private label sales boosted gross margins and I-F-I growth. We believe the company is optimizing its operations, which sets a solid foundation for stronger future performance.
- **Economics: Trade surplus takes hit.** Despite an 11.9% y-o-y export increase, the YTD trade surplus is down to USD 104 bn on strong consumer demand and rising import prices. We believe this, combined with seemingly unstoppable inflation, will put pressure on future FX and monetary policy.

### Other highlights

- **Brief - Vladimir Potanin is attempting to acquire control over Norilsk Nickel (Bloomberg).** Potanin is attempting to raise USD15 bn through London investment banks to buy Mikhail Prokhorov's stake in Norilsk Nickel, media reported yesterday. We believe it would be tough to raise such an amount within the 45 day deadline set by Prokhorov.

>>> More news on page 6

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,155	-1.0%	-1.1%	-1.8%	14.8%	24.7%
MSCI EM Europe Index	758	-1.4%	0.0%	-3.0%	18.0%	28.1%
MSCI EM Index	1,188	-1.1%	0.0%	-9.4%	13.1%	39.3%
S&P500 Index	1,428	1.5%	-0.4%	-7.0%	-0.3%	3.0%
OIX (Oil majors) Index	787	-0.7%	-0.7%	-6.4%	10.6%	22.9%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	94.4	-3.4%	1.0%	2.8%	31.2%	56.5%
Nickel, USD/ton	28,308	-3.1%	-8.3%	-8.7%	6.4%	-18.1%
Steel (HR), USD/ton	588	0.0%	0.0%	0.0%	-0.4%	16.3%
LT U.S. Treasury YTM	4.4%	4.3%	4.5%	4.7%	4.9%	4.7%
EMBI-Russia spread, bp	174	189	173	167	129	119
RUB/USD	24.31	24.26	24.50	24.85	25.76	26.52

Source: Datastream, Bloomberg

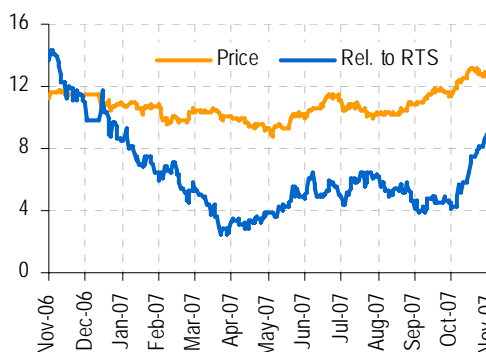
## Gazprom: Sakhalin-1 volumes on the table again

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	12.66	n/a	Not Rated	13.2/8.75	5.4%	24.6%	12.7%

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	4.0	3.6	3.4
EV/EBITDA	9.2	8.2	7.5
P/E	12.9	11.5	10.5
MCAP, USD mn	287,775	Com., mn	22,749
EV, USD mn	338,127	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**Gazprom claims Sakhalin-1 reserves will be sold domestically.** Gazprom deputy CEO for exports Alexander Medvedev repeated yesterday that his company plans to buy all Sakhalin-1 volumes at domestic prices and supply only the domestic market. This strategy was first aired by Gazprom officials back in July and then repeated by the Energy Ministry in August. No official or unofficial reaction has been heard thus far from the Sakhalin-1 consortium and particularly Exxon Mobil. We remind investors that the project has close to 330 bcm of C1 reserves and output is expected to reach 11 bcm per year. The consortium's shareholders include ExxonMobil (30%) which is operator, Japan's SODECO (30%), Rosneft (20%) and India's ONGC (20%).

**A difficult issue even for Gazprom.** Gazprom and government officials keep coming back to this issue of absorbing all Sakhalin-1 volumes to the domestic market instead of exporting them to China as has been the consortium's strategy. Such a development would be very advantageous for Gazprom as it would become the only exporter of Russian gas to the huge Chinese market. Nevertheless, we see two parameters that would make this a difficult issue for Gazprom: First, Rosneft is one of the consortium's shareholders, and second, this could be the first confrontation between the Russian government and a U.S. oil major (and in fact, the largest publicly traded company in the world).

**Gazprom signs potential chemical JVs with Dow.** In separate news, Gazprom announced yesterday that its petrochemical subsidiary Sibur and US chemical company Dow Chemicals signed an agreement to jointly study ventures for gas processing and plastics production in Dow's facilities in Germany as well as in Siberia. No specific details were provided but we would not be surprised if these JVs include construction of chemical plants in Siberia. Sibur has already announced a USD3 bn capex program for the next three years, while Gazprom has expressed its interest in selling its Sibur majority stake. Dow, BASF and PetroChina are among the international companies interested in Sibur. This agreement could give an advantage to Dow Chemicals.

**Chemical industry should be top priority in Russia.** We have long argued that the development of the chemical industry in Russia, with its cheap gas, should have been a top priority for the country. In addition, the chemical industry can offer high ROIC in the long term (over the cycle), but it is unfortunate that Sibur has been neglected and is now in a poor financial condition. We certainly view this potential co-operation with one of the best chemical companies in the world as a first step in the right direction.

## Gazprom: Agrees to 50% price increase for Turkmen gas

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

**Gazprom finalizes Turkmen gas prices.** Gazprom agreed yesterday to a new price regime for the natural gas it purchases from Turkmenistan. Gazprom will pay USD130 per th cm in 1H08 and USD150 per th cm in 2H08 from the USD100 per th cm price it has paid this year. After 2009 the price formula will be based on "market principles" according to the official announcement. This means that the average of Russian, CIS and EU gas prices of the previous half year will drive the gas price in the future. Gazprom in return benefited in two main ways from this deal: a) it will be the main gas buyer until the end of the contract (2028) and b) an agreement to jointly build a new pipeline to carry gas along the Caspian Sea to Russia (construction could start next year).

**Gazprom to pass price increases to end users.** The price was above market expectations of a 30% increase for 2008 and, in addition, Gazprom CEO Alexei Miller said that future supplies could reach 80 bcm a year, up from 50 bcm this and next year. Clearly, Gazprom closed this deal very quickly, and some may argue that it was almost eager to do so. As we wrote on our Monday Morning Call, Gazprom is certain it will pass through the price hikes to its end customers, in this case Ukraine, and therefore its bottom line will not be affected. Apparently, Ukraine will now have to agree to a higher price increase (already pays USD130 per th cm). Gazprom will use this price hike as a starting point in all of its negotiations with the CIS countries. In our view, this can only lead to higher prices and higher profitability for Gazprom's exports in 2008 and in the coming years.

## Dixy Group: Promising 9M07 IFRS results

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**Dixy Group releases 9M07 IFRS results.** Dixy Group released 9M07 unaudited IFRS results yesterday. Broken down by quarter, revenues for 3Q07 reached USD338 mn, up 39% y-o-y. Gross profit totaled USD81 mn (up 57%), and net income rose to USD3 mn (up 128%). Gross margin came to 24%, 2.7pp higher than in 3Q06 as a result of private label share growth in the company's sales and successful changes in pricing and product mix policies. Net margin also improved 1.2pp from last year to 0.9%.

**9M07 strong I-F-I growth.** Throughout the year, the company focused on improving its operating efficiency and product mix to expand its target market into medium income customers. The product range grew 36% in SKUs, and is targeted to grow an additional 20-30%. The company also focused on expanding its private label, with a goal of 8% of total sales for FY2007. As a result, the beginning-of-the-year initiatives translated into strong I-F-I growth in sales, reaching 20.83% in USD in 9M07 vs. 9M06, and in average ticket, increasing 13.68%.

**Controlling the costs.** With additional two warehouses in the Central Region (end 2007- start 2008) and one in St. Petersburg (2008), the company will be able to cut its transportation costs as well as optimize its labor costs. For 9M07, the company owned 33% of its selling area, and the management is comfortable to claim that the original target of 37% of property owned for FY2007 is achievable. This is a strong hedge against rising rent costs (4% of 9M07 sales), and as most of the owned properties are hypermarkets, we would like to see the trend continue in 2008. We would also hope to see the company controlling and reducing the 69% increase in SG&A expenses y-o-y for 9M07, primarily contributed by rising labor costs (10.1% of sales).

**Strong 4Q07 expected.** The company is well-positioned to enjoy revenues growing faster than costs in 4Q07, with management's gross margin target being 24%. Net profit, in our view, has further potential to increase as pressure from accrued financial charges has eased since 1H07. The company continues its expansion plans, with 40 stores planned to be opened in 4Q07, targeting a total of 80 for 2007. Given that the stock hit an all-time low of USD13.85 on November 26 this year, we would expect investors to take a look at this story. We officially do not cover the stock.

### Dixy Group 3Q07 and 9M07 IFRS results comparison

USD, mn	3Q07	3Q06	y-o-y change	9M07	9M06	y-o-y change
Revenue	338	244	39%	990	698	42%
Gross profit	81	52	57%	232	140	66%
EBITDA	14	10	37%	45	28	60%
Net profit (from cont.oper.)	3	-1	128%	5	6	-11%
Gross margin	24.00%	21.20%	2.7 pp	23.40%	20.10%	3.4 pp
EBITDA margin	4.10%	4.10%	0.0 pp	4.50%	4.00%	0.5 pp
Net margin	0.90%	-0.30%	1.2 pp	0.50%	0.90%	-0.3 pp

Source: Company data

## Economics: Trade surplus takes hit

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

**Trade surplus continues to diminish.** The Russian Economy Ministry yesterday released important economic data for the month of October. The trend of a diminishing trade surplus continued in the first ten months of the year, with the official estimate now set at USD104 bn. This is down from USD120 bn a year ago, but higher than the estimate released by the Central Bank (USD96 bn), which follows a different methodology. Exports grew by 11.9% to reach USD278 bn, with food products and agriculture commodities showing high y-o-y increases due to significant price increases. However, import growth reached 35.4% y-o-y (USD174 bn), with fast growth rates in investment demand related items and in particular machines, equipment, vehicles, metals and metal products as well as higher import food prices.

**Fixed investment increases 20.9% on construction work.** The Economy Ministry also reported 9M07 fixed investment data. The period saw a 20.9% y-o-y increase, with the October y-o-y rate climbing to 19.6% from 16% in the previous month. The major driving force behind this improvement was construction work related activities: the y-o-y rate in this sector reached 23% y-o-y. On another front, the Ministry gave an estimate of the m-o-m inflation rate for November of 0.8-1%. This rate would bring the total YTD rate by the end of November above 10.6% by our estimates.

**Monetary, FX policies made tough by trade surplus decline, inflation.** Strong consumer spending has fueled imports, and in recent months rapidly growing global food product prices have pushed imports even higher. At this pace, the Economy Ministry's forecast that by 2011 the surplus will disappear does not look a farfetched estimate. Clearly, the rate at which the trade surplus is narrowing has exceeded previous expectations and could have an impact on the country's FX policy next year. Both FX and monetary policies will certainly be more difficult in 2008 due to the seemingly unstoppable inflation rate, which at this pace will exceed 11% for the year. We are surprised that the government has allowed such a development ahead of elections but, on the other hand, this may well indicate how bad the situation is, implying that there are very few remedies available. Finally, strong construction growth has been known for some time but the rate seems to be accelerating in the last few months, pointing, in our view, to more opportunities in the stocks related to this sector.

## News Briefs

### Oil and Gas

Rosneft's head of oil development Igor Afanasyev said yesterday that the company might have to delay the launch of its Vankor field (*RBC Daily*). Initial production was supposed to come in 2008 but the delay of the ESPO pipeline will push it to a later date. He added that total output this year will reach 102.5 mn tons this year, which is 2% above previous guidance.

### Telecoms and Technology

MTS and Vimpelcom received a one year temporary permission from FSB to import 1000 BlackBerry devices for experimental use (Bloomberg). MTS plans to start offering the service next month. We view the news as positive for both firms as there is a huge potential market for the high margin BlackBerrys in the larger Russian cities.

### Industrials, Consumer, Banks

English retailer Tesco announced it may open stores in Russia in addition to its India expansion (*Kommersant*). The world's third largest retailer may compete for a share of the USD233 bn Russian retail market with Carrefour and possibly Wal-Mart. We believe that the presence of foreign majors would pressure margins for local chains in a highly fragmented market where the top 5 retailers control only 5%.

Outgoing Sberbank CEO Andrei Kazmin told reporters yesterday that a GDR listing could be possible this coming February (Interfax). The decision is up to his successor and former Economy Minister German Gref. A GDR listing would boost the momentum for international investors in our view.

## Stock performance summary

	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	12.65	-0.8%	-1.6%	5.4%	24.6%	12.7%	10.0%	13.2/8.75
	Novatek	64.90	3.0%	8.2%	16.3%	35.9%	6.9%	2.2%	66/46.5
	Rosneft	8.69	-0.8%	-1.4%	-1.4%	8.4%	-3.7%	-5.0%	9.49/7.66
	Lukoil	85.95	-1.8%	-1.1%	-2.2%	16.3%	0.4%	-2.3%	95/71.9
	TNK-BP Holding	2.19	1.6%	-2.7%	-4.2%	12.1%	-8.4%	-15.8%	2.6/1.67
	Surgutneftegaz	1.16	-0.9%	-3.7%	-10.9%	-7.2%	-13.6%	-24.2%	1.53/1.07
	Gazprom Neft	5.17	0.0%	0.0%	11.2%	32.6%	27.7%	13.4%	5.3/3.7
	Tatneft	5.86	-0.1%	0.9%	-4.2%	14.0%	10.4%	16.8%	6.25/3.95
	Bashneft	15.50	-0.3%	-2.2%	-3.1%	14.8%	-12.2%	-3.1%	17.65/12
	Transneft pref	1,820.00	-3.7%	-4.2%	-0.3%	20.9%	-22.1%	-20.7%	2495/1435
	Integra	14.21	-2.7%	-4.0%	-8.3%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	16.08	-6.4%	-5.4%	-16.7%	-18.3%	-6.1%	-19.6%	25.56/15.44
	West Siberian Resources	0.75	-2.3%	-6.5%	-16.5%	-5.6%	-37.1%	-35.8%	1.16/0.66
	Utilities	UES	1.22	0.2%	-1.2%	-1.5%	3.2%	40.9%	20.7%
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%	-4.8%	36.6%	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%	0.8%	7.2%	42.7%	29.6%	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	88.64	4.5%	0.2%	8.1%	45.6%	102.8%	76.6%	93.78/43.71
	Sistema	37.90	-0.5%	-3.7%	-1.3%	32.1%	46.1%	18.4%	40.6/25.85
	VimpelCom	34.50	1.4%	14.6%	4.6%	59.9%	152.8%	118.5%	34.93/13.65
	Comstar	10.21	-4.1%	-16.3%	-17.5%	-1.8%	47.3%	21.5%	13.71/6.92
	Rostelecom	10.10	0.4%	2.0%	1.7%	2.0%	62.4%	32.0%	10.7/6.22
	Golden Telecom	100.91	0.1%	3.5%	-7.3%	55.5%	156.1%	115.4%	108.85/38.85
	MGTS	30.26	-0.1%	-1.4%	-1.8%	-6.9%	27.0%	13.3%	34.29/21.98
	Uralsvyazinform	0.06	-1.3%	-1.9%	-3.3%	13.0%	33.7%	-9.0%	0.07/0.04
	Volga Telecom	5.90	0.0%	-4.8%	8.3%	25.5%	42.2%	-2.5%	6.6/4.15
	Sibirtelecom	0.12	0.0%	-4.4%	7.2%	21.4%	32.2%	5.8%	0.13/0.09
	Northwest Telecom	1.76	-1.5%	-3.9%	-5.5%	10.3%	27.9%	2.2%	1.92/1.23
	Center Telecom	0.90	-0.6%	-2.2%	-1.6%	-1.1%	47.5%	20.0%	1/0.61
	Southern Telecom	0.21	0.0%	-2.3%	9.7%	21.7%	54.4%	16.7%	0.23/0.14
	Dalsvyaz	5.50	0.0%	-3.5%	7.8%	19.6%	66.7%	32.2%	5.7/3.3
	Bashinformsvyaz	0.17	0.0%	0.0%	-2.3%	1.2%	-1.7%	-24.4%	0.23/0.17
	Metals and mining	RBC	9.10	-1.1%	-3.1%	-2.6%	12.6%	-22.0%	-26.1%
Sitronics		5.70	0.0%	-13.6%	-21.9%	3.6%	n/a	n/a	12/5
CTC Media		23.82	1.0%	-3.1%	10.4%	6.5%	8.6%	-0.8%	28.77/19.59
Rambler Media		32.50	0.0%	0.0%	-15.0%	-25.1%	-3.0%	-3.7%	55/31.79
Norilsk Nickel		286.00	-2.1%	1.7%	-1.7%	33.0%	94.2%	82.2%	309.9/135.5
Polyus Gold		42.40	0.0%	0.0%	-5.4%	6.0%	-14.8%	-14.0%	55.25/38.3
Severstal		22.00	-1.1%	0.7%	-7.2%	32.5%	102.9%	96.4%	23.84/10.84
Evrast Group		68.50	0.6%	0.7%	-17.1%	42.7%	180.7%	166.6%	82.6/24.4
Mechel		77.09	3.0%	6.8%	-11.1%	100.9%	202.8%	202.6%	86.73/23.73
NLMK		38.30	-2.3%	-1.8%	-10.2%	25.6%	71.0%	64.7%	44.89/20.8
MMK		1.25	0.4%	2.9%	-0.8%	15.7%	60.3%	43.7%	1.39/0.77
Industrials, consumer, banks	TMK	40.52	-1.2%	2.0%	-7.5%	16.8%	n/a	15.8%	46.99/27.5
	VSMPO	315.00	-1.1%	-1.9%	2.3%	14.5%	25.0%	7.5%	330/252
	Sberbank	4.12	-1.0%	-1.2%	-5.5%	12.6%	67.8%	19.4%	4.42/2.46
	Rosbank	7.03	-0.7%	-1.4%	-7.9%	-3.4%	14.7%	-9.9%	7.67/5.64
	X5	30.75	-6.1%	-8.6%	-10.9%	-1.4%	21.8%	18.3%	37.5/24.6
	Seventh Continent	26.20	-1.7%	-3.0%	1.0%	4.8%	-0.9%	-1.9%	29.3/24.1
	Dixy Group	13.85	0.0%	-0.7%	5.9%	19.4%	40.2%	34.7%	15.6/13.85
	Magnit	48.10	0.0%	-0.3%	5.9%	19.4%	40.2%	34.7%	48.45/33.75
	Wimm-Bill-Dann	114.98	-0.7%	-4.6%	-2.7%	13.9%	151.7%	72.8%	134.62/45.68
	Lebedyansky	88.50	0.0%	0.0%	-5.6%	1.7%	10.3%	10.6%	99/73.5
	Nutritek	52.85	0.0%	-1.2%	3.1%	4.8%	17.9%	11.9%	53.8/44.9
	Baltika (euro)	33.40	2.1%	1.5%	3.1%	4.8%	17.9%	11.9%	36.96/31.59
	Razgulay	5.00	0.0%	0.0%	5.3%	25.3%	29.9%	25.0%	5.45/3.6
	Severstal Auto	49.00	0.0%	-4.1%	0.0%	22.5%	87.7%	62.0%	51.1/26.1
	AvtoVAZ	1.56	0.0%	0.0%	5.9%	32.6%	60.0%	64.4%	1.74/0.67
	Aeroflot	3.60	0.0%	0.0%	5.9%	32.6%	60.0%	64.4%	3.6/2.17
	Veropharm	48.25	0.0%	0.3%	4.9%	9.7%	57.2%	52.0%	48.65/29.1
Apteka 36.6	75.25	0.0%	-0.7%	-0.3%	-5.3%	46.3%	29.2%	96.1/51.45	
Pharmstandard	20.20	1.1%	-4.9%	-3.8%	27.8%	n/a	n/a	23.28/13.6	
Kalina	43.40	0.0%	0.0%	8.5%	12.0%	-4.1%	-15.7%	51.5/34.25	
Oriflame (euro)	40.89	0.9%	2.8%	0.3%	4.4%	51.2%	35.1%	44.07/27.77	
Cherkizovo	13.16	-8.6%	-10.5%	-8.8%	14.4%	-13.7%	-3.2%	17.35/11.05	
Sistema Hals	9.18	-1.2%	-1.7%	-9.3%	-19.1%	n/a	-31.0%	15.05/8.91	
RTS Index	2,155.38	-1.0%	-1.1%	-1.8%	14.8%	24.7%	12.1%	2288.15/1724.69	

Source: Bloomberg

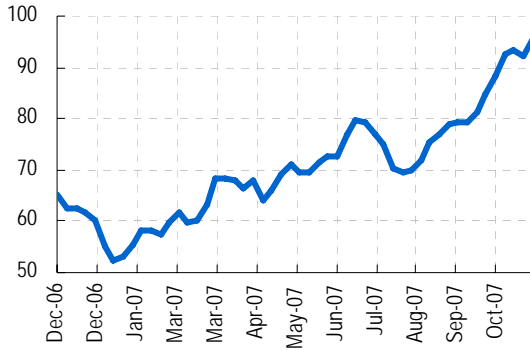
Stock valuation summary													
	Company name	MCAP,			P/E			EV/EBITDA			EV/Revenue		
		USD mn	2006E	2007E	2008E	2006E	2007E	2008E	2006E	2007E	2008E		
Oil and gas	Gazprom	287,775	12.9	11.5	10.5	9.2	8.2	7.5	4.0	3.6	3.4		
	Novatek	19,704	28.6	21.1	16.0	17.9	13.7	10.7	8.6	6.6	4.9		
	Lukoil	73,143	9.9	10.5	10.5	6.5	6.9	6.7	1.2	1.2	1.2		
	Rosneft	92,105	22.3	18.8	17.3	12.2	10.8	9.1	3.0	2.7	2.6		
	Surгутneftegaz	46,391	11.1	11.3	13.7	5.3	5.5	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	13,226	10.5	11.3	11.8	6.5	7.3	8.2	1.2	1.2	1.2		
	Bashneft	2,635	5.7	6.4	6.8	3.3	3.7	3.9	0.7	0.8	0.8		
	Transneft pref	12,579	5.6	4.8	4.3	3.9	3.2	2.8	2.1	1.8	1.6		
	West Siberian Resources	885	26.8	22.3	8.4	8.8	6.5	4.0	3.3	2.4	1.7		
	<b>Aggregate - oil and gas</b>	<b>572,069</b>	<b>12.7</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	49,989	33.2	29.2	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	3,400	n/a	42.5	23.9	187.0	21.1	12.6	3.8	3.2	2.6		
	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>88,173</b>	<b>24.2</b>	<b>27.1</b>	<b>20.9</b>	<b>34.2</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	35,367	28.4	19.9	17.8	11.8	10.0	9.1	6.0	5.0	4.6		
	Sistema	18,306	20.3	15.2	13.9	9.6	7.9	7.3	3.5	3.2	2.9		
	VimpelCom	35,383	43.6	29.5	26.2	15.2	12.4	11.4	7.7	6.2	5.8		
		<b>Aggregate - mobile telecoms</b>	<b>89,056</b>	<b>30.7</b>	<b>21.5</b>	<b>19.3</b>	<b>12.2</b>	<b>10.1</b>	<b>9.3</b>	<b>5.7</b>	<b>4.8</b>	<b>4.4</b>	
	Comstar	4,267	52.0	38.4	12.5	15.2	8.7	7.6	5.0	3.7	3.3		
	Rostelecom	8,012	n/a	69.7	58.5	20.4	18.3	16.2	3.4	3.4	3.2		
	Golden Telecom	3,698	43.3	31.6	23.6	16.3	11.5	8.7	4.4	3.2	2.6		
	MGTS	2,843	16.4	11.7	10.6	10.0	7.4	6.7	4.2	3.3	3.1		
	Uralsvyazinform	2,371	76.5	17.3	13.3	9.6	6.4	5.6	2.6	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	1,742	40.9	8.3	6.5	8.8	5.0	4.2	2.1	1.7	1.6		
	Northwest Telecom	1,841	39.2	15.6	15.0	9.0	6.1	5.6	2.9	2.3	2.1		
	Center Telecom	1,744	25.8	27.2	15.9	6.4	5.8	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>29,875</b>	<b>39.4</b>	<b>22.8</b>	<b>16.5</b>	<b>10.1</b>	<b>7.4</b>	<b>6.7</b>	<b>2.9</b>	<b>2.4</b>	<b>2.1</b>	
	RBC	1,046	26.5	27.3	13.0	15.7	10.8	7.8	4.6	3.6	2.9		
	CTC Media	3,609	24.4	18.7	14.7	14.6	11.4	9.1	6.9	5.4	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>5,143</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	52,338	7.0	8.4	11.2	4.5	5.6	7.6	3.3	3.6	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	22,169	12.8	11.8	11.4	6.8	6.3	6.1	1.7	1.6	1.6		
	Evraz Group	24,024	13.3	13.3	12.8	8.2	7.8	8.6	2.6	2.4	2.3		
	Mechel	10,404	13.0	13.8	15.7	7.9	8.1	8.1	2.0	1.9	1.8		
	NLMK	22,953	11.0	11.5	11.4	6.8	7.0	6.8	3.1	3.0	2.8		
	MMK	12,704	7.8	7.8	7.0	5.5	5.3	5.0	1.7	1.6	1.5		
	TMK	8,833	13.3	9.3	11.7	8.0	5.9	7.6	2.4	2.0	1.9		
	VSMPO	3,780	14.9	11.7	9.3	9.6	7.8	6.1	3.7	3.1	2.5		
		<b>Aggregate - metals and mining</b>	<b>165,304</b>	<b>16.2</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 *	230	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		<b>Aggregate - banks</b>	<b>230</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	6,657	32.8	23.9	17.2	15.0	11.1	8.9	1.6	1.1	0.8		
	Magnit	3,463	42.4	30.8	20.9	18.0	12.7	9.4	1.0	0.7	0.6		
	Seventh Continent	1,965	30.2	23.7	16.7	14.5	10.3	7.7	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)	5,706	12.3	11.1	9.2	7.5	6.9	5.6	2.4	2.1	1.8		
	Wimm-Bill-Dann	5,059	32.2	23.8	19.6	16.6	12.8	10.5	2.3	1.9	1.7		
		<b>Aggregate - FMCG</b>	<b>24,656</b>	<b>28.0</b>	<b>21.4</b>	<b>16.2</b>	<b>13.8</b>	<b>10.6</b>	<b>8.4</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)	2,278	22.7	18.2	13.9	15.2	13.0	10.8	2.4	2.1	1.8			
	<b>Aggregate valuation</b>	<b>984,177</b>	<b>13.2</b>	<b>12.2</b>	<b>11.4</b>	<b>8.5</b>	<b>7.9</b>	<b>7.4</b>	<b>2.6</b>	<b>2.4</b>	<b>2.3</b>		
	<b>FF-adj. MCAP W.A. valuation</b>	<b>283,659</b>	<b>16.2</b>	<b>15.1</b>	<b>14.0</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



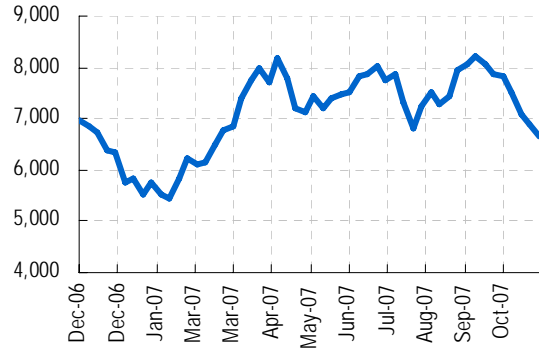
## Key commodities

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



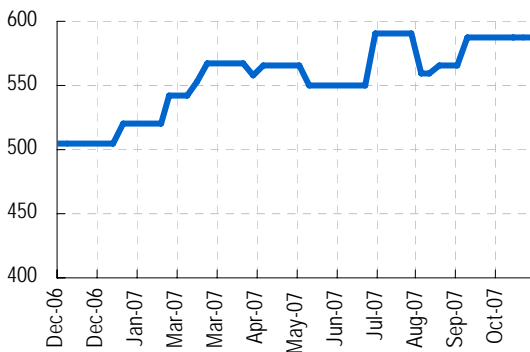
Source: Bloomberg

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



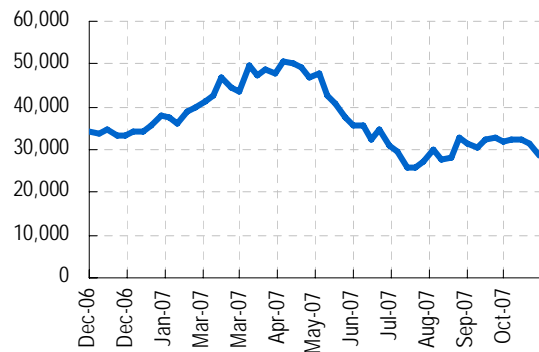
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



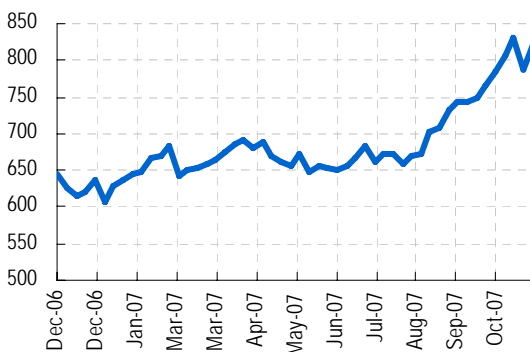
Source: Bloomberg

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



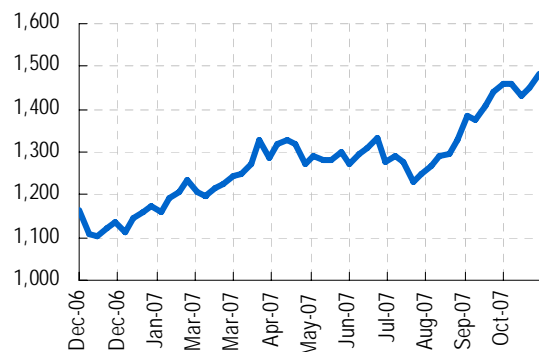
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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