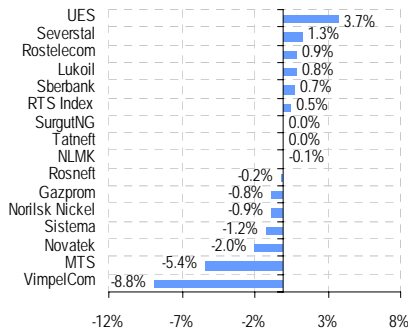
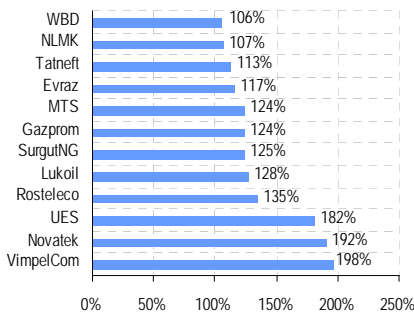


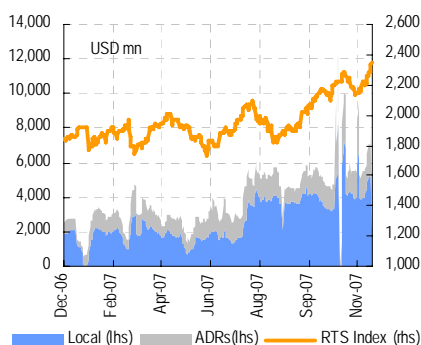
Blue chips: Advancers and decliners



Volume monitor: Daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

12 Dec	LUKoil 3Q07 US GAAP results
14 Dec	Wimm-Bill-Dann 3Q07 US GAAP results
20 Dec	VTB 3Q07 IFRS results
Mid Dec	OGK-1 9M07 IFRS results
Mid Dec	TGK-9 new share issue

Market

- Russian equities continued to benefit from political developments yesterday, with the RTS gaining 0.5% to 2343 and the MICEX inching 0.3% to 1951, both new records. Nevertheless, yesterday's negative session in the US after the Fed's decision and statement may lead to a weak opening today. Lukoil's 3Q07 financials and US oil inventory data should catch the eye this afternoon.

Top news and ideas

- Lukoil: Consensus calls for flat net income in 3Q07.** We believe the recent stock rally reflects an optimistic scenario for today's results and we do not discount profit taking today – even if results come slightly above consensus.
- UES: Shareholders repurchasing surpasses legal limit.** The value of shares offered by UES shareholders for repurchase exceeded the legal 10% of net assets limit (RUB102 bn) and reached RUB103 bn. UES plans to make a public offer.
- Mechel: Reports robust 3Q07 financials.** Mechel continues to benefit from healthy prices, high demand, positive changes in its mix, and disciplined cost containment. A mining segment spin-off may provide a catalyst for the share price; however, the amazing rally of late has made the stock valuation demanding.
- Politics: Medvedev calls on Putin to take PM job.** We believe that a smooth transition of power and continuation of policies is of key importance. We do not expect these political developments to be a catalyst for the Russian markets.

Other highlights

- Brief - Transneft has asked the Russian Federal Tariff Service for a 20% increase in transport fees for next year (Interfax).** This is supposed to cover the extra costs of ESPO pipeline construction, but we note that no final decision has been made yet. However, this proposal is higher than the 10-15% increase we expect.
- Brief - Evraz, the Russian steelmaker, has announced the purchase of two iron-ore complexes and three coking plants in Ukraine for an undisclosed amount.** Expansion in Ukraine and other CIS countries makes strategic sense and is part of the previously announced plans of Evraz.

>>> More news on page 6

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,343	0.5%	6.3%	4.4%	23.3%	27.2%
MSCI EM Europe Index	832	-0.8%	2.3%	6.1%	25.8%	32.9%
MSCI EM Index	1,279	0.2%	0.8%	3.8%	17.4%	46.1%
S&P500 Index	1,478	-2.4%	1.0%	2.7%	0.4%	4.7%
OIX (Oil majors) Index	831	-1.8%	2.8%	4.9%	7.8%	26.2%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	90.0	2.5%	1.0%	-6.5%	15.1%	47.0%
Nickel, USD/ton	26,003	0.8%	1.6%	-18.9%	-2.8%	-25.1%
Steel (HR), USD/ton	595	0.0%	0.0%	1.3%	5.3%	17.8%
LT U.S. Treasury YTM	4.5%	4.6%	4.4%	4.6%	4.7%	4.7%
EMBI-Russia spread, bp	155	144	150	168	146	106
RUB/USD	24.49	24.53	24.46	24.48	25.57	26.24

Source: Datastream, Bloomberg

Lukoil: Consensus calls for flat net income in 3Q07

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.
LKOH RU	91.15	n/a	Not Rated	95/71.9	1.7%	22.2%	2.5%
Financials, USD mn				Price performance, USD			
	2006A	2007E	2008E				
Revenue	71,790	75,890	74,108				
EBITDA	13,464	13,780	13,040				
Net income	8,271	8,376	7,202				
Revenue growth	21%	6%	-2%				
EBITDA growth	14%	2%	-5%				
Net income growth	16%	1%	-14%				
EBITDA margin	19%	18%	18%				
Net margin	12%	11%	10%				
EV/Revenue	1.2	1.1	1.2				
EV/EBITDA	6.4	6.2	6.6				
P/E	9.4	9.3	10.8				
MCAP, USD mn	77,569	Com., mn	851				
EV, USD mn	85,538	Pref., mn					
Free float	45%	Total, mn	851				

Source: Datastream, IBES consensus

Source: Bloomberg

Flat income and margin deterioration expected. Lukoil is expected to report its 3Q07 US GAAP results today, with a conference call scheduled later in the day. The Bloomberg consensus of eight analysts was published yesterday with estimates calling for a flat y-o-y net income figure of USD2.43 bn, a 6% y-o-y increase in EBITDA and a 17% increase in sales. These numbers would result in EBITDA margin deterioration to 18.4% from 20.2% a year ago and 19.5% last quarter.

Surprises on top line not likely. The company has already announced preliminary output figures, somewhat negating the possibility of the results containing any big shocks. Asset disposals and slightly higher than expected decline rates in some mature fields led to a 1.1% y-o-y decline in oil output in 3Q07, while natural gas fell by 13% due to Gazprom pipelines accepting less gas. Total oil and gas output will probably fall by 2.5%. However, refining throughput increased 7% y-o-y on more favorable taxation for domestic refiners. In terms of price realizations, the Urals benchmark averaged 10% higher than 3Q06 which should boost the top line.

Stock rally probably reflects a very good set of numbers. More interesting, in our view, will be to see to what extent cost inflation (particularly in production costs), ruble appreciation, higher extraction taxes and higher export duties will affect the company's EBITDA per barrel and bottom line numbers. To a certain degree, consensus numbers already reflect these negative developments, but they could be nonetheless exacerbated by the declines in production volumes. In our view, the recent rally in the stock reflects an optimistic scenario for today's results, and we would not rule out a profit taking mood even if they come slightly above consensus. We do not officially cover this stock.

Positive announcements on Venezuela and Iraq. In other news, Lukoil made two positive announcements yesterday, as, we note, is usually the case before reporting quarterly results. First, the company said that it may be able to book reserves for the Junin 3 block in Venezuela in February, which could contain large heavy crude reserves. Second, the company may start preliminary work (rebuilding water pumps) in one of the West Qurna-2 fields in Iraq, which could mean that talks with Iraq's government are becoming more positive on West Qurna-2.

Lukoil 3Q07 median estimates, USD bn

	3Q07 Consensus	3Q06 Actual	YoY change	High/Low estimates
Revenue	21.5	18.4	17%	22.5/19.4
EBITDA	3.95	3.71	6%	4.4/3.5
Net Income	2.43	2.43	0%	2.9/2.24
EBITDA Margin	18.4%	20.2%		
Net Margin	11.3%	13.2%		

Source: Bloomberg

UES: Shareholders repurchasing surpasses legal limit

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Bloomberg ticker	Company name	Price, USD	Rating	12M High/Low	2007 P/E	2007 EV/EBITDA	MCAP, USD mn
EESR RU	RAO UES	1.34	Not Rated	1.37/0.92	31.5	17.1	54,791

Source: IBES consensus, Data Stream

Unexpected scenario for UES. Despite the forecast made by UES CEO Anatoly Chubais recently, the value of shares offered by UES shareholders for repurchase finally exceeded the 10% of net assets (RUB102 bn) limit, reaching RUB103 bn. Overall, UES will repurchase 2.829 bn common shares and 409.6 mn preferred shares for RUB90.98 bn and RUB12.059 bn respectively, a UES spokeswoman told Interfax yesterday. As the total value of shares offered came higher than the maximum amount the company may repurchase according to the law, the offers will be satisfied proportionally.

Repurchased shares to be sold on market. UES plans to finalize the buyback deals with shareholders before January 9, 2008. After that, the company will make a public offer to investors, said Interfax's unnamed source. The minimum amount of shares in a lot will be 10 mn. We remind investors that UES had previously intended to sell the repurchased shares to VTB and Sberbank, but now the company appears to have changed its plans. The price of the offer should be not less than the price at which the shares had been bought, i.e. RUB32.15/share for common shares and RUB29.44/share for prefs.

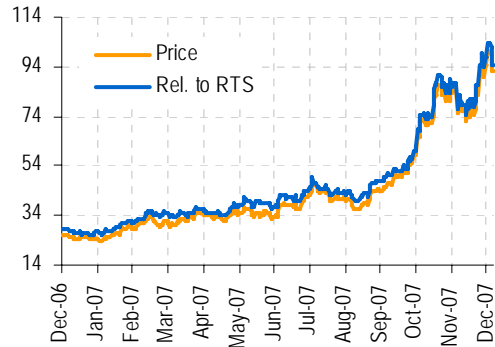
Mechel: Reports robust 3Q07 financials

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
MTL US	92.62	n/a	Not Rated	99.89/23.73	22.9%	104.3%	260.0%

Financials, USD mn	2006A	2007E	2008E
Revenue	5,697	7,101	7,513
EBITDA	1,534	2,106	2,124
Net income	870	1,173	1,160
Revenue growth	5%	25%	6%
EBITDA growth	-23%	37%	1%
Net income growth	-30%	35%	-1%
EBITDA margin	27%	30%	28%
Net margin	15%	17%	15%
EV/Revenue	2.2	1.8	1.7
EV/EBITDA	8.2	6.0	5.9
P/E	14.4	10.7	10.8
MCAP, USD mn	12,500	Com., mn	135
EV, USD mn	12,639	Pref., mn	
Free float	23%	Total, mn	135

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Results already priced in. Mechel, the Russian steelmaker and miner, yesterday reported its 9M07 financials. Results came back to earth after the impressive first two quarters of the year but were still good by industry standards. Net income rose by 14% y-o-y in 3Q07 and EBITDA by 10% y-o-y. However, the stock suffered a 6% loss yesterday as a “sell the fact” effect and some profit taking after its recent rally took their toll. In addition, Mechel CEO Igor Zyuzin said in the conference call that the company is considering spinning-off its mining segment.

Mining segment with impressive margin improvement. The key driver was once again the mining segment, where revenues rose just 9% y-o-y in 3Q07 but EBITDA (up 108%) and net income (up 140%) more than doubled. Volumes in this segment continued along the same patterns seen thus far this year, with coal increasing 8% y-o-y over 9M07 and nickel rising by 22% in the same period. Clearly, the company benefited from the strong pricing environment across the board, while management added that conditions also remain favorable in the last quarter of the year due to ‘infrastructural challenges’. The most surprising point came from their cost management where it seems that the excellent job continues, driving the EBITDA margin up to 56% in 3Q07.

Steel segment sees negative growth. In the more important (as a percentage of sales) steel segment the company’s performance dipped below expectations. While revenue advanced by 24% in 3Q07, EBITDA fell 3% and net income 18% y-o-y driven by margin deterioration (EBITDA margin falling to 19%). Volumes continued their YTD trends, with coke up 77%. Changes in the sales mix, with more hardware and less billets positively affected revenue growth, but a still high percentage of low value products and changes in their production costs had a negative impact on the segment’s income.

Gap between segments grows. Overall, the company continues benefiting from strong prices, strong demand – as seen in their volume growth data – positive changes in the sales mix and an effective cost containment effort. The gap between the two segments in terms of profitability keeps widening, which could at some point raise questions as to the most efficient capital allocation between them. The stock has been one of the best performing Russian stocks of this year – and, indeed, of the last four months – bringing its valuation to particularly lofty heights, in our view. The stock’s current standing means an extremely robust global economic outlook is needed for next year in order for the story to work out. We do not officially cover this stock.

Mechel, 3Q07 Financials, USD,mn						
TOTAL	9M07	9M06	YoY	3Q07	3Q06	YoY
Revenue	4647	3142	48%	1660	1215	37%
EBITDA	1205	669	80%	391	357	10%
Net Income	706	372	90%	217	190	14%
EBITDA margin	25.9%	21.3%		23.6%	29.4%	
Net margin	15.2%	11.8%		13.0%	15.7%	
Mining Segment						
Revenue	1266	952	33%	369	339	9%
EBITDA	654	255	156%	205	108	90%
Net Income	395	133	197%	132	55	140%
EBITDA margin	51.7%	26.8%		55.6%	31.9%	
Net margin	31.2%	14.0%		35.8%	16.3%	
Steel Segment						
Revenue	3129	2154	45%	1040	841	24%
EBITDA	593	404.6	47%	201	207	-3%
Net Income	359.7	231.6	55%	105	128	-18%
EBITDA margin	19.0%	18.8%		19.3%	24.6%	
Net margin	11.5%	10.8%		10.1%	15.2%	

Source: Company Data

Politics: Medvedev calls on Putin to take PM job

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The most likely scenario realized. Dmitry Medvedev, current president Putin's favoured presidential candidate, yesterday called on the president to take on the role of prime minister after the March presidential elections. In his first public statements after he was chosen as Putin's nominee, he completed the post-March political scene jigsaw. The scenario that most political analysts and investors have been discussing in recent months seems to be the one closer to becoming reality. Back in early October, President Putin had implied that he would be interested in the prime minister job if United Russia won a constitutional majority in the parliamentary elections and if the new president is a trustworthy person. Apparently, the second precursor will be fulfilled if Medvedev wins the March elections. Although Putin did not confirm this yesterday, we do not believe that Medvedev would have made such statements without consulting with Putin. In addition, we note that Sergei Ivanov, the other major contestant for the presidency until recently, declared his full support for Medvedev yesterday.

Not a stock catalyst. All in all, we are not at all surprised by the news and also believe that the stock market anticipated this or a very similar scenario. The important point, in our view, is the smooth transition of power and the continuation of policies. Medvedev yesterday implied that he does not intend to move ahead with a large government shake-up, which likely means that the critical MEDT and Finance ministers will keep their jobs. The fact that Putin will have such an active role assures, in our view, that the same group will maintain its power and will govern on the same principles and policies. Although it is possible to see some transfer of responsibilities to the prime ministerial remit, we do not see that as a threat for economic stability. The market's overall reaction to the news on Monday and Tuesday was a mere 2% out-performance compared to world's emerging markets, validating our point that these political developments are not going to be a catalyst for the Russian market.

News Briefs

Oil and Gas

TNK partners are not currently holding any talks to sell their TNK-BP stakes after the lock out period expires at the end of this month (Interfax). This is not the first time they have denied the rumours, which could be telling, but at this point we would not rule out any scenarios.

Economics

The Federal Customs Service announced yesterday that the country's trade surplus shrunk by 13% to USD121.6 bn in the first ten months of the year, with a 13% y-o-y increase in exports and an impressive 47% increase in imports. These figures are close to market expectations based on strong consumer spending and import growth. In addition, the Finance Ministry said that the 11M07 federal budget surplus fell to USD70 bn, achieving 93% of planned revenues and 78% of planned expenditures in line with YTD trends.

Industrials, Consumer, Banks

Pharmacy Chain 36.6 has announced the acquisition of a six-storied building, to be refurbished as a hospital (*Vedomosti*). The hospital will open its doors in 2008 and service the premium segment. In addition to its retail expansion, 36.6 continues to diversify through adding medical centers, which we consider strategically rational as municipal hospital numbers are declining, and can only be sustained through the private sector.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	14.43	-0.8%	7.0%	10.4%	40.0%	27.4%	25.5%	14.55/8.75
	Novatek	75.30	-2.0%	12.4%	32.1%	52.7%	15.2%	18.6%	76.8/46.5
	Rosneft	9.58	-0.2%	6.2%	7.0%	16.5%	2.5%	4.7%	9.6/7.66
	Lukoil	91.15	0.8%	7.5%	1.7%	22.2%	2.5%	3.6%	95/71.9
	TNK-BP Holding	2.17	-0.4%	0.2%	-4.9%	11.3%	-13.0%	-16.4%	2.6/1.67
	Surgutneftegaz	1.26	0.0%	9.1%	2.4%	2.4%	-14.3%	-17.6%	1.53/1.07
	Gazprom Neft	5.90	5.4%	14.1%	11.3%	57.8%	37.2%	29.4%	5.9/3.7
	Tatneft	6.15	-1.8%	4.2%	-1.3%	21.0%	19.2%	23.1%	6.26/3.95
	Bashneft	16.20	5.2%	5.2%	0.0%	15.7%	-5.8%	1.3%	17.2/12
	Transneft pref	2,105.00	4.7%	12.0%	5.8%	31.6%	-11.0%	-8.3%	2495/1435
	Integra	14.80	-0.1%	0.0%	-5.4%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	14.56	-3.9%	-2.5%	-21.1%	-27.6%	-22.6%	-27.2%	25.56/14.56
West Siberian Resources	0.75	-1.2%	2.4%	-8.1%	-6.3%	-35.8%	-35.0%	1.1/0.66	
Utilities	UES	1.34	3.7%	7.7%	8.9%	14.0%	40.6%	32.3%	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	0.14	n/a	n/a	n/a	n/a	n/a	n/a	0.18/0.12
	OGK-3	0.15	2.1%	3.5%	1.4%	9.2%	41.1%	20.8%	0.18/0.1
	OGK-4	0.13	0.5%	-0.2%	2.2%	11.4%	67.8%	65.8%	0.13/0.08
	OGK-5	0.18	-0.3%	0.4%	1.8%	10.4%	44.6%	31.0%	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	93.80	-5.4%	-1.5%	4.2%	47.9%	90.6%	86.9%	99.16/45.81
	Sistema	40.00	-1.2%	1.9%	0.5%	35.6%	33.6%	25.0%	41.9/25.85
	VimpelCom	37.08	-8.8%	7.5%	24.5%	40.5%	131.8%	134.8%	40.67/14.79
	Comstar	12.24	-0.5%	7.4%	-4.0%	14.9%	66.5%	45.7%	13.71/7.35
	Rostelecom	11.95	0.8%	9.9%	23.2%	20.7%	81.1%	56.2%	11.95/6.6
	Golden Telecom	105.47	-0.9%	1.4%	14.0%	50.2%	139.9%	125.2%	108.85/43.82
	MGTS	33.14	-1.5%	1.1%	8.0%	8.0%	33.1%	24.6%	34.29/22.95
	Uralsvyazinform	0.07	-1.7%	3.1%	-3.2%	11.1%	12.8%	-5.6%	0.07/0.05
	Volga Telecom	5.89	-0.2%	1.4%	-7.8%	27.5%	24.3%	-2.6%	6.6/4.57
	Sibirtelecom	0.12	-1.2%	1.7%	-2.8%	32.1%	22.1%	8.0%	0.13/0.09
	Northwest Telecom	1.80	0.0%	4.0%	-6.5%	21.6%	10.1%	5.1%	1.92/1.23
	Center Telecom	0.91	0.7%	0.7%	1.2%	1.2%	32.2%	21.5%	1/0.69
	Southern Telecom	0.21	0.0%	-1.4%	-3.7%	22.8%	38.7%	15.0%	0.23/0.15
	Dalsvyaz	5.40	0.0%	0.0%	-3.6%	17.4%	49.2%	29.8%	5.7/3.6
	Bashinformsvyaz	0.16	0.0%	0.0%	-8.2%	-8.8%	-14.6%	-29.0%	0.23/0.16
	RBC	9.86	0.1%	5.4%	5.7%	17.9%	-16.8%	-19.6%	12.1/7.53
	Metals and mining	Sitronics	5.53	-2.6%	1.8%	-14.9%	-3.8%	n/a	n/a
CTC Media		27.06	0.9%	11.9%	11.0%	11.0%	24.4%	12.7%	28.77/19.59
Rambler Media		30.03	-3.1%	-7.6%	-17.7%	-27.9%	-10.7%	-11.0%	55/30.03
Norilsk Nickel		274.00	-0.9%	0.6%	-11.2%	24.0%	77.1%	74.5%	309.9/135.5
Polyus Gold		43.50	0.9%	3.1%	-7.1%	4.8%	-12.0%	-11.8%	55.25/38.3
Severstal		23.25	1.3%	3.6%	1.5%	34.7%	113.9%	107.6%	23.84/10.85
Evrz Group		83.40	-3.0%	7.9%	15.8%	63.2%	233.3%	224.6%	86/24.5
Mechel		92.62	-6.3%	3.3%	22.9%	104.3%	260.0%	263.5%	99.89/23.73
NLMK		42.45	-0.1%	6.1%	6.1%	29.2%	81.4%	82.6%	44.89/20.8
MMK		1.37	0.0%	2.2%	5.4%	29.2%	76.5%	57.5%	1.4/0.78
TMK		47.25	-0.5%	5.0%	13.2%	22.1%	n/a	35.0%	47.49/29
VSMPO		309.50	-0.2%	-0.2%	-3.3%	7.5%	14.6%	5.6%	330/268
Industrials, consumer, banks	Sberbank	4.42	0.7%	5.0%	3.0%	19.8%	51.9%	28.1%	4.42/2.91
	Rosbank	7.24	-0.2%	-1.3%	-1.7%	2.3%	16.2%	-6.9%	7.67/5.7
	X5	33.70	0.7%	7.5%	-0.9%	-0.8%	31.4%	29.6%	37.5/24.6
	Seventh Continent	26.40	0.0%	0.4%	-4.5%	4.8%	1.5%	-1.1%	29.3/24.1
	Dixy Group	14.80	-1.3%	6.1%	2.0%	14.0%	44.2%	36.6%	15.6/13.85
	Magnit	48.75	0.0%	5.4%	2.0%	14.0%	44.2%	36.6%	48.75/33.75
	Wimm-Bill-Dann	114.60	-3.7%	5.3%	-9.0%	6.3%	113.2%	72.2%	134.62/53.75
	Lebedyansky	88.00	2.3%	6.0%	-3.8%	-1.1%	9.0%	10.0%	99/73.5
	Nutritek	51.00	2.0%	-1.0%	-1.9%	6.4%	16.3%	13.0%	53.8/44.9
	Baltika (euro)	34.13	0.0%	-1.9%	1.6%	6.4%	16.3%	13.0%	36.96/32.48
	Razgulay	5.22	0.0%	1.2%	2.6%	30.2%	32.8%	30.5%	5.45/3.6
	Severstal Auto	51.25	0.0%	5.5%	3.5%	20.0%	81.7%	69.4%	51.25/27.9
	AvtoVAZ	2.05	0.0%	0.0%	3.7%	31.4%	65.9%	64.4%	2.05/0.67
	Aeroflot	3.60	0.0%	0.0%	3.7%	31.4%	65.9%	64.4%	3.6/2.17
	Veropharm	50.25	0.0%	3.4%	7.8%	14.2%	67.5%	58.3%	50.25/29.1
	Apteka 36.6	77.00	0.0%	14.9%	1.7%	0.9%	42.6%	32.2%	96.1/54
	Pharmstandard	25.30	-3.3%	6.3%	9.0%	48.0%	n/a	n/a	27.4/13.6
	Kalina	43.40	0.0%	0.0%	-0.2%	24.0%	-10.5%	-15.7%	51.5/34.25
Oriflame (euro)	42.05	0.6%	0.8%	3.0%	-2.9%	40.4%	40.4%	44.07/28	
Cherkizovo	14.05	-0.6%	5.0%	-16.8%	14.7%	-0.4%	3.3%	17.35/11.05	
Sistema Hals	9.95	1.2%	13.1%	3.6%	-1.8%	n/a	-25.2%	15.05/8.75	
RTS Index	2,342.64	0.5%	6.3%	4.4%	23.3%	27.2%	21.9%	2342.64/1724.69	

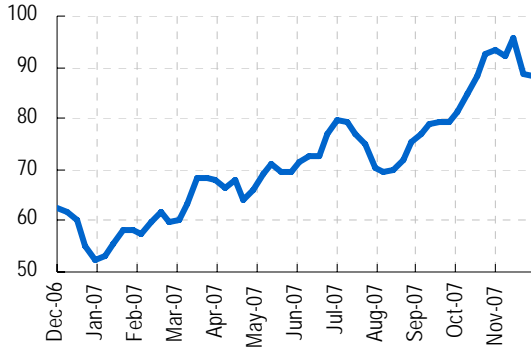
Source: Bloomberg

Stock valuation summary											
Company name		MCAP,	P/E			EV/EBITDA			EV/Revenue		
		USD mn	2006	2007E	2008E	2006	2007E	2008E	2006	2007E	2008E
Oil and gas	Gazprom	328,268	13.8	11.7	10.2	9.8	8.4	7.4	4.3	3.8	3.4
	Novatek	22,861	29.8	22.7	19.7	18.9	14.5	13.3	9.3	7.0	5.8
	Lukoil	77,569	9.4	9.3	10.8	6.4	6.2	6.6	1.2	1.1	1.2
	Rosneft	101,538	20.8	16.6	17.5	11.1	9.5	9.2	2.8	2.5	2.6
	Surgtineftegaz	50,214	12.1	13.4	14.3	5.3	6.1	6.5	1.9	1.9	1.9
	Gazprom Neft	27,972	7.4	8.0	8.5	5.2	5.4	5.6	1.4	1.3	1.3
	Tatneft	13,861	10.5	11.6	10.4	6.4	7.2	6.5	1.1	1.1	1.0
	Bashneft	2,754	6.3	5.1	5.3	3.4	3.1	3.1	0.7	0.7	0.8
	Transneft pref	14,549	5.9	5.7	5.2	4.1	3.7	3.3	2.2	2.0	1.8
	West Siberian Resources	880	19.8	9.3	7.2	9.0	5.5	4.2	3.1	2.1	1.7
Aggregate - oil and gas	639,586	12.9	11.6	11.3	7.8	7.1	6.8	2.8	2.4	2.2	
Utilities	UES	54,791	31.5	26.1	21.0	17.1	13.1	11.3	3.4	2.9	2.6
	Mosenergo	10,017	86.2	46.0	24.2	27.5	18.8	11.9	3.2	2.7	2.2
	OGK-1	5,134	n/a	56.4	38.6	42.3	27.8	19.9	4.7	4.2	3.4
	OGK-2	3,707	n/a	46.3	26.1	203.2	23.0	13.7	4.1	3.4	2.8
	OGK-3	7,028	n/a	82.7	50.2	101.7	40.0	36.0	9.2	7.6	6.6
	OGK-4	6,515	n/a	n/a	53.8	81.1	48.8	26.8	6.8	6.2	4.8
	OGK 5	6,190	52.5	64.5	45.9	66.3	30.1	22.3	6.5	5.1	4.2
	OGK-6	3,502	49.0	27.7	19.6	20.8	16.1	10.2	3.1	2.6	2.2
Aggregate - utilities	96,884	24.9	27.5	21.8	36.4	16.0	12.0	3.4	2.9	2.5	
Telecoms and technology	MTS	37,426	30.0	21.1	18.8	12.5	10.6	9.6	6.3	5.3	4.8
	Sistema	19,320	21.4	16.0	14.7	10.3	8.5	7.8	3.8	3.4	3.1
	VimpelCom	38,029	46.8	31.7	28.1	16.3	13.2	12.2	8.2	6.7	6.2
	Aggregate - mobile telecoms	94,775	32.8	22.9	20.5	13.0	10.8	9.9	6.1	5.1	4.7
	Comstar	5,116	62.4	46.1	15.0	17.5	10.6	8.7	5.7	4.3	3.8
	Rostelecom	9,404	n/a	81.8	68.6	24.1	21.5	19.1	4.0	4.1	3.8
	Golden Telecom	3,865	45.2	33.0	24.6	17.1	12.1	9.1	4.6	3.3	2.7
	MGTS	3,113	9.9	9.2	9.0	6.3	6.3	6.2	3.2	3.0	2.9
	Uralsvyazinform	2,452	79.1	17.9	13.8	9.8	6.6	5.7	2.7	2.4	2.2
	Volga Telecom	1,785	22.9	13.4	11.2	7.1	5.4	4.8	2.5	2.1	1.9
	Sibirtelecom	1,778	41.7	8.5	6.6	8.9	5.1	4.3	2.2	1.8	1.6
	Northwest Telecom	1,894	40.3	16.1	15.4	9.2	6.2	5.7	3.0	2.4	2.1
	Center Telecom	1,760	26.1	27.5	16.0	6.4	5.9	5.0	2.3	2.0	1.8
	Southern Telecom	737	56.7	18.4	16.4	6.6	6.1	5.6	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	9.2	8.5	6.7	3.5	3.3	n/a	0.9	0.9	0.8
	Sitronics	1,056	n/a	n/a	20.6	2319.5	10.6	6.3	0.9	0.7	0.6
	Aggregate - fixed line telecoms	32,720	40.4	24.5	17.7	10.4	7.8	7.1	3.0	2.5	2.2
	RBC	1,134	19.3	16.1	17.5	12.1	11.1	8.4	4.6	3.7	3.1
	CTC Media	4,111	30.1	21.9	17.1	16.5	12.3	9.8	8.4	6.4	5.1
Rambler Media	451	37.2	18.6	12.2	22.8	10.4	7.2	5.7	3.3	2.5	
Aggregate - media	5,695	28.8	18.9	15.6	17.1	11.2	8.4	6.2	4.4	3.6	
Metals and mining	Norilsk Nickel	50,142	6.9	8.3	8.9	4.5	4.9	5.2	3.0	3.2	3.3
	Polyus Gold	8,309	45.9	57.7	52.9	18.5	22.1	22.0	7.8	7.5	7.8
	Severstal	23,429	11.9	10.1	10.3	6.2	5.6	5.5	1.7	1.5	1.5
	Evrax Group	29,249	13.0	11.4	11.7	8.0	7.2	7.7	2.9	2.5	2.5
	Mechel	12,500	14.4	10.7	10.8	8.2	6.0	5.9	2.2	1.8	1.7
	NLMK	25,440	11.7	11.6	11.3	7.9	7.6	7.4	3.6	3.5	3.2
	MMK	13,923	7.8	7.5	6.9	5.7	5.2	4.9	1.7	1.6	1.5
	TMK	10,301	17.3	13.0	10.0	11.1	8.6	6.8	2.8	2.3	2.1
	VSMPO	3,714	14.0	12.2	9.6	9.2	7.9	6.2	3.6	3.1	2.4
	Aggregate - metals and mining	177,007	17.2	16.1	14.8	9.6	8.6	8.0	3.6	3.1	3.0
Industrials, consumer, banks	Sberbank *	248	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Aggregate - banks	248	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	X5	7,295	46.6	29.1	22.2	17.1	12.5	9.9	1.6	1.1	0.9
	Magnit	3,510	40.4	30.0	20.5	18.3	12.6	9.2	1.0	0.7	0.5
	Seventh Continent	1,980	26.8	22.6	16.4	14.6	10.5	7.9	1.5	1.1	0.8
	Lebedyansky	1,796	18.0	15.3	13.2	11.5	9.6	8.5	2.1	1.7	1.5
	Baltika (euro)	5,835	11.4	9.8	8.2	7.2	6.2	5.4	2.2	1.9	1.5
	Wimm-Bill-Dann	5,042	34.5	25.2	19.8	17.0	13.2	11.1	2.3	1.8	1.6
	Aggregate - FMCG	25,459	29.6	22.0	16.7	14.3	10.8	8.6	1.8	1.4	1.1
	Razqulay	553	26.0	13.4	11.7	8.8	6.5	6.0	1.1	0.9	0.9
	Severstal Auto	1,743	16.0	13.4	10.3	10.9	8.2	6.5	1.3	1.1	0.8
	AvtoVAZ	59	0.5	0.3	0.3	1.4	1.1	n/a	0.1	0.1	0.1
	Aeroflot	4,000	13.3	13.5	9.6	9.2	7.7	5.9	1.4	1.1	1.0
	Veropharm	503	18.6	13.4	10.7	12.6	9.2	7.7	3.9	3.1	2.6
	Kalina	423	13.7	11.6	11.0	8.4	7.2	7.2	1.2	1.1	1.0
Oriflame (euro)	2,342	23.8	17.9	14.4	15.8	13.0	11.0	2.3	2.1	1.9	
Aggregate valuation	1,081,997	13.6	12.1	11.3	8.7	7.8	7.3	2.7	2.4	2.3	
FF-adj. MCAP W.A. valuation	310,679	16.9	15.5	14.0	12.1	8.8	8.0	3.8	3.4	3.1	

Source: MDM estimates, IBES consensus

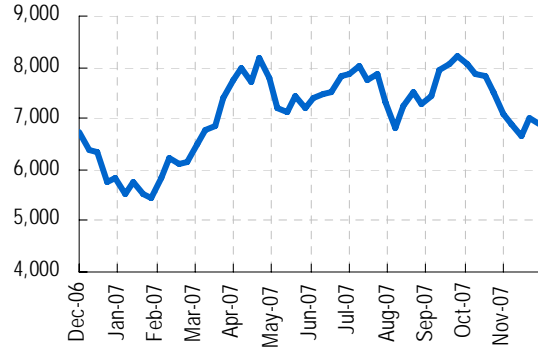
Key commodities

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



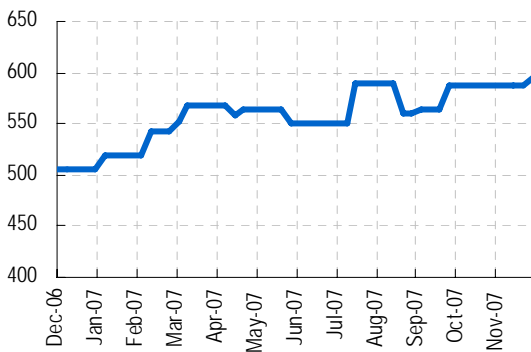
Source: Bloomberg

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



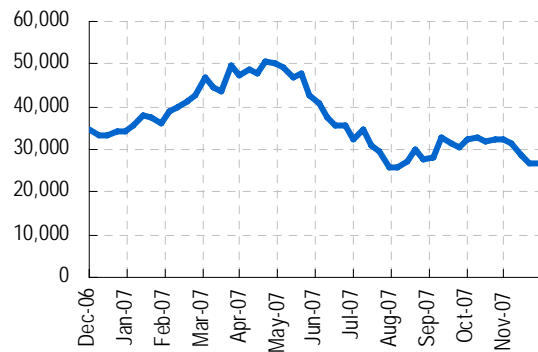
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



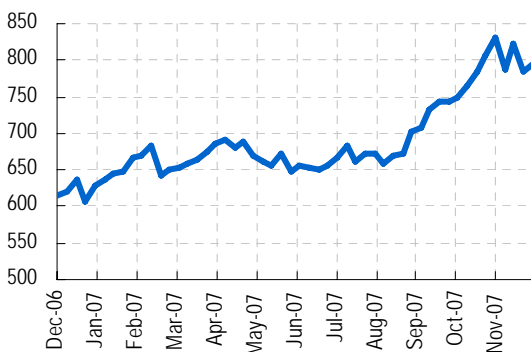
Source: Bloomberg

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



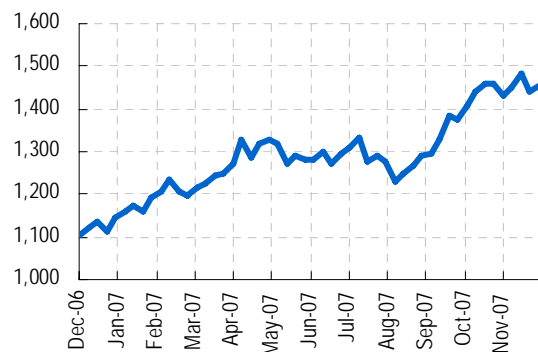
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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