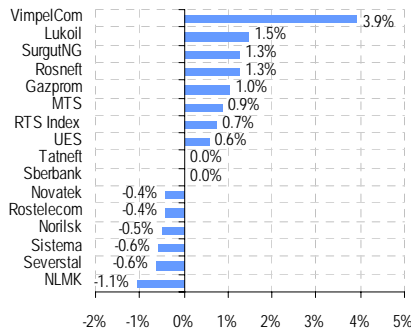
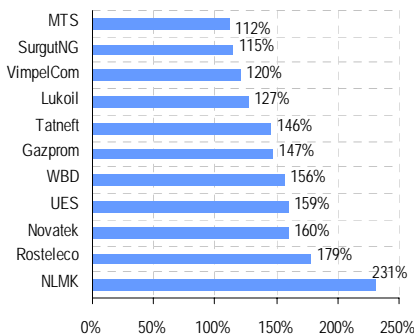


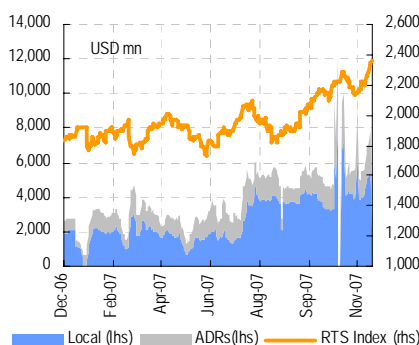
### Blue chips: Advancers and decliners



### Volume monitor: Daily/3M avg. volume



### RTS index and weekly trading volumes



### Upcoming events

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

The coordinated effort of central banks to inject liquidity to the system helped stock markets and the oil price register gains yesterday. The RTS rose 0.7% to 2360 and the MICEX 1% to 1970 – both new records – while WTI reached USD94 per boe, also boosted by bullish US oil inventories. A weaker US close yesterday and significant losses in Asia this morning may reverse sentiment at today's opening. Important releases today include US PPI and retail sales.

### Top news and ideas

- Lukoil: Reports 3Q07 financials slightly above expectations.** Revenue items did not shock, while the cost side justified a neutral verdict. New 2008 output growth guidance (5.5%) again places Lukoil among the high growth international majors, potentially providing a catalyst for the stock.
- TNK-BP: Considers spinning-off oil services business.** We view the development as a long term positive for both TNK-BP and the entire oil services industry, as it would rationalize capacity and lead to stronger industry pricing power.
- Sitronics: Launched a 0.18 micron production.** We see lucrative prospects for Sitronics in the domestic microelectronics market given the potential state-orders pipeline. But sustainable stock performance is only likely once they are translated into robust financials.
- Politics: Russia lifts embargo on Polish meat.** This is a first 'goodwill gesture' from Russia towards the new Polish government and the EU, but we could have a lengthy wait before relations are good enough to sign the Partnership and Cooperation Agreement with the EU.

### Other highlights

- Brief - VTB may buy the UES shares repurchased from shareholders (*Vedomosti*).** The final decision will be made today. The possible value of the deal is unclear yet. We believe it unlikely that VTB will buy all the shares, which are worth RUB102 bn.
- Brief - Gazprom and TNK-BP have delayed an agreement on Kovykta valuation yet again (*RIA Novosti*).** The deadline, previously set for end 2007, is now 1Q08. This will only fuel more speculation that Gazprom is negotiating on acquiring the TNK partners' stake in TNK-BP.

### >>> More news on page6

### Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,360	0.7%	4.3%	6.2%	22.1%	29.0%
MSCI EM Europe Index	839	0.8%	3.2%	6.8%	24.5%	34.9%
MSCI EM Index	1,272	-0.6%	-0.7%	2.6%	15.5%	45.2%
S&P500 Index	1,487	0.6%	0.1%	0.4%	0.2%	5.2%
OIX (Oil majors) Index	857	3.1%	3.9%	6.4%	10.3%	29.2%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	94.4	4.9%	1.0%	-0.2%	18.1%	54.7%
Nickel, USD/ton	25,550	-1.7%	-0.2%	-24.1%	-5.5%	-26.0%
Steel (HR), USD/ton	595	0.0%	0.0%	1.3%	5.3%	17.8%
LT U.S. Treasury YTM	4.6%	4.5%	4.4%	4.6%	4.7%	4.7%
EMBI-Russia spread, bp	153	155	144	163	146	109
RUB/USD	24.42	24.49	24.47	24.45	25.52	26.30

Source: Datastream, Bloomberg

## Lukoil: Reports 3Q07 financials slightly above expectations

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	92.50	n/a	Not Rated	95/71.9	4.0%	22.0%	5.0%	
Financials, USD mn		2006A	2007E	2008E	Price performance, USD			
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	6.3	6.6					
P/E	9.5	9.4	10.9					
MCAP, USD mn	78,718	Com., mn	851	<p style="text-align: right;"><i>Source: Bloomberg</i></p>				
EV, USD mn	86,687	Pref., mn						
Free float	45%	Total, mn	851					

Source: Datastream, IBES consensus

**Net income 2% above consensus.** Lukoil's earnings figures for the third quarter were slightly better than the Bloomberg consensus forecast, with revenues reaching USD21.3 bn, 1% below consensus and 16% higher than a year ago, EBITDA 2% above estimates and up 8% y-o-y, and net income 2% above both the consensus and 3Q06 figures.

**No surprises in revenues.** As we predicted in our preview yesterday (Morning Call, 12 December 2007), there were very few surprises in the top line figures. Volumes were already pre-released, with total production output falling 2% y-o-y due to asset sales and less gas going to Gazprom pipelines. Oil output fell by 2.2% in 3Q07, and gas by 13.1%. However, YTD total output grew by 2%, near the company's guidance for the full year. On the refining side, volumes advanced by 7.6% y-o-y, in line with the YTD trend. Price realizations were also in line with benchmark prices (crude up 10% y-o-y) in both upstream and downstream segments.

**Neutral verdict on cost efforts.** Cost side figures point to a gradual deterioration of margins, with EBITDA margin falling to 18.9% from 19.5% in 2Q07 and 20.2% in 3Q06. The EBITDA per boe ratio was steady at USD20.5 on a q-o-q basis and higher than USD18.5 a year ago. The 40.7% y-o-y increase in opex, driven by a change in tax legislation relating to expenses to third-party refineries, is a key negative, in our view. We also note the relatively high SGA increase (up 24%) due to payroll increases and the 29% advance in the cost of purchased oil and gas which, however, was expected due to higher commodity prices. On the positive side, we are satisfied that ruble appreciation (14% y-o-y) explains most of the increase in lifting and transportation costs, while taxes other than income continued its slowdown.

**New output guidance could help the stock.** During yesterday's conference call, Lukoil deputy CEO Leonid Fedun said the company plans to publish data on the Timan Pechora discoveries next year (with two wells already pointing to very good figures), will export gas from Uzbekistan at USD150 per th cm, and, more importantly, set 2008 total output growth rate guidance at 5.5%. This, combined with rising oil prices, lifted the stock yesterday after a rather neutral reaction when the earnings report came out. Ruble appreciation is causing a big portion of negative cost trends, but the company has managed to maintain good EBITDA per boe levels. Overall, we like Lukoil's strong upstream production growth potential, its high leverage to the domestic downstream business, its cost control efforts, and its low valuation compared to international peers. The new 2008 guidance places the company among the high growth international majors again, and could be a good catalyst for the stock despite its impressive performance of late.

### Lukoil 3Q07 financials, USD bn

	3Q07 Actual	3Q07 Bloomberg Consensus	3Q06 Actual	YoY change	Vs Consensus
Revenue	21.31	21.5	18.4	15.8%	-1%
EBITDA	4.02	3.95	3.71	8.4%	2%
Net Income	2.48	2.43	2.43	2.1%	2%
EBITDA Margin	18.9%	18.4%	20.2%		
Net Margin	11.6%	11.3%	13.2%		
EBITDA per boe	20.5		18.5		

Source: company data

## TNK-BP: Considers spinning-off oil services business

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

**Spin-off possible after middle 2008.** TNK-BP COO Tim Summers said yesterday that his company is considering spinning-off its oil services business. TNK-BP is currently consolidating its drilling and services assets throughout the country, a process expected to be completed by the middle of 2008. Afterwards, the company will decide whether to grow this company organically or spin it off. He did not clarify whether it could be sold outright to another interested company or spun-off following Eurasia's example. The oil services business has approximately USD500-600 mn in annual revenues with 50 active drilling rigs, 40 under repair and 150 workover rigs.

**Spin-off move makes sense for TNK-BP.** We believe that TNK-BP has reached the point of realizing that this business cannot be part of a big oil and gas producer, just as all international majors realized back in the 1980's. The upstream segment needs technology and capacity from other oil services companies and the oil services unit needs more clients. We view this as a long-term positive for TNK-BP, as we expect the unit to benefit from a high commodity price environment that should allow for an attractive valuation level.

**Positive long-term for the industry.** For the oil services industry (Integra, CAT Oil, Eurasia) this could be a negative in the short term as it would introduce a new competitor to the environment. Nonetheless, we believe that long term it is a positive development. Experience from the US and European markets has shown that this process back in the 1980s and 1990s led initially to more competition but in the long-term led to more pricing power for the oil service companies as they were able to optimize capacity across the industry.

**TNK-BP announces tenders for USD3 bn contracts.** On a separate note, TNK-BP announced yesterday the results of its tenders for drilling, sidetracking and work-over rigs. The total amount allocated was USD3 bn, with USD1 bn going to TNK-BP's own drilling and workover companies. The majority of the contracts have a three to five year duration, securing availability and more price stability for TNK-BP. In total, 53 long term drilling and sidetracking, and 211 long-term workover contracts were offered. Among the companies selected for drilling and sidetracking were Integra, CAT Oil, OBK, TNK-BP own companies, and two well-known US companies, Weatherford and Nabors. While both Integra and CAT Oil were included in the list, we note that a) we do not know yet the size of the business allocated to them and b) the introduction to Western Siberia of two of the largest drilling companies in the world could intensify competition for domestic players.

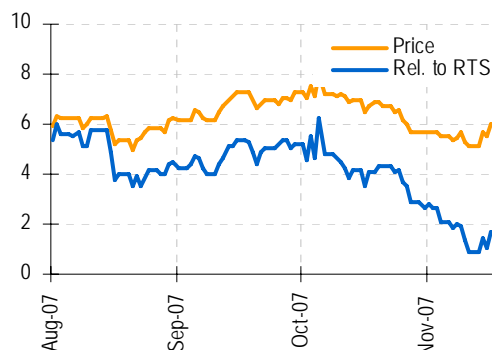
## Sitronics: Launched a 0.18 micron production

Ekaterina Generalova, e-mail: Ekaterina.Generalova@mdmbank.com

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
SITR LI	5.98	n/a	Not Rated	12/5	n/a	n/a	n/a

Financials, USD mn	2006A	2007E	2008E
Revenue	1,625	1,979	2,354
EBITDA	1	136	228
Net income	-110	-2	51
Revenue growth	28%	22%	19%
EBITDA growth	14%	21860%	67%
Net income growth	13%	-98%	-2341%
EBITDA margin	0%	7%	10%
Net margin	-7%	0%	2%
EV/Revenue	0.9	0.8	0.6
EV/EBITDA	2458.1	11.2	6.7
P/E	-10.4	-498.8	22.3
MCAP, USD mn	1,142	ADRs, mn	191
EV, USD mn	1,524		
Free float	18%	Total, mn	191

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

**0.18 micron production launched yesterday.** Sitronics yesterday launched production of a 0.18 micron chip at “Micron” plant in Zelenograd (Moscow region), with the project’s set-up costs of USD200 mn and a payback period of 5 years. Interfax cited Sitronics CEO Sergei Aslanyan as saying that the contract with the Moscow Metro system for supply of 20-25 mn RFID tickets per month is worth USD100 mn (RUB2.5 bn). Mr. Aslanyan estimated the launch cost of the 0.065-0.045 micron project scheduled for next year at USD2 bn.

**Lucrative prospects in the domestic market.** The 0.18 micron technology serves as a basis for transport tickets, bio-passports, sim-cards and RFID-tagging. Most of these products are subject to state financed public programs. Sitronics plans to capture a 100% market share of transport ticket and bio-passport production and 40% of sim-card production (vs. 35% at present). Furthermore, the 0.065 micron technology underpins GLONASS (Russian analogues of GPS) and digital TV set top boxes, both of which are national projects and hence subjects to state financing. We note that the Russian government approved a USD7.5 bn (RUB187 bn) budget for national microelectronics development in 2008-15 and First Deputy PM Sergei Ivanov promised an increase in state orders for Sitronics, which is crucial for the order-sensitive producer. Bearing that in mind, we see lucrative opportunities for Sitronics’ microelectronics unit in the domestic market.

**Microelectronics to gain weight.** Although the 0.18 micron launch was basically scheduled for this week, and plans to increase subway ticket supply fivefold from the current 5 mn/month, was not news, we view these developments as positive, as they provide evidence that Sitronics can manage large-scale investments and benefit from state-financed public orders. We remind investors that microelectronics accounted for 8% and 15% of Sitronics 2006 revenues and EBITDA, respectively. Looking forward, we expect state-financed orders to lift this unit’s contribution, offsetting underperforming telecom equipment division.

**Positive view for longer term reiterated.** Though the market welcomed the news yesterday (stock price was up 8.14%), we do not expect sustainable performance until such announcements translate into robust financials. Therefore, we would favor Sitronics as providing Russian technology exposure in the medium- and long term.

## Politics: Russia lifts embargo on Polish meat

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

**A good first step of goodwill...** Russian Agriculture Minister Alexei Gordeyev had a meeting with his Polish counterpart yesterday after which he announced that Russia will lift its ban on meat imports from Poland, almost two years after the embargo was first implemented. However, the ban on Polish poultry and eggs will remain amid a bird flu outbreak in the Eastern European country. While this announcement may sound of limited importance, we believe it has two significant consequences. First, on the economic front, the increase in meat imports will certainly help in the war on inflation, even though the impact may be limited. Secondly, and of higher significance, this agreement could pave the way for the new Partnership and Cooperation Agreement between the EU and Russia that has been blocked by Poland after the Russian embargo on meat imports.

**...but still a very difficult road ahead.** Clearly, the change of leadership in Poland has altered the country's policy with Russia, which in turn could improve Russian relations with the EU. However, we are afraid that the Russian embargo on its meat exports was, to a certain degree, used by the EU as an excuse to put pressure on Russia for a series of issues up for negotiation, with the agreements on the energy sector being most important. In other words, we believe the suspension of the embargo is the first sign of goodwill from the Russian side, and the Kremlin will be waiting for a similar move from the EU. This means that we could still be a long way far from harmonious relations between the two sides. The announcement yesterday that Russia has officially suspended the Conventional Armed Forces Treaty signed with NATO in 1990 is another indication of the long and bumpy road that likely lies ahead.

## News Briefs

### Metals and Mining

**RusAl Chairman Viktor Vekselberg said yesterday that the company has no immediate plans for an IPO** (*RBC Daily*). He added that the floatation has been postponed indefinitely due to the negative market environment. With Russian indices hitting new records, we wonder for how long the market will be considered negative. Anyway, we expect the next big move from RusAl to be related to the merger with Norilsk Nickel, which would certainly affect any IPO plans.

### Industrials, Consumer, Banks

**X5 Retail Group lost two lenders for its 3-year syndicated loan** (Reuters). ABN Amro and WestLB claimed they disagreed with company's margin rate demands. BNP Paribas, Calyon, HSBC, ING and RZB continue to negotiate on the USD1.5 bn loan. We believe the loan terms are vital: X5 needs to refinance existing debt and fund expansion plans, but its increasing financial costs are trimming the bottom line.

**Prokhorov and Potanin may sell assets belonging to their joint investment vehicle KM-Invest** (*Vedomosti*). According to an agreement between the oligarchs, they could liquidate the company if they fail to agree on the new CEO. An Onexim representative said Prokhorov plans to begin the liquidation process before March 2008. KM-Invest owns 8% of Norilsk Nickel, 7.6% of Polyus Gold, and 69% of Rosbank, as well as other assets. We believe that the liquidation may offer investors a good opportunity to buy these assets.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	14.58	1.0%	3.4%	12.7%	37.5%	29.1%	26.8%	14.58/8.75
	Novatek	75.00	-0.4%	7.1%	30.4%	51.7%	18.1%	18.1%	76.8/46.5
	Rosneft	9.70	1.3%	5.3%	10.2%	15.5%	4.9%	6.0%	9.7/7.66
	Lukoil	92.50	1.5%	4.9%	4.0%	22.0%	5.0%	5.2%	95/71.9
	TNK-BP Holding	2.17	-0.2%	0.2%	-4.0%	9.6%	-12.7%	-16.6%	2.6/1.67
	Surgutneftegaz	1.28	1.3%	6.9%	3.3%	3.7%	-12.6%	-16.6%	1.53/1.07
	Gazprom Neft	5.90	0.0%	14.1%	11.3%	57.8%	37.2%	29.4%	5.9/3.7
	Tatneft	6.25	1.8%	1.9%	1.9%	20.8%	23.5%	25.3%	6.26/3.95
	Bashneft	16.20	0.0%	5.2%	0.0%	15.7%	-5.8%	1.3%	17.2/12
	Transneft pref	2,100.00	-0.2%	8.8%	10.5%	28.0%	-10.3%	-8.5%	2495/1435
	Integra	14.70	-0.7%	-2.1%	-3.3%	n/a	n/a	n/a	21.55/13.55
C.A.T Oil	15.35	5.4%	2.7%	-14.7%	-23.8%	-18.1%	-23.3%	25.56/14.56	
West Siberian Resources	0.73	-1.5%	-3.7%	-7.6%	-7.6%	-36.4%	-35.9%	1.1/0.66	
Utilities	UES	1.34	0.6%	5.7%	8.9%	13.2%	44.9%	33.0%	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	0.0%	3.5%	1.4%	9.2%	41.6%	20.8%	0.18/0.1
	OGK-4	0.13	0.0%	-0.2%	2.2%	11.4%	67.8%	65.8%	0.13/0.08
	OGK 5	0.18	0.0%	0.3%	1.8%	10.9%	35.9%	30.9%	0.18/0.12
	OGK-6	0.13	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.11
Telecoms and technology	MTS	94.61	0.9%	-4.2%	5.3%	46.0%	93.9%	88.5%	99.16/45.81
	Sistema	39.76	-0.6%	-0.6%	1.9%	31.4%	33.9%	24.3%	41.9/25.85
	VimpelCom	38.54	3.9%	3.3%	25.7%	39.8%	149.6%	144.1%	40.67/14.79
	Comstar	12.13	-0.9%	4.1%	-4.5%	12.3%	58.6%	44.4%	13.71/7.65
	Rostelecom	11.90	-0.4%	6.3%	22.2%	17.8%	80.3%	55.6%	11.95/6.6
	Golden Telecom	108.10	2.5%	1.7%	10.5%	55.0%	136.3%	130.8%	108.85/43.82
	MGTS	32.71	-1.2%	0.8%	7.1%	4.4%	32.7%	23.1%	34.29/22.95
	Uralsvyazinform	0.07	0.9%	1.6%	0.2%	18.2%	3.0%	-4.8%	0.07/0.05
	Volga Telecom	5.89	0.0%	1.2%	-6.7%	27.5%	25.9%	-2.6%	6.6/4.57
	Sibirtelecom	0.12	0.0%	2.1%	-3.2%	31.4%	22.7%	8.0%	0.13/0.09
	Northwest Telecom	1.80	0.0%	3.2%	-5.7%	20.1%	11.2%	5.1%	1.92/1.23
	Center Telecom	0.91	0.0%	0.7%	-1.0%	1.2%	30.1%	21.5%	1/0.7
	Southern Telecom	0.21	0.0%	0.0%	-3.7%	18.6%	42.8%	15.0%	0.23/0.15
	Dalsvyaz	5.40	0.0%	0.0%	-3.6%	17.4%	50.0%	29.8%	5.7/3.6
	Bashinformsvyaz	0.16	0.0%	0.0%	-6.9%	-8.8%	-14.6%	-29.0%	0.23/0.16
	RBC	10.14	2.9%	7.4%	9.4%	21.6%	-13.6%	-17.3%	12.1/7.53
	Sitronics	5.98	8.1%	5.8%	-11.4%	14.1%	n/a	n/a	12/5
CTC Media	27.31	0.9%	10.7%	9.2%	12.8%	24.6%	13.7%	28.77/19.59	
Rambler Media	29.75	-0.9%	-7.1%	-16.5%	-28.5%	-11.2%	-11.9%	55/29.75	
Metals and mining	Norilsk Nickel	272.60	-0.5%	-1.6%	-10.9%	23.1%	81.1%	73.6%	309.9/135.5
	Polyus Gold	43.50	0.0%	3.1%	-7.1%	3.6%	-11.2%	-11.8%	55.25/38.3
	Severstal	23.10	-0.6%	2.3%	5.0%	27.3%	112.5%	106.3%	23.84/10.85
	Evrz Group	81.40	-2.4%	4.4%	15.8%	59.0%	232.2%	216.9%	86/24.5
	Mechel	95.82	3.5%	1.4%	20.2%	102.3%	268.8%	276.1%	99.89/23.73
	NLMK	42.00	-1.1%	2.4%	7.7%	27.9%	81.0%	80.6%	44.89/20.8
	MMK	1.37	0.0%	0.7%	9.6%	29.2%	73.4%	57.5%	1.4/0.79
	TMK	46.25	-2.1%	2.3%	15.7%	18.6%	n/a	32.1%	47.49/29.5
	VSMPO	310.00	0.2%	0.0%	-3.1%	7.3%	14.8%	5.8%	330/268
	Sberbank	4.42	0.0%	4.0%	3.0%	16.3%	49.8%	28.1%	4.42/2.95
Industrials, consumer, banks	Rosbank	7.23	-0.1%	-2.8%	-0.7%	1.6%	17.9%	-7.0%	7.67/5.7
	X5	34.00	0.9%	7.1%	2.7%	-0.1%	31.5%	30.8%	37.5/24.6
	Seventh Continent	26.26	-0.5%	-0.5%	-5.4%	4.2%	2.6%	-1.6%	29.3/24.1
	Dixy Group	14.80	0.0%	3.5%	2.0%	15.1%	44.4%	36.6%	15.6/13.85
	Magnit	48.75	0.0%	5.4%	2.0%	15.1%	44.4%	36.6%	48.75/33.75
	Wimm-Bill-Dann	119.58	4.3%	-2.5%	-8.0%	5.4%	117.2%	79.7%	134.62/55.06
	Lebedyansky	88.00	0.0%	4.8%	-0.1%	-1.1%	9.0%	10.0%	99/73.5
	Nutritek	51.00	0.0%	1.0%	-2.9%	6.4%	16.3%	13.0%	53.8/44.9
	Baltika (euro)	34.13	0.0%	-1.9%	3.1%	6.4%	16.3%	13.0%	36.96/32.48
	Razgulay	5.25	0.6%	1.7%	3.3%	29.6%	33.2%	31.3%	5.45/3.6
	Severstal Auto	51.25	0.0%	5.5%	3.5%	20.3%	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%	4.7%	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	25.00	-1.2%	-8.8%	8.7%	47.1%	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)	43.04	2.4%	3.7%	4.1%	2.9%	44.8%	43.8%	44.07/28	
Cherkizovo	14.00	-0.4%	3.7%	-14.6%	14.3%	0.4%	2.9%	17.35/11.05	
Sistema Hals	10.20	2.5%	14.6%	8.5%	-2.9%	n/a	-23.3%	15.05/8.75	
RTS Index	2,359.85	0.7%	4.3%	6.2%	22.1%	29.0%	22.8%	2359.85/1724.69	

Source: Bloomberg

**Stock valuation summary**

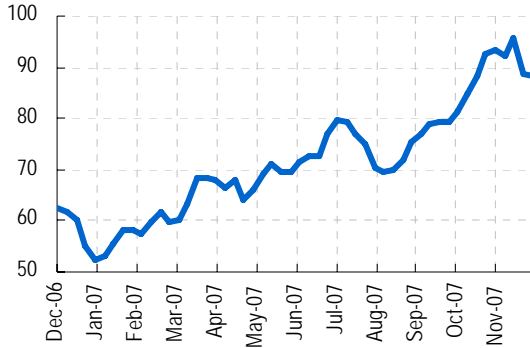
Company name		MCAP,	P/E		EV/EBITDA			EV/Revenue			
		USD mn	2006	2007E	2008E	2006	2007E	2008E	2006	2007E	2008E
Oil and gas	Gazprom	331,680	13.9	11.8	10.3	9.9	8.4	7.4	4.3	3.8	3.4
	Novatek	22,770	29.6	22.6	19.6	18.8	14.5	13.2	9.2	7.0	5.8
	Lukoil	78,718	9.5	9.4	10.9	6.4	6.3	6.6	1.2	1.1	1.2
	Rosneft	102,810	21.0	16.8	17.7	11.2	9.6	9.3	2.9	2.5	2.6
	Surгутneftegaz	50,785	12.2	13.6	14.5	5.4	6.2	6.5	2.0	2.0	2.0
	Gazprom Neft	27,972	7.4	8.0	8.5	5.2	5.4	5.6	1.4	1.3	1.3
	Tatneft	14,087	10.6	11.8	10.6	6.5	7.3	6.6	1.1	1.1	1.1
	Bashneft	2,754	6.3	5.1	5.3	3.4	3.1	3.1	0.7	0.7	0.8
	Transneft pref	14,514	5.9	5.7	5.2	4.1	3.7	3.3	2.2	2.0	1.8
	West Siberian Resources	866	19.5	9.2	7.0	8.9	5.5	4.1	3.1	2.1	1.6
<b>Aggregate - oil and gas</b>	<b>646,091</b>	<b>13.0</b>	<b>11.6</b>	<b>11.4</b>	<b>7.9</b>	<b>7.2</b>	<b>6.9</b>	<b>2.8</b>	<b>2.4</b>	<b>2.2</b>	
Utilities	UES	55,099	31.6	26.3	21.1	17.1	13.2	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	
<b>Aggregate - utilities</b>	<b>97,192</b>	<b>25.0</b>	<b>27.6</b>	<b>21.8</b>	<b>36.4</b>	<b>16.0</b>	<b>12.0</b>	<b>3.4</b>	<b>2.9</b>	<b>2.5</b>	
Telecoms and technology	MTS	37,749	30.3	21.3	19.0	12.6	10.6	9.7	6.4	5.3	4.9
	Sistema	19,204	21.3	15.9	14.6	10.2	8.4	7.7	3.8	3.4	3.1
	VimpelCom	39,527	48.7	32.9	29.2	16.9	13.7	12.7	8.5	6.9	6.4
	<b>Aggregate - mobile telecoms</b>	<b>96,480</b>	<b>33.4</b>	<b>23.4</b>	<b>20.9</b>	<b>13.2</b>	<b>10.9</b>	<b>10.0</b>	<b>6.2</b>	<b>5.2</b>	<b>4.8</b>
	Comstar	5,070	61.8	45.7	14.8	17.4	9.9	8.7	5.7	4.3	3.8
	Rostelecom	9,368	n/a	81.5	68.4	24.0	21.4	19.1	4.0	4.0	3.8
	Golden Telecom	3,962	46.3	33.9	25.2	17.5	12.4	9.4	4.7	3.4	2.7
	MGTS	3,080	9.8	9.1	8.9	6.3	6.3	6.1	3.1	3.0	2.9
	Uralsvyazinform	2,477	79.9	18.1	13.9	9.9	6.6	5.8	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	1,902	40.5	16.1	15.5	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	1,142	n/a	n/a	22.3	2458.1	11.2	6.7	0.9	0.8	0.6
<b>Aggregate - fixed line telecoms</b>	<b>32,734</b>	<b>40.5</b>	<b>24.5</b>	<b>17.7</b>	<b>10.5</b>	<b>7.8</b>	<b>7.1</b>	<b>3.0</b>	<b>2.5</b>	<b>2.2</b>	
RBC	1,166	19.8	16.5	18.0	12.5	11.5	8.7	4.8	3.8	3.2	
CTC Media	4,149	30.3	22.2	17.3	16.6	12.4	9.9	8.5	6.4	5.1	
Rambler Media	447	36.9	18.5	12.1	22.6	10.3	7.1	5.6	3.3	2.5	
<b>Aggregate - media</b>	<b>5,762</b>	<b>29.0</b>	<b>19.0</b>	<b>15.8</b>	<b>17.2</b>	<b>11.4</b>	<b>8.5</b>	<b>6.3</b>	<b>4.5</b>	<b>3.6</b>	
Metals and mining	Norilsk Nickel	49,886	6.9	8.2	8.9	4.4	4.9	5.1	3.0	3.2	3.2
	Polyus Gold	8,309	45.9	57.7	52.9	18.5	22.1	22.0	7.8	7.5	7.8
	Severstal	23,278	11.8	10.0	10.3	6.2	5.5	5.4	1.7	1.5	1.5
	Evraz Group	28,548	12.7	11.2	11.5	7.8	7.1	7.6	2.8	2.4	2.5
	Mechel	12,932	14.9	11.0	11.1	8.5	6.2	6.2	2.3	1.8	1.7
	NLMK	25,171	11.6	11.5	11.2	7.8	7.5	7.4	3.6	3.4	3.2
	MMK	13,923	7.8	7.5	6.9	5.7	5.2	4.9	1.7	1.6	1.5
	TMK	10,083	16.9	12.8	9.7	10.8	8.5	6.7	2.7	2.3	2.1
	VSMPO	3,720	14.1	12.2	9.7	9.2	7.9	6.2	3.6	3.1	2.4
	<b>Aggregate - metals and mining</b>	<b>175,848</b>	<b>17.2</b>	<b>16.1</b>	<b>14.8</b>	<b>9.6</b>	<b>8.6</b>	<b>8.0</b>	<b>3.6</b>	<b>3.1</b>	<b>3.0</b>
Industrials, consumer, banks	Sberbank *	248	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	<b>Aggregate - banks</b>	<b>248</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>	<b>n/a</b>
	X5	7,360	47.0	29.4	22.4	17.3	12.6	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	1,970	26.6	22.5	16.3	14.5	10.4	7.8	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	5,262	35.9	26.3	20.7	17.7	13.8	11.5	2.3	1.9	1.6
	<b>Aggregate - FMCG</b>	<b>25,733</b>	<b>29.9</b>	<b>22.2</b>	<b>16.9</b>	<b>14.4</b>	<b>10.9</b>	<b>8.7</b>	<b>1.8</b>	<b>1.4</b>	<b>1.1</b>
	Razgulay	557	26.2	13.5	11.7	8.8	6.6	6.1	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)	2,397	24.3	18.3	14.8	16.2	13.3	11.2	2.4	2.1	1.9	
<b>Aggregate valuation</b>	<b>1,089,767</b>	<b>13.7</b>	<b>12.2</b>	<b>11.4</b>	<b>8.7</b>	<b>7.8</b>	<b>7.3</b>	<b>2.7</b>	<b>2.4</b>	<b>2.3</b>	
FF-adj. MCAP W.A. valuation	313,294	17.1	15.6	14.1	12.3	8.8	8.1	3.9	3.4	3.1	

Source: MDM estimates, IBES consensus



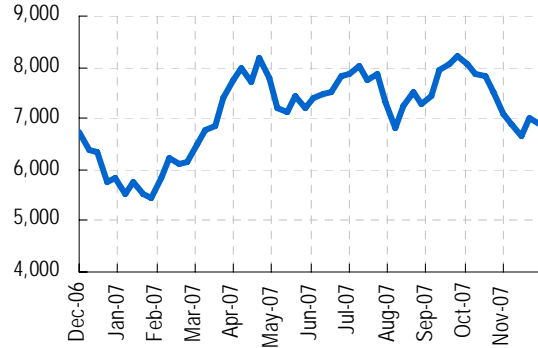
## Key commodities

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



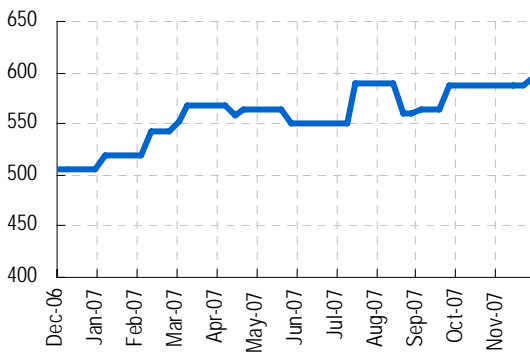
Source: Bloomberg

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



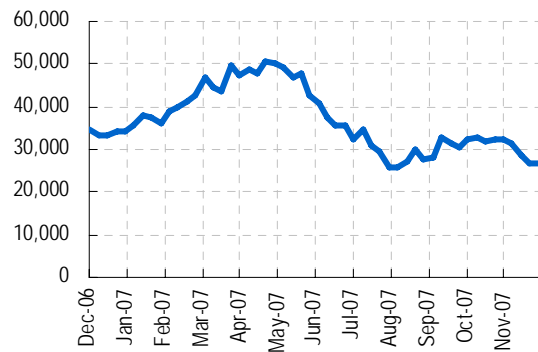
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



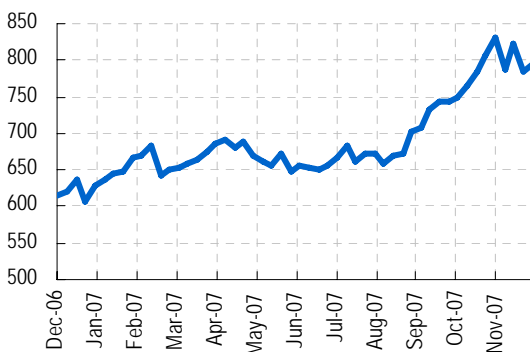
Source: Bloomberg

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



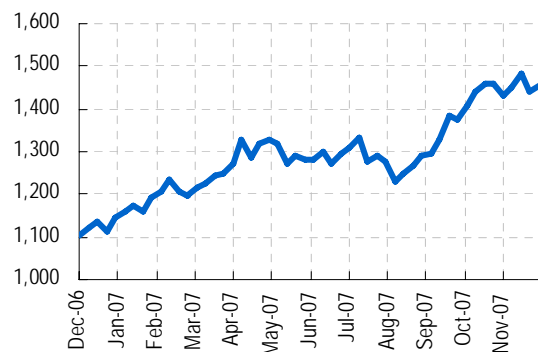
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



**MDM Bank**  
 Investment Division  
 33/1 Kotelnicheskaya Nab.  
 Moscow, Russia 115172

**Institutional Sales**

Kate Korolkevich	Kate.Korolkevich@mdmbank.com	+7 495 411-6223
Martynenko Sergey	Sergey. Martynenko@mdmbank.com	+7 495 228-3304

**research@mdmbank.com**  
**+7(495) 795-2521**  
 Bloomberg: MDMB <GO>  
 Reuters Dealing: MBWM, MDMB  
<http://www.mdmbank.com>

**Research Team**

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

**Editors/Production**

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

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