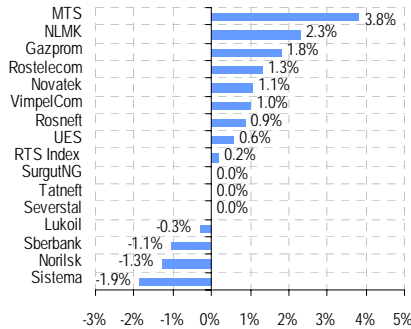
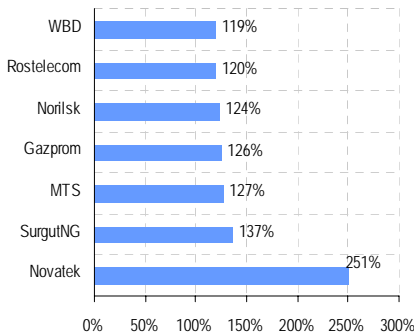


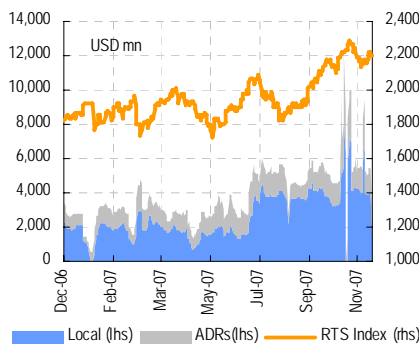
Blue chips: advancers and decliners



Volume monitor: daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

Today	Gazprom 2Q07 IFRS results
06 Dec	Sitronics 3Q07 US GAAP results
14-Dec	Wimm-Bill-Dann 3Q07 U.S. GAAP results
Mid Dec	OGK-1 9M2007 IFRS
Mid Dec	TGK-9 new share issue

Market

Despite negative momentum in international stock markets, Russian equities held their ground yesterday, steadied by Gazprom's positive gas tariff news. The RTS rose 0.2% to 2204 while the MICEX lost 0.2% to 1835. Pessimistic sentiment in metal markets could put further pressure on the sector today. Oil inventories, the ISM services survey, and productivity data from the US will attract attention this afternoon.

Top news and ideas

- Gazprom: Receives generous 2008 tariff price increases.** Industrial customers will be charged 25% more. We believe the increases prove the government's commitment to gas market restructuring, which will create a profitable market for all players.
- Gazprom: Ukraine accepts 38% gas price increase for 2008.** Gazprom proved its negotiating might by hammering out a deal, despite Ukraine's efforts to secure a lower price. In our view, Gazprom's CIS price increase policy is paying off, and should reap dividends in terms of greater profitability in coming years.
- Rosneft: CEO could be in his way out.** Speculation abounds that Monday's news of three VP resignations could be the trickle before the flood, and that the CEO may be included in a spate of top level departures. In our view, the company's strategy will remain unchanged, but we are concerned about the potential loss of experience.
- TGK-12: UES decides on share price.** UES recommended TGK-12's additional shares be sold at RUB75 per share, 8.7% higher than yesterday's closing price on the MICEX. We believe SUEK will most likely gain control of the company.

Other highlights

- Brief - Belarus is considering a potential sale of its controlling stake in its JV with MTS, the largest local GSM operator (*Vedomosti*).** Belarus, a country with high level of MOU (466 as of 3Q07), would contribute about 8% in MTS top-line, in our view.
- Prokhorov's 25% plus one share stake in Norilsk Nickel could be sold for USD12.7 bn to RusAl, a discount to the USD15.7 bn asked from Vladimir Potanin (*Moscow Times*).** This would indicate that the deal was closed a long time ago when the stock price was at a lower level. Anyway, we do not believe that RusAl would pay a 12.5% premium to buy this stake, as was the case with price asked from Potanin.

>>> More news on page 6

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,204	0.2%	2.3%	-1.1%	15.7%	21.0%
MSCI EM Europe Index	787	0.6%	1.9%	-0.2%	20.2%	24.8%
MSCI EM Index	1,247	0.3%	3.6%	-3.1%	14.9%	40.3%
S&P500 Index	1,463	-0.7%	2.4%	-2.6%	-0.6%	3.4%
OIX (Oil majors) Index	808	-0.8%	2.8%	-2.4%	7.0%	21.7%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	88.3	-1.1%	1.0%	-7.9%	17.7%	41.5%
Nickel, USD/ton	25,593	-3.8%	-9.6%	-19.3%	-8.7%	-25.6%
Steel (HR), USD/ton	595	1.3%	1.3%	1.3%	6.3%	17.8%
LT U.S. Treasury YTM	4.4%	4.4%	4.4%	4.6%	4.9%	4.6%
EMBI-Russia spread, bp	168	169	159	174	139	116
RUB/USD	24.46	24.42	24.31	24.68	25.59	26.25

Source: Datastream, Bloomberg

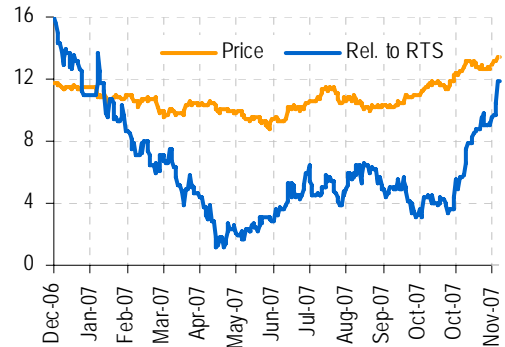
Gazprom: Receives generous 2008 tariff price increases

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	13.47	n/a	Not Rated	13.48/8.75	8.0%	31.9%	14.4%

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	4.2	3.9	3.6
EV/EBITDA	9.8	8.7	8.0
P/E	13.7	12.3	11.2
MCAP, USD mn	306,657	Com., mn	22,749
EV, USD mn	357,009	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Gazprom gets expected generous tariff increases. The Russian Federal Tariff Service announced yesterday the 2008 tariffs for wholesale gas to industrial customers, and for gas transportation from independent gas producers. According to the new tariffs, Gazprom can next year charge RUB1690 (USD69) per th cm to industrial consumers – a 25% y-o-y increase from this year's RUB1350 per th cm. For residential customers, the new price will be around RUB1290 (USD53) per th cm. In addition, independent gas producers including Novatek, Lukoil, etc. will have to pay 19% more for using Gazprom's gas transportation pipelines.

Increases in line with steps necessary to reach EU price-parity. The wholesale gas price increases are in line with market expectations and in accordance with previous guidance from Gazprom and the government. As discussed in previous Morning Calls, the long-term goal of these tariff increases is to bring domestic gas prices up to European netback prices (expected to be USD120-140 per th cm) by 2011. This would require generous price increases of approximately 20-25% each year until 2011 and would allow Gazprom to make profit on its domestic sales. Furthermore, this environment would give independent gas producers more incentives to develop gas deposits for the domestic market, allowing, in effect, Gazprom to focus on the more profitable export market. We believe that few analysts and investors had serious doubts that these increases would go through, even if some did argue that inflationary concerns may have led to lower increases.

Tariff increases will ultimately prove positive for all players. The tariff increase for gas transportation was also in concurrence with expectations. While it could cause some negative reactions in the short term, we believe independent gas producers will be able to pass through the gas transportation tariff increases to their end customers. In addition, these tariffs highlight the government's determination to move ahead with restructuring the gas sector with a gradual liberalization of domestic prices. Overall, positive news for all players, with Gazprom and Novatek the ones expected to benefit most.

Gazprom: Ukraine accepts 38% gas price increase for 2008

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

Gazprom, Ukraine agree 2008 gas price. Gazprom's press office announced yesterday that an agreement with Ukraine on gas price increases for next year has been reached. After a meeting between Gazprom CEO Alexei Miller and Ukrainian Energy Minister Yury Boyko yesterday, the two sides agreed to a 38% y-o-y increase. The price goes from USD130 per th cm in 2007 to USD179.50 per th cm next year. This price increase equals the price increase Gazprom agreed to for Turkmenistani gas in 2008 (30% in 1H08 and 50% in 2H08). In addition, the two sides agreed on a slight increase on the gas transit fees Ukraine charges Gazprom for volumes passing through its pipelines. The transit fee will go from USD1.6 per th cm per 100 kms to USD1.7 per th cm per 100 kms.

Gazprom proves negotiating power. The news fits perfectly with Gazprom's strategy, and is in line with our view that Gazprom has become a very powerful negotiator in the region. The total additional revenues drawn from the higher prices should reach USD2 bn at least, which compares favorably with the USD100-200 mn increase in the gas transit fees. Ukraine was pushing for a smaller increase (20-25%), but Gazprom was able to pass through the entire increase from the Turkmen agreement. This certainly puts an end to any speculation that supply disruptions or threats could take place this winter and, more importantly, improves Gazprom's negotiating position for its talks with all CIS neighbors. All in all, it appears that Gazprom's strategy to increase the prices of its CIS exports and gradually bringing them closer to European netbacks, is paying off. We see higher prices and greater profitability from CIS exports as a boon for Gazprom's bottom line in coming years.

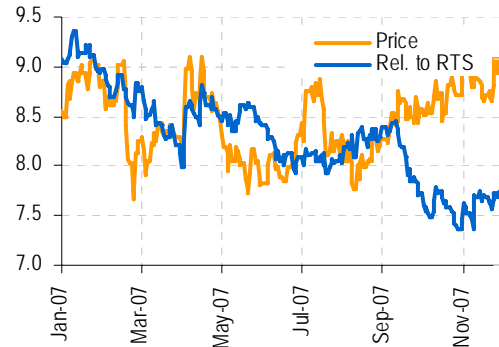
Rosneft: CEO could be in his way out

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.
ROSN RU	9.02	n/a	Not Rated	9.49/7.66	3.6%	10.0%	-2.9%

Financials, USD mn	2006A	2007E	2008E
Revenue	36,555	40,513	42,233
EBITDA	8,837	10,013	11,862
Net income	4,138	4,907	5,335
Revenue growth	39%	11%	4%
EBITDA growth	11%	13%	18%
Net income growth	23%	19%	9%
EBITDA margin	24%	25%	28%
Net margin	11%	12%	13%
EV/Revenue	3.0	2.7	2.6
EV/EBITDA	12.6	11.1	9.4
P/E	23.1	19.5	17.9
MCAP, USD mn	95,603	Com., mn	10,599
EV, USD mn	111,409	Pref., mn	
Free float	15%	Total, mn	10,599

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

More tremors in the Rosneft boardroom? Speculation continues as to what other changes might be made to Rosneft's senior management after the resignation of three vice presidents was announced Monday (see yesterday's Morning Call). *The Moscow Times* ran a story this morning claiming that four more key managers might leave the company, and, more importantly, that CEO Sergei Bogdanchikov could be on his way out. The newspaper story mentions the names of Dmitry Bogdanov, vice president for exports, Sun Ne Kim, chief accountant, Anatoly Baranovsky, vice president for budget and fiscal regulation, and Ramil Valitov, vice president for technical resources as all being ready to exit Rosneft. The common characteristic of these four managers and the three that resigned on Monday is that they have been loyal to Bogdanchikov. This, of course, points to a higher probability of the CEO resigning to pursue his political career, most likely as a regional governor.

Sechin favorite for CEO position. One of the more probable candidates for the CEO position would be Igor Sechin, Chairman of the BoD of Rosneft but also the powerful Chief of Staff of President Putin. Sechin has been involved in Rosneft for a long time and is considered to be one of the leading players behind the Yukos story. He would likely have to resign from his Chief of Staff position, as president Putin has clearly stated that all bureaucrats in big, state controlled corporations cannot keep their political posts.

Loss of experience the major concern. Every year speculation on possible resignations of senior managers in state controlled companies heats up during December and January. This year, elections have intensified speculation, with both Gazprom and Rosneft managers being part of the rumor mill. It seems, though, that in the case of Rosneft, there is a high probability of a general shake-up at the top, including replacing the CEO. This is, in our view, mostly part of internal political games, and this fact should remind investors of one of the largest weaknesses of Rosneft: it is still a state controlled company. While we do not yet know if this scenario will play out, and if so, who will get the top job, we do not expect big changes in terms of strategy. Our biggest concern is losing experienced operating managers, which may have negative impact on the company's execution, particularly on the downstream business.

TGK-12: UES decides on share price

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TGK-12 to sell additional shares at RUB75 per share. UES recommended that its representatives on the TGK-12 (Kuzbassenergo) board vote for pricing the company's additional shares at RUB75 per share, a UES spokeswoman said yesterday. The recommended price is 8.7% higher than yesterday's closing stock price of RUB68.99 per share. Overall Kuzbassenergo plans to sell a 14.16% post money stake in order to fund its investment plan, which may amount to as much as RUB9 bn (USD370 mn).

SUEK is most likely to gain control. Investors may submit bids for the company's shares from today (5 December 2007) until December 13. On December 14, Kuzbassenergo's board will discuss and possibly approve the results of the placement. UES will sell the state's 18.65% stake later in 2008. The delay in selling the state's stake is due to the fact that the TGK-12 stake was given to UES at the founding stage and can not be sold without the government's approval, which has not as yet been received. SUEK has already confirmed its intention to buy the additional shares with a view to maintaining its current share at the least, and we believe that it will most likely gain control over the company. We remind investors that if SUEK takes control, TGK-12 will most likely be part of the future JV between SUEK and Gazprom.

News Briefs

Oil & Gas

Imperial Energy Plc announced yesterday the issuance of a USD200 mn bond convertible to a 5.1 mn share or 10% of its equity. The proceeds will be used to buy three Chinese rigs and to pay down debt. The stock fell by 8.2% yesterday as investors fear the company's operating cash flows could be worse than previously thought.

Utilities

UES sells stakes in the supply company Perm and Kirovenergosbyt (Interfax). The 49% stake in Perm was sold for RUB1.257 bn, 50% higher than the starting price, while the stake in Kirivenergosbyt was sold at RUB302.2 mn, only RUB2 mn higher than the initial price. The mixed results of the supply companies auctions continue.

Telecoms and Technology

Sistema Mass Media, AFK Sistema's media arm (operating under Stream-TV brand), is considering the acquisition of several cable operators in Kursk (Interfax). The move is in line with Sistema's strategy of developing existing non-telecom businesses and expanding its portfolio of cable assets in the regions.

Volga Telecom completed the legal consolidation of its mobile assets, with a total expected subscriber base of 2.3 mn by end 2007. This should make the cellular business more competitive with the fixed-to-mobile convergent services envisaged later on. The company may now reflect mobile proceeds (13% of the top-line in 1H07) in RAS financials.

Metals & Mining

Mechel, the Russian metals and coal producer, may increase its syndicated loan from USD2 bn to USD2.3 bn to finance acquisitions (Interfax). The loan will finance Mechel's acquisition of the Yakut and Elga coal fields and could be completed by the mid December. The increase from the initial amount indicates better conditions on the credit market.

Consumer

AvtoVaz receives offer from GM (*Vedomosti*). Although the terms were not disclosed, sources close to the deal call it 'competitive'. AvtoVaz's deadline for partnership proposals expires on December 6, 2007. Potential candidates include Renault, Fiat and GM. In any event, the partnership would be strategic for both parties, as AvtoVaz would get additional production lines in exchange for its shares.

Other

Deputy Economy Minister Andrei Belousov forecasted that December inflation will reach 1-1.5%, which would take 2007 CPI close to 11.5% (Interfax). Moreover, Finance Minister Alexei Kudrin said yesterday that 2008 CPI will range around 7.5-8.5%, up from previous estimates of 6-7%. In our view, next year's CPI estimates will clearly have to rise further, depending, of course, on global oil and food prices.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	13.48	1.8%	6.6%	8.0%	31.9%	14.4%	17.2%	13.48/8.75
	Novatek	67.00	1.1%	3.2%	18.4%	32.7%	1.5%	5.5%	67/46.5
	Rosneft	9.02	0.9%	3.8%	3.6%	10.0%	-2.9%	-1.4%	9.49/7.66
	Lukoil	84.80	-0.3%	-1.3%	-7.2%	13.8%	-7.6%	-3.6%	95/71.9
	TNK-BP Holding	2.17	-0.2%	-0.9%	-5.3%	11.0%	-12.3%	-16.6%	2.6/1.67
	Surgutneftegaz	1.16	0.0%	-0.4%	-9.1%	-7.7%	-22.2%	-24.5%	1.53/1.07
	Gazprom Neft	5.17	0.0%	0.0%	4.4%	37.9%	22.8%	13.4%	5.3/3.7
	Tatneft	5.91	-0.7%	1.2%	-5.0%	18.5%	12.0%	18.2%	6.25/3.95
	Bashneft	15.40	0.0%	-0.6%	-4.3%	14.1%	-7.8%	-3.8%	17.2/12
	Transneft pref	1,880.00	0.0%	3.3%	-3.1%	20.1%	-20.7%	-18.1%	2495/1435
	Integra	14.80	0.7%	4.2%	-3.1%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	14.93	-3.2%	-7.2%	-18.2%	-26.5%	-21.0%	-25.4%	25.56/14.93
	West Siberian Resources	0.73	-2.3%	-1.1%	-15.1%	-10.2%	-39.4%	-36.5%	1.14/0.66
Utilities	UES	1.24	0.6%	1.7%	0.1%	1.4%	34.4%	22.7%	1.37/0.92
	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%	3.6%	-2.1%	5.5%	39.5%	16.7%	0.18/0.1
	OGK-4	0.13	0.0%	2.9%	3.3%	11.6%	71.4%	66.0%	0.13/0.08
	OGK 5	0.17	-0.6%	0.7%	1.5%	7.1%	45.4%	30.6%	0.18/0.11
Telecoms and technology	OGK-6	0.13	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.11
	MTS	95.19	3.8%	7.4%	11.6%	50.4%	88.6%	89.7%	95.19/45.81
	Sistema	39.25	-1.9%	3.6%	8.1%	38.4%	33.7%	22.7%	40.6/25.85
	VimpelCom	34.49	1.0%	0.0%	13.5%	40.5%	110.2%	118.4%	36/14.79
	Comstar	11.40	0.0%	11.7%	-7.7%	7.8%	62.9%	35.7%	13.71/6.92
	Rostelecom	10.87	1.3%	7.6%	10.7%	10.4%	66.7%	42.1%	10.87/6.45
	Golden Telecom	104.04	-0.5%	3.1%	4.4%	52.4%	167.8%	122.1%	108.85/38.85
	MGTS	32.84	1.1%	8.8%	8.2%	3.2%	37.1%	23.2%	34.29/22.32
	Uralsvyazinform	0.06	-1.2%	0.6%	-2.5%	5.2%	21.7%	-8.5%	0.07/0.05
	Volga Telecom	5.81	0.0%	-1.5%	1.0%	25.8%	29.1%	-4.0%	6.6/4.47
	Sibirtelecom	0.12	-1.2%	0.4%	3.9%	23.6%	18.3%	6.2%	0.13/0.09
	Northwest Telecom	1.73	-1.6%	-1.2%	-6.2%	11.3%	11.9%	1.0%	1.92/1.23
	Center Telecom	0.91	1.1%	0.6%	-1.1%	0.6%	32.1%	20.7%	1/0.66
	Southern Telecom	0.21	0.0%	0.0%	9.1%	23.5%	37.3%	16.7%	0.23/0.15
	Dalsvyaz	5.40	0.0%	-1.8%	1.9%	17.4%	50.0%	29.8%	5.7/3.46
	Bashinformsvyaz	0.16	-6.1%	-6.1%	-8.2%	-8.8%	-13.2%	-29.0%	0.23/0.16
	Metals and mining	RBC	9.37	-0.2%	3.2%	0.7%	11.7%	-22.8%	-23.7%
Sitronics		5.43	1.9%	-4.7%	-23.5%	-7.7%	n/a	n/a	12/5
CTC Media		24.18	0.2%	1.5%	-3.2%	-2.1%	15.0%	0.7%	28.77/19.59
Rambler Media		32.50	1.7%	0.0%	-11.7%	-23.5%	-3.4%	-3.7%	55/31.79
Norilsk Nickel		272.40	-1.3%	-4.8%	-11.4%	25.0%	75.7%	73.5%	309.9/135.5
Polyus Gold		42.20	0.0%	-0.5%	-7.3%	1.9%	-17.5%	-14.4%	55.25/38.3
Severstal		22.45	0.0%	2.0%	-3.6%	33.6%	87.9%	100.4%	23.84/10.85
Evrast Group		77.30	0.4%	12.8%	5.2%	52.5%	204.6%	200.9%	82.6/24.5
Mechel		89.64	-5.8%	16.3%	11.4%	102.0%	253.3%	251.8%	95.18/23.73
NLMK		40.00	2.3%	4.4%	-2.4%	23.8%	63.3%	72.0%	44.89/20.8
MMK		1.34	-0.7%	7.2%	-1.5%	19.6%	74.0%	54.0%	1.4/0.77
Industrials, consumer, banks	TMK	45.00	1.1%	11.1%	3.8%	12.5%	n/a	28.6%	46.99/28.63
	VSMPO	310.00	-1.6%	-1.6%	-2.5%	9.2%	21.6%	5.8%	330/255
	Sberbank	4.21	-1.1%	2.2%	-2.1%	13.5%	67.7%	22.0%	4.42/2.51
	Rosbank	7.35	4.5%	4.8%	-3.8%	0.0%	20.1%	-5.6%	7.67/5.64
	X5	31.34	1.1%	1.9%	-8.4%	-7.3%	21.5%	20.5%	37.5/24.6
	Seventh Continent	26.30	0.0%	0.4%	0.8%	3.5%	0.0%	-1.5%	29.3/24.1
	Dixy Group	13.95	0.0%	0.7%	0.5%	9.9%	36.4%	29.6%	15.6/13.85
	Magnit	46.25	-0.5%	-3.8%	0.5%	9.9%	36.4%	29.6%	48.45/33.75
	Wimm-Bill-Dann	108.87	-6.1%	-5.3%	-8.2%	0.2%	110.2%	63.6%	134.62/51.8
	Lebedyansky	83.00	-6.2%	-6.2%	-10.8%	-4.6%	3.4%	3.8%	99/73.5
	Nutritek	51.50	-1.4%	-2.6%	-1.0%	5.2%	21.0%	15.1%	53.8/44.9
	Baltika (euro)	34.53	0.9%	2.9%	5.1%	5.2%	21.0%	15.1%	36.96/31.59
	Razgulay	5.16	0.2%	3.2%	-0.8%	28.4%	28.7%	29.0%	5.45/3.6
	Severstal Auto	48.60	0.2%	-0.8%	1.3%	18.5%	78.7%	60.7%	51.1/27
	AvtoVAZ	1.80	0.0%	0.0%	3.7%	32.8%	63.6%	64.4%	1.8/0.67
	Aeroflot	3.60	0.0%	0.0%	3.7%	32.8%	63.6%	64.4%	3.6/2.17
	Veropharm	48.60	-0.8%	0.7%	4.5%	8.0%	62.0%	53.1%	49.2/29.1
	Apteka 36.6	67.00	-1.5%	-11.0%	-11.0%	-15.7%	28.8%	15.0%	96.1/52
	Pharmstandard	23.80	0.8%	17.8%	9.2%	41.2%	n/a	n/a	23.8/13.6
Kalina	43.40	0.0%	0.0%	5.2%	18.9%	-9.1%	-15.7%	51.5/34.25	
Oriflame (euro)	41.84	0.5%	3.2%	5.4%	4.2%	47.7%	39.4%	44.07/28	
Cherkizovo	13.38	-0.9%	1.7%	-9.0%	10.3%	-6.1%	-1.6%	17.35/11.05	
Sistema Hals	8.80	0.0%	-4.1%	-11.6%	-19.0%	n/a	-33.8%	15.05/8.8	
RTS Index	2,204.42	0.2%	2.3%	-1.1%	15.7%	21.0%	14.7%	2288.15/1724.69	

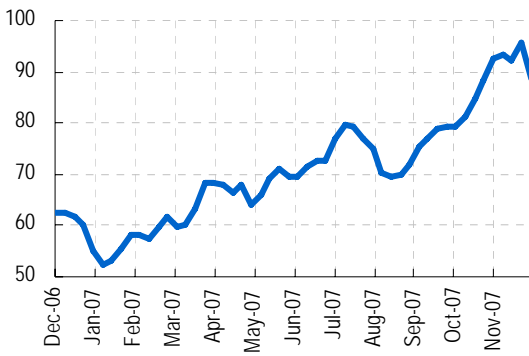
Source: Bloomberg

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	306,657	13.7	12.3	11.2	9.8	8.7	8.0	4.2	3.9	3.6		
	Novatek	20,341	29.5	21.8	16.6	18.5	14.1	11.0	8.8	6.8	5.1		
	Lukoil	72,165	9.7	10.3	10.4	6.5	6.8	6.7	1.2	1.2	1.2		
	Rosneft	95,603	23.1	19.5	17.9	12.6	11.1	9.4	3.0	2.7	2.6		
	Surгутneftegaz	46,231	11.0	11.3	13.6	5.3	5.5	6.1	1.9	1.8	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	13,345	10.6	11.4	11.9	6.5	7.4	8.3	1.2	1.3	1.3		
	Bashneft	2,618	5.7	6.4	6.8	3.2	3.7	3.8	0.7	0.8	0.8		
	Transneft pref	12,994	5.8	5.0	4.5	4.0	3.3	2.9	2.2	1.8	1.7		
	West Siberian Resources	865	26.2	21.8	8.2	8.6	6.4	4.0	3.2	2.3	1.7		
	Aggregate - oil and gas	594,465	13.0	11.8	11.3	7.9	7.3	6.9	2.7	2.4	2.2		
Utilities	UES	50,851	33.7	29.7	20.0	17.4	14.1	10.2	3.4	3.0	2.6		
	Mosenergo	6,996	73.6	29.4	19.2	16.4	11.4	7.5	2.3	2.0	1.6		
	OGK-1	5,134	n/a	56.4	38.6	42.3	27.8	19.9	4.7	4.2	3.4		
	OGK-2	3,389	n/a	42.4	23.9	186.4	21.1	12.6	3.8	3.2	2.6		
	OGK-3	6,791	n/a	79.9	48.5	98.4	38.7	34.8	8.9	7.3	6.4		
	OGK-4	6,525	n/a	n/a	53.9	81.2	48.9	26.8	6.8	6.2	4.8		
	OGK 5	6,176	52.3	64.3	45.7	66.2	30.1	22.2	6.5	5.0	4.2		
	OGK-6	3,475	43.4	27.5	14.8	19.1	15.0	9.7	3.2	2.7	2.2		
	Aggregate - utilities	89,337	24.3	27.2	21.1	34.5	15.5	11.6	3.3	2.9	2.5		
Telecoms and technology	MTS	37,981	30.5	21.4	19.1	12.6	10.7	9.8	6.4	5.3	4.9		
	Sistema	18,958	21.0	15.7	14.4	10.1	8.4	7.7	3.7	3.4	3.1		
	VimpelCom	35,373	43.6	29.5	26.1	15.2	12.4	11.4	7.7	6.2	5.7		
		Aggregate - mobile telecoms	92,312	31.7	22.2	19.9	12.7	10.5	9.6	5.9	5.0	4.6	
	Comstar	4,765	58.1	42.9	13.9	16.5	9.5	8.2	5.4	4.1	3.6		
	Rostelecom	8,573	n/a	74.5	62.6	21.9	19.6	17.4	3.7	3.7	3.4		
	Golden Telecom	3,813	44.6	32.6	24.3	16.8	11.9	9.0	4.5	3.3	2.6		
	MGTS	3,084	17.8	12.7	11.4	10.8	7.9	7.2	4.5	3.5	3.3		
	Uralsvyazinform	2,381	76.8	17.4	13.4	9.6	6.4	5.6	2.7	2.3	2.1		
	Volga Telecom	1,765	22.6	13.3	11.0	7.0	5.4	4.8	2.5	2.1	1.9		
	Sibirtelecom	1,744	40.9	8.3	6.5	8.8	5.0	4.2	2.1	1.7	1.6		
	Northwest Telecom	1,823	38.8	15.4	14.8	8.9	6.0	5.5	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	658	50.6	13.7	9.4	8.9	5.2	4.1	2.3	1.6	1.5		
	Bashinformsvyaz	158	6.9	7.4	4.3	3.1	2.9	n/a	1.0	0.9	0.7		
	Sitronics	1,037	24.0	11.3	8.2	6.8	4.7	3.8	0.6	0.5	0.4		
		Aggregate - fixed line telecoms	31,264	40.1	23.7	17.0	10.4	7.7	7.0	3.0	2.5	2.2	
RBC	1,078	27.3	28.2	13.4	16.2	11.1	8.1	4.8	3.7	3.0			
CTC Media	3,663	24.8	19.0	14.9	14.8	11.5	9.3	7.0	5.5	4.4			
Rambler Media	488	40.3	20.2	13.2	24.6	11.1	7.7	6.1	3.5	2.7			
	Aggregate - media	5,229	30.8	22.4	13.8	18.5	11.3	8.4	6.0	4.2	3.4		
Metals and mining	Norilsk Nickel	49,849	6.7	8.0	10.7	4.3	5.3	7.3	3.1	3.5	4.1		
	Polyus Gold	8,060	38.5	50.1	57.4	18.0	21.5	21.4	7.7	8.1	8.1		
	Severstal	22,623	13.1	12.1	11.7	7.0	6.4	6.2	1.7	1.7	1.6		
	Evrast Group	27,110	15.1	15.0	14.4	9.0	8.7	9.5	2.9	2.7	2.6		
	Mechel	12,098	15.1	16.0	18.3	9.2	9.4	9.4	2.3	2.2	2.1		
	NLMK	23,972	11.5	12.0	11.9	7.1	7.3	7.1	3.3	3.2	3.0		
	MMK	13,618	8.4	8.4	7.5	5.9	5.7	5.3	1.8	1.7	1.6		
	TMK	9,810	14.8	10.3	13.0	8.9	6.6	8.4	2.7	2.2	2.1		
	VSMPO	3,720	14.6	11.5	9.1	9.4	7.6	6.0	3.7	3.1	2.4		
		Aggregate - metals and mining	170,860	16.8	16.6	16.8	9.7	9.0	8.9	3.5	3.3	3.1	
Industrials, consumer, banks	Sberbank *	241	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		Aggregate - banks	241	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	
	X5	6,784	33.4	24.3	17.5	15.2	11.3	9.1	1.6	1.1	0.9		
	Magnit	3,330	40.8	29.6	20.1	17.4	12.2	9.1	1.0	0.7	0.6		
	Seventh Continent	1,973	30.3	23.8	16.8	14.5	10.4	7.7	1.5	1.1	0.8		
	Lebedyansky	1,694	16.8	14.3	12.5	10.9	9.0	7.9	2.0	1.7	1.5		
	Baltika (euro)	5,887	12.7	11.4	9.5	7.7	7.1	5.7	2.4	2.2	1.8		
	Wimm-Bill-Dann	4,790	30.5	22.5	18.5	15.7	12.2	10.0	2.2	1.8	1.6		
		Aggregate - FMCG	24,459	27.4	21.0	15.8	13.6	10.4	8.2	1.8	1.4	1.2	
	Razgulay	547	25.7	12.4	11.5	8.7	6.1	5.8	1.1	0.9	0.9		
	Severstal Auto	1,652	26.4	16.7	15.1	13.5	9.3	7.6	1.9	1.3	1.0		
	AvtoVAZ	52	0.4	0.4	0.2	1.4	1.3	n/a	0.1	0.1	0.1		
	Aeroflot	4,000	13.8	15.6	12.4	9.7	8.7	6.9	1.4	1.2	1.0		
	Veropharm	486	19.8	14.7	11.5	12.6	9.7	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)	2,331	23.2	18.6	14.2	15.5	13.3	11.0	2.4	2.2	1.9			
	Aggregate valuation	1,017,657	13.7	12.6	11.8	8.8	8.2	7.7	2.7	2.5	2.3		
	FF-adj. MCAP W.A. valuation	293,388	16.8	15.7	14.4	10.6	9.0	8.4	3.8	3.4	3.2		

Source: MDM estimates, IBES consensus

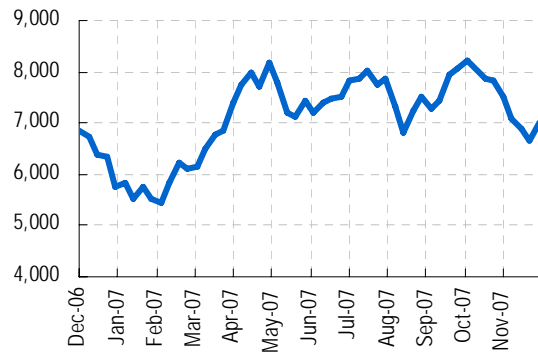
Key commodities

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



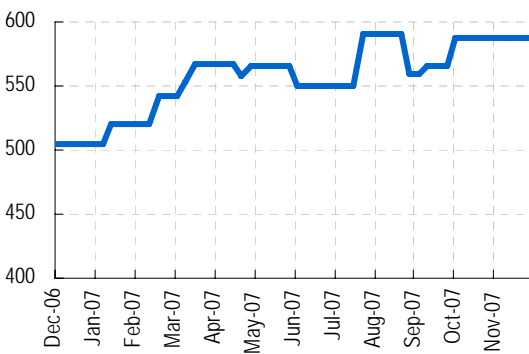
Source: Bloomberg

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



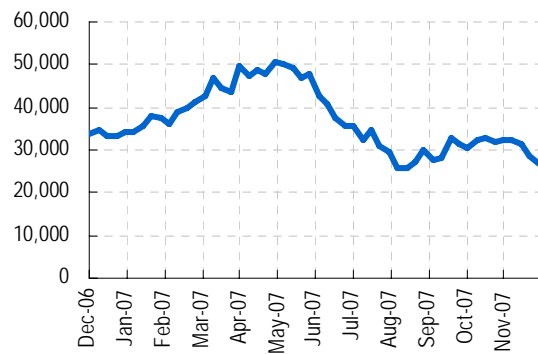
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



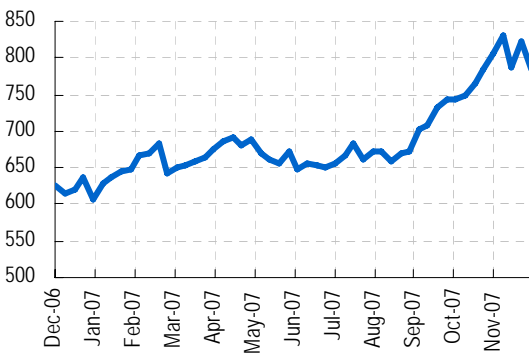
Source: Bloomberg

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



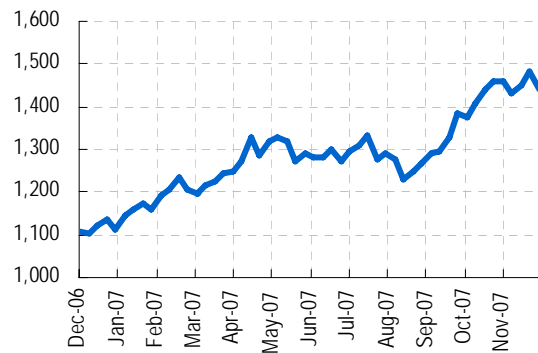
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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