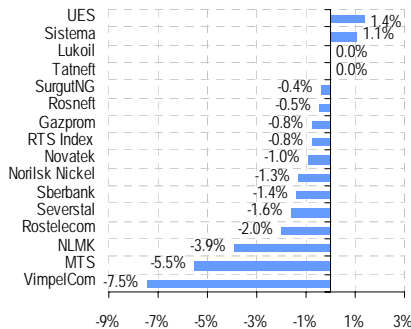
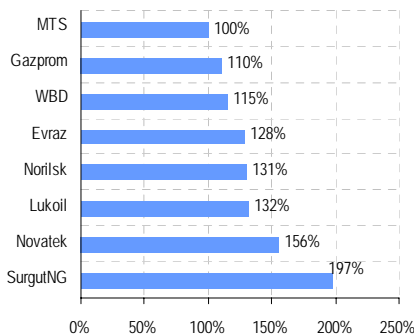


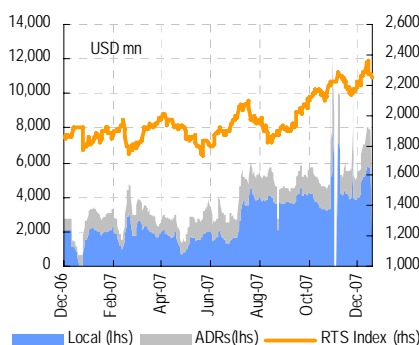
Blue chips: Advancers and decliners



Volume monitor: Daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

20 Dec	VTB 3Q07 IFRS results
21 Dec	AFK Sistema 3Q07 US GAAP results
21-24 Dec	Russian Nov CPI
End Dec	TGK-9 new share issue
27 Dec	Rosneft Oil 3Q07 results
20-Jan	Dixy 4Q07 IFRS results
25 Jan	Sberbank 9M07 IFRS results

Market

■ Negative international sentiment on indications of fewer interest rate cuts from the US Fed put pressure on Russian equities yesterday, but the announcement from President Putin that he will accept the PM job under Dmitry Medvedev's presidency offered some relief. The RTS lost 0.8% to 2251 and the MICEX lost 0.4% to 1888. Lower commodity prices may lead to further losses this morning. Later in the day, US housing data will set the tone.

Top news and ideas

- **Gazprom: Sakhalin LNG exports delayed to early 2009 from 3Q08.** We view this as negative for Gazprom's stock price as delays in LNG volumes and payments in the open market to replace these volumes could drag down 2008 earnings estimates
- **Gazprom: E.On claims "major progress" on Yuzhno-Russkoye.** Meanwhile, Gazprom's CEO held yet another meeting with his BP counterpart yesterday. We see important announcements for Gazprom stock on the horizon.
- **CAT Oil: Announces additional TNK-BP contract for workovers.** Stock performance should not move much as the EBITDA addition is small. However, we would not be surprised if more CAT oil contracts were announced soon.
- **MTS: Acquires Bashcell for USD38 mn.** The deal increases MTS's market share in a lucrative region and is priced at a discount on asset valuation and financial multiples, given heavy debt. We view the purchase as neutral for MTS stock.

Other highlights

- **Brief - Rosneft CEO Sergei Bogdanchikov told reporters yesterday that the company may issue USD3 bn worth of new shares (Interfax).** We would like to wait for official confirmation of the news but if true this would obviously be dilutive for Rosneft minority shareholders with downward pressure on its stock price.
- **President Putin said yesterday at the United Russia party conference that he is willing to become the next Prime Minister under a Dmitry Medvedev presidency (Interfax).** He emphasized that he will not change the distribution of powers between the president and the government. This puts an end to all speculation on Putin's future. The market benefited by 0.5 -1% yesterday against other emerging markets.

>>> More news on page 5

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,251	-0.8%	-3.4%	2.8%	16.1%	20.9%
MSCI EM Europe Index	787	-1.9%	-5.5%	1.7%	16.0%	24.5%
MSCI EM Index	1,184	-3.3%	-7.4%	-5.0%	6.9%	32.2%
S&P500 Index	1,446	-1.5%	-4.6%	-0.9%	-4.9%	1.6%
OIX (Oil majors) Index	833	-1.8%	-1.5%	4.0%	4.1%	28.1%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	90.6	-0.7%	1.0%	-4.7%	12.5%	42.9%
Nickel, USD/ton	25,508	-1.5%	-1.1%	-18.3%	-9.1%	-28.1%
Steel (HR), USD/ton	590	-0.8%	-0.8%	0.4%	4.4%	16.8%
LT U.S. Treasury YTM	4.7%	4.7%	4.6%	4.5%	4.7%	4.8%
EMBI-Russia spread, bp	137	135	140	144	156	98
RUB/USD	24.51	24.43	24.53	24.46	25.34	26.26

Source: Datastream, Bloomberg

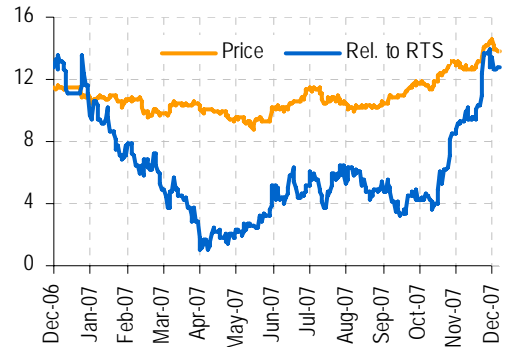
Gazprom: Sakhalin LNG exports delayed to early 2009 from 3Q08

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	13.83	n/a	Not Rated	14.58/8.75	7.7%	29.6%	19.6%

Financials, USD mn	2006E	2007E	2008E
Revenue	88,771	100,425	113,212
EBITDA	38,706	45,446	51,458
Net income	23,824	28,022	32,135
Revenue growth	56%	13%	13%
EBITDA growth	53%	17%	13%
Net income growth	81%	18%	15%
EBITDA margin	44%	45%	45%
Net margin	27%	28%	28%
EV/Revenue	4.1	3.6	3.2
EV/EBITDA	9.4	8.0	7.1
P/E	13.2	11.2	9.8
MCAP, USD mn	313,481	Com., mn	22,749
EV, USD mn	364,884	Pref., mn	
Free float	39%	Total, mn	22,749

Price performance, USD



Source: Bloomberg

Source: Datastream, IBES consensus

Sakhalin-2 first LNG exports delayed until early 2009. A Sakhalin Energy spokesman said yesterday that the company may miss its target to start exporting LNG by 3Q08. The operator of Sakhalin-2 now expects construction to be completed by the end of 2008 with first exports of LNG possibly at the beginning of 2009. It appears that pipeline construction is the biggest problem, amid delays in commissioning, the rugged territory of the island and the length of the pipeline (800 kms), while construction of the actual LNG plant is on track.

High cost estimates from delays. Sakhalin-2 has already signed contracts for 90% of its annual predicted production under long term contracts with 60% of this production going to Japan and the remaining contracted volumes destined for South Korea and the US markets. Japanese customers include Tokyo Gas and Tokyo Electric Power. Possible delays in LNG cargoes to customers could cost Sakhalin-2 up to USD10 bn according to a statement by Sakhalin Energy CEO Ian Craig back in 2006. This figure would include lost revenue, purchases of cargoes in the open market to deliver to customers and costs for maintaining the facility.

Negative for Gazprom stock. The involvement of Gazprom in Sakhalin-2 and the struggle for power among the new owners have probably caused significant delays. After reporting back in September that crude exports from Sakhalin-2 would be delayed to 2008 from the end of 2007, Sakhalin Energy officials categorically denied rumors that LNG exports would be delayed as well. This seems to be changing with a several months delay on the horizon. Unfortunately for the company, delays in the peak winter season means higher prices to be paid to replace the cargoes in the open market and deliver to the customers. The cost to Sakhalin-2 owners (Gazprom owns 50% plus one share) could be large, although at this point it is difficult to estimate the size of the volumes and the prices that will be paid. We view this as negative for Gazprom stock price, as delays in LNG volumes and possible payments in the open market to replace these volumes could grind down earnings estimates for 2008.

Gazprom: E.On claims “major progress” on Yuzhno-Russkoye

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E.On proposes asset swaps. German utilities giant E.On issued a statement yesterday in which “major progress” was said to have been made in its negotiations with Gazprom on the Yuzhno-Russkoye field. These negotiations have been ongoing for more than two years and involve E.On taking an unknown stake in the field after it starts production (could reach 10 bcm annually). In return Gazprom would get stakes in power plants in various Western and Eastern European markets as well as underground storage facilities. E.On added in its statement that if there are any imbalances in the valuation some more assets could be added.

Meeting with BP CEO again raises speculation. On a separate note, Gazprom announced yesterday that CEO Alexei Miller participated in a meeting with BP CEO Tony Hayward, the third between the two men in the last few months. Officially the subject of the meeting was the Kovykta field again, where disagreement on historical costs seems to be the big obstacle leading to delays on the final agreement. News media, however, speculated again that the discussions involved Gazprom’s intentions to buy out the TNK partners’ stake in TNK-BP (the lock-out period for which expires this month).

Important announcements could be catalysts for stock. E.On’s offer of power assets in European markets is the second such offer this week after Enel’s offer this weekend. It seems that this is an indirect way for Gazprom to enter these markets. Western European companies are desperate to buy stakes in Russian gas assets and they know that the most attractive assets for Gazprom are gas distribution and power assets in their territory. What remains to be seen is the reaction of EU authorities on these possible asset swaps. With regards to the negotiations with BP, we believe it is too early to draw any conclusions, but we may see important announcements in the next few weeks or months on this front that could be critical for Gazprom stock and its long term prospects. We do not officially cover this stock.

CAT Oil: Announces additional TNK-BP contract for workovers

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Workover contract added to TNK-BP list. CAT Oil, the Austria-based oil services company with operations in Russia and Kazakhstan, announced yesterday an additional contract it won in the TNK-BP tender last week. The contract was awarded to CAT oil subsidiary, CATOBNEFT. Initially we were under the impression that the contract announced Thursday included workovers, but apparently it included only the sidetracking services. Yesterday CAT Oil published details of the three year contract signed to provide workovers to TNK-BP’s Samotlor field. As noted in last Friday’s Morning Call, CAT Oil will focus on the rehabilitation of the Samotlor field in the West Siberian region of Nizhnevartovsk, which produces currently 335 mboe per day (peaked at 3 mmboe per day in the 1980s), with a goal to approximately double its production by 2010.

Small contribution to EBITDA. In economic terms, the workover contract is expected to add around EUR20 mn of annual revenue for the next three years and locks in approximately 55% of the company’s current workover capacity of 35 crews. We would not rule out more capacity additions after this big contract. In terms of EBITDA, workovers have EBITDA margins of just 10%, the lowest among CAT Oil’s businesses. As a result, this contract would produce additional EBITDA of EUR2 mn, or just 2% of the company’s 2008 Bloomberg consensus EBITDA estimate. The announcement of this contract should not add much to the stock price performance as the EBITDA addition is relatively small. We are intrigued, though, with the fact that it was announced separately from the sidetracking contract and wonder whether we may have more CAT Oil contracts heading our way in the coming days and weeks as they are finalized. We do not officially cover this stock.

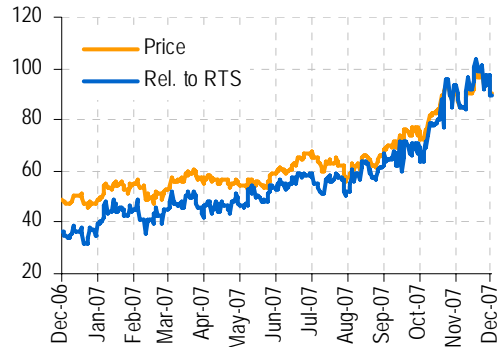
MTS: Acquires Bashcell for USD38 mn

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
MBT US Equity	89.95	Under review	Under review	99.16/45.81	-1.1%	30.8%	84.1%

Financials, USD mn	2006A	2007E	2008E
Revenue	6,384	7,631	8,324
EBITDA	3,230	3,814	4,181
Net income	1,246	1,776	1,990
Revenue growth	27%	20%	9%
EBITDA growth	27%	18%	10%
Net income growth	11%	43%	12%
EBITDA margin	51%	50%	50%
Net margin	20%	23%	24%
EV/Revenue	6.1	5.1	4.6
EV/EBITDA	12.0	10.1	9.3
P/E	28.8	20.2	18.0
MCAP, USD mn	35,890	ADRs, mn	399
EV, USD mn	38,706		
Free float	47%	Total, mn	399

Price performance, USD



Source: Bloomberg

Source: Bloomberg, MDM estimates

MTS buys 100% of Bashcell for USD38 mn... MTS announced yesterday that it bought 100% of Bashcell, a GSM operator in Volga region, for USD38 mn, including USD32 mn in debt, from oil producer Bashneft.

... **building up market share by 3pp to 39% in the lucrative region.** Bashcell operates in the oil-rich and heavily industrialized Republic of Bashkortostan with a population under coverage of 4.1 mn. According to AC&M Consulting, mobile penetration in the region is 102.4% (vs. 115.3% nationwide). The company serves 142,000 subscribers, which constitutes a 3% market share, and is licensed to provide DAMPS, zone, fixed-line, data transmission and telematic services. The acquisition helps MTS to reinforce its position in the lucrative region and edges up its market share to 39%.

Asset-based valuation looks reasonable given heavy debt... The price paid implies an EV/subscriber ratio of USD268, which is about a 70% discount to recent regional M&As (VimpelCom paid USD406/sub for Severnaya Korona in Irkutsk and about USD500-600/sub for cellular assets in Northern Caucuses) and at a 60% discount to MTS' own valuation. We view this as reasonable, as MTS basically took on Bashcell's debt. However, this leaves MTS' 2007E net debt/EBITDA at a safe 0.7 level.

... **and fairly valued on financial multiples.** In 1H07, Bashcell reported revenues of USD8 mn under RAS, which implies a 2007E annualized EV/revenue of 2.4x, a 45% discount to mobile average. In 2006 the company reported an EBITDA margin of 25%, which is half of that booked by Big 3 (though RAS implies different cost accounting and is thus non-relevant for comparison). Bashcell had monthly ARPU of USD6.6 in 2006 – well below that of Big 3's USD10.

The deal is neutral for EV. The deal is worth just 0.1% of MTS current MCap, and should thus have a negligible effect. It is in line with MTS regional consolidation strategy, and given the scarcity of mobile assets in the Russian market, we welcome MTS' active stance, which should help to keep benign pricing environment in the Russian regions. We do not expect any implications for the stock performance.

News Briefs

Telecoms and Technology

Kyevstar, Ukraine's largest mobile operator, will get a GSM license (Bloomberg). The news raises hopes that MTS and VimpelCom's Ukrainian subsidiaries might also get them, implying potential for complementary services and increased network capacity. Ukrtelecom has so far been the only operator to secure a 3G license.

Russian Telecommunication Minister Leonid Reiman said 3G frequencies will be available in Moscow from 2008 (Bloomberg). Frequencies clearance has been so far the key issue postponing the 3G launch in Moscow, most lucrative market. Its timely resolution should help operators to hit the ground running in a market where 3G alternatives (WiMAX, WiFi) are quickly strengthening their position.

Metals and Mining

Mechel paid close to USD72 mn for a 49% stake in the Bulgarian power plant Toplofikatsia Rousse, which has capacity of 400 MWs (Bloomberg). This would translate to USD360 per MW of capacity, which, everything else being equal, sounds a reasonable valuation by Russian and international industry standards. However, further investments may be needed.

Severstal, the Russian steelmaker, received a USD430 mn loan from EBRD to fund a program to cut emissions (Interfax). Another step from Severstal towards more energy efficiency, which we think will be critical in the coming years for Russian steelmakers.

Industrials, Consumer, Banks

Magnit announced unaudited 11M07 operating results yesterday. In November, 32 new stores were opened, totaling 228 net for 11M07 (2,121 combined total). Net retail sales increased 49.15% y-o-y to USD3.2 bn for 11M07, or 45.85% y-o-y to USD0.3 bn for November 2007. The company's original guidance was to open 300 net new stores in 2007, which now appears unachievable.

Russian sea ports preliminary data for 11M07 points to a loading volumes increase to 412.7 mn tons, up 7.3% from 11M06 (Transportation Ministry). Far East ports are best performing, with 15.6% growth, followed by North West ports (9.7%). We believe FESCO and Novoship are likely to continue boosting revenues moving forward, unless the ripple effects of the potentially forthcoming recession takes a toll on Pacific Rim markets.

Other

President Putin said yesterday at the United Russia party conference that he is willing to become the next Prime Minister under a Dmitry Medvedev presidency (Interfax). He emphasized that he will not change the distribution of powers between the president and the government. This was in line with expectations and puts an end to all speculation on Putin's future. The market benefited to the tune of between 0.5 and 1% yesterday compared to other emerging markets.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	13.78	-0.8%	-5.3%	7.7%	29.6%	19.6%	19.8%	14.58/8.75
	Novatek	72.00	-1.0%	-6.3%	25.4%	47.7%	10.9%	13.4%	76.8/46.5
	Rosneft	9.15	-0.5%	-4.7%	3.0%	8.3%	-2.1%	0.0%	9.7/7.66
	Lukoil	87.00	0.0%	-3.8%	1.0%	13.7%	-1.2%	-1.1%	95/71.9
	TNK-BP Holding	2.14	0.0%	-1.7%	-4.9%	7.0%	-14.1%	-17.5%	2.6/1.67
	Surgutneftegaz	1.22	-0.4%	-3.2%	1.2%	-1.2%	-17.3%	-20.3%	1.53/1.07
	Gazprom Neft	6.25	0.0%	11.6%	17.9%	67.1%	45.3%	37.1%	6.25/3.7
	Tatneft	5.81	-0.4%	-6.1%	1.0%	14.9%	15.3%	17.7%	6.26/3.95
	Bashneft	16.30	0.6%	5.8%	0.6%	16.4%	-1.2%	1.9%	16.5/12
	Transneft pref	1,985.00	-0.8%	-1.2%	2.3%	20.3%	-13.9%	-13.5%	2495/1435
	Integra	14.70	-0.3%	-0.7%	-2.0%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	13.73	-6.6%	-9.4%	-22.0%	-27.5%	-27.7%	-31.4%	25.56/13.73
West Siberian Resources	0.69	-4.5%	-7.0%	-8.2%	-12.6%	-40.0%	-38.8%	1.1/0.66	
Utilities	UES	1.32	1.4%	2.8%	7.4%	10.3%	41.0%	31.1%	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%	4.1%	3.4%	12.7%	29.6%	23.3%	0.18/0.11
	OGK-4	0.13	0.0%	0.5%	2.8%	6.1%	62.3%	65.8%	0.13/0.08
	OGK-5	0.18	0.0%	0.9%	2.5%	10.6%	26.5%	32.1%	0.18/0.12
Telecoms and technology	OGK-6	0.13	n/a	n/a	n/a	n/a	n/a	n/a	0.17/0.12
	MTS	89.95	-5.5%	-9.3%	-1.1%	30.8%	84.1%	79.2%	99.16/45.81
	Sistema	38.70	1.0%	-4.4%	-3.3%	27.3%	25.3%	20.9%	41.9/25.85
	VimpelCom	35.74	-7.5%	-12.1%	16.3%	29.7%	132.0%	126.3%	40.67/14.79
	Comstar	11.75	0.4%	-4.5%	-6.0%	5.4%	46.0%	39.9%	13.71/7.7
	Rostelecom	11.17	-2.0%	-5.7%	13.1%	10.4%	60.7%	46.0%	11.95/6.95
	Golden Telecom	100.02	-3.0%	-6.1%	1.5%	34.3%	128.3%	113.5%	108.85/43.82
	MGTS	32.85	1.5%	-1.2%	8.3%	10.9%	31.0%	25.0%	34.29/23.37
	Uralsvyazinform	0.06	-0.7%	-4.1%	-0.6%	15.8%	-6.9%	-7.9%	0.07/0.05
	Volga Telecom	5.75	0.0%	-2.5%	-8.7%	25.8%	7.5%	-5.0%	6.6/4.57
	Sibirtelecom	0.12	0.0%	-2.0%	-3.6%	30.6%	17.0%	7.1%	0.13/0.09
	Northwest Telecom	1.74	-1.0%	-2.4%	-6.3%	18.5%	5.8%	2.6%	1.92/1.23
	Center Telecom	0.91	-0.2%	0.3%	-2.1%	1.7%	27.0%	21.1%	1/0.71
	Southern Telecom	0.20	-0.5%	-1.4%	-5.6%	19.0%	36.0%	13.3%	0.23/0.15
	Dalsvyaz	5.35	-0.7%	-0.9%	-6.1%	16.3%	48.6%	28.6%	5.7/3.6
	Bashinformsvyaz	0.16	0.0%	0.0%	-6.9%	-8.8%	-14.6%	-29.0%	0.23/0.16
	RBC	10.27	1.4%	5.6%	9.3%	24.5%	-11.8%	-15.2%	12.1/7.53
	Metals and mining	Sitronics	5.58	-1.2%	-1.8%	-17.3%	4.1%	n/a	n/a
CTC Media		26.68	-2.9%	-0.5%	6.8%	9.7%	20.2%	11.1%	28.77/19.59
Rambler Media		29.00	1.8%	-6.5%	-17.3%	-27.5%	-12.1%	-14.1%	55/28.5
Norilsk Nickel		252.10	-1.3%	-8.8%	-11.4%	12.3%	63.2%	60.6%	309.9/135.5
Polyus Gold		42.50	-2.3%	-1.4%	-4.5%	0.6%	-13.3%	-13.8%	55.25/38.3
Severstal		22.23	-1.6%	-3.1%	2.7%	24.5%	101.7%	98.5%	23.84/10.85
Evraz Group		76.00	-4.4%	-11.6%	10.8%	51.1%	210.2%	195.8%	86/24.5
Mechel		86.03	-7.4%	-12.9%	13.2%	75.0%	234.9%	237.6%	99.89/23.73
NLMK		39.00	-3.9%	-8.2%	9.9%	20.9%	71.4%	67.7%	44.89/20.8
MMK		1.28	-3.0%	-6.6%	6.2%	19.6%	56.1%	47.1%	1.4/0.82
TMK		45.00	-1.1%	-5.2%	14.7%	18.4%	n/a	28.6%	47.49/30.9
VSMPO		302.50	-2.4%	-2.4%	-5.8%	4.3%	12.9%	3.2%	330/268
Industrials, consumer, banks	Sberbank	4.20	-1.4%	-4.3%	-0.7%	9.4%	36.4%	21.7%	4.42/3.08
	Rosbank	7.03	-1.0%	-2.0%	-2.1%	2.0%	10.9%	-8.6%	7.67/5.93
	X5	31.30	-2.0%	-6.5%	-6.6%	-3.7%	21.3%	20.4%	37.5/24.6
	Seventh Continent	26.26	0.0%	-0.5%	-5.4%	5.3%	2.6%	-1.6%	29.3/24.1
	Dixy Group	14.80	0.0%	-1.3%	0.6%	16.9%	43.4%	36.6%	15.6/13.85
	Magnit	48.75	0.5%	0.0%	0.6%	16.9%	43.4%	36.6%	48.75/34
	Wimm-Bill-Dann	116.35	-1.8%	-2.2%	-13.6%	2.8%	105.2%	74.8%	134.62/56.49
	Lebedyansky	88.00	0.0%	2.3%	-1.6%	-1.1%	9.0%	10.0%	99/73.5
	Nutritek	51.00	0.0%	2.0%	-5.1%	6.4%	16.3%	13.0%	53.8/44.9
	Baltika (euro)	34.13	0.0%	0.0%	2.6%	6.4%	16.3%	13.0%	36.96/32.48
	Razgulay	5.47	0.0%	4.8%	8.3%	35.7%	38.8%	36.8%	5.47/3.6
	Severstal Auto	54.30	2.5%	6.0%	9.7%	25.4%	93.9%	79.5%	54.3/28
	AvtoVAZ	1.75	-2.8%	-2.8%	-1.4%	24.1%	61.3%	59.8%	2.05/0.67
	Aeroflot	3.50	-2.8%	-2.8%	-1.4%	24.1%	61.3%	59.8%	3.6/2.17
	Veropharm	52.00	0.0%	3.5%	8.3%	19.5%	76.9%	63.8%	52/29.4
	Apteka 36.6	77.00	0.0%	0.0%	1.7%	2.0%	37.5%	32.2%	96.1/56
	Pharmstandard	23.30	-0.6%	-10.9%	2.4%	25.9%	n/a	n/a	27.4/13.6
	Kalina	42.00	0.0%	-3.2%	-3.2%	21.7%	-13.4%	-18.4%	51.5/34.25
Oriflame (euro)	43.37	-1.4%	4.1%	9.6%	5.7%	47.0%	45.2%	44.28/28	
Cherkizovo	14.10	-1.1%	-0.2%	-6.0%	13.3%	1.4%	3.7%	17.35/11.05	
Sistema Hals	9.93	-3.6%	1.0%	6.8%	-3.6%	n/a	-25.3%	15.05/8.75	
RTS Index	2,251.07	-0.8%	-3.4%	2.8%	16.1%	20.9%	17.1%	2359.85/1724.69	

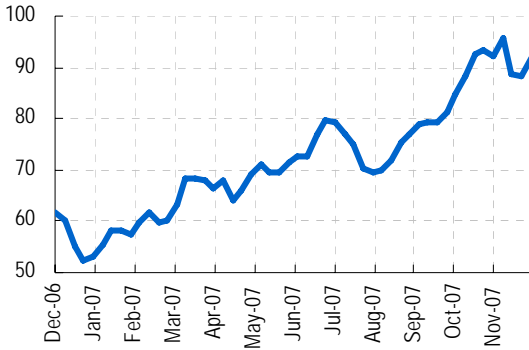
Source: Bloomberg

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	313,481	13.2	11.2	9.8	9.4	8.0	7.1	4.1	3.6	3.2
	Novatek	21,859	28.5	21.7	18.9	18.1	13.9	12.7	8.9	6.7	5.5
	Lukoil	74,037	9.0	8.8	10.3	6.1	6.0	6.3	1.1	1.1	1.1
	Rosneft	96,981	19.8	15.8	16.7	10.6	9.1	8.8	2.7	2.4	2.5
	Surгутneftegaz	48,592	11.7	13.0	13.8	5.1	5.9	6.2	1.9	1.9	1.9
	Gazprom Neft	29,631	7.9	8.5	9.0	5.5	5.8	6.0	1.5	1.4	1.4
	Tatneft	13,124	9.9	11.0	9.9	6.0	6.8	6.1	1.0	1.0	1.0
	Bashneft	2,771	6.3	5.2	5.4	3.4	3.1	3.1	0.7	0.7	0.8
	Transneft pref	13,719	5.5	5.4	4.9	3.9	3.5	3.2	2.1	1.9	1.7
	West Siberian Resources	808	18.2	8.6	6.6	8.4	5.2	3.9	2.9	2.0	1.6
Aggregate - oil and gas	614,196	12.4	11.2	10.9	7.6	6.9	6.6	2.7	2.3	2.1	
Utilities	UES	54,299	31.2	25.9	20.8	17.0	13.1	11.3	3.4	2.9	2.6
	Mosenergo	9,739	83.8	44.7	23.6	26.7	18.3	11.6	3.2	2.6	2.1
	OGK-1	5,134	n/a	56.4	38.6	42.3	27.8	19.9	4.7	4.2	3.4
	OGK-2	3,720	n/a	46.5	26.2	203.9	23.1	13.7	4.1	3.4	2.8
	OGK-3	7,171	n/a	84.4	51.2	103.8	40.8	36.7	9.4	7.7	6.7
	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	3,475	48.6	27.5	19.4	20.7	16.0	10.2	3.1	2.6	2.1
Aggregate - utilities	96,242	24.4	27.3	21.6	36.4	15.9	11.9	3.4	2.9	2.5	
Telecoms and technology	MTS	35,890	28.8	20.2	18.0	12.0	10.1	9.3	6.1	5.1	4.6
	Sistema	18,692	20.7	15.5	14.2	9.8	8.1	7.5	3.6	3.3	3.0
	VimpelCom	36,655	45.1	30.5	27.1	15.8	12.8	11.8	7.9	6.4	5.9
	Aggregate - mobile telecoms	91,237	31.5	22.1	19.8	12.5	10.4	9.5	5.9	4.9	4.5
	Comstar	4,911	59.9	44.2	14.4	16.9	9.7	8.4	5.5	4.2	3.7
	Rostelecom	8,896	n/a	77.4	64.9	22.7	20.3	18.1	3.8	3.8	3.6
	Golden Telecom	3,666	42.9	31.3	23.3	16.2	11.4	8.7	4.3	3.2	2.5
	MGTS	3,084	9.8	9.1	8.9	6.3	6.3	6.1	3.1	3.0	2.9
	Uralsvyazinform	2,376	76.6	17.3	13.3	9.6	6.4	5.6	2.6	2.3	2.1
	Volga Telecom	1,742	22.3	13.1	10.9	6.9	5.3	4.7	2.4	2.0	1.8
	Sibirtelecom	1,770	41.5	8.5	6.6	8.9	5.1	4.3	2.2	1.8	1.6
	Northwest Telecom	1,840	39.2	15.6	15.0	9.0	6.1	5.6	2.9	2.3	2.1
	Center Telecom	1,757	26.0	27.4	16.0	6.4	5.9	5.0	2.3	2.0	1.8
	Southern Telecom	728	56.0	18.2	16.2	6.6	6.1	5.6	2.3	2.0	1.9
	Dalsvyaz	653	50.2	13.6	9.3	8.9	5.2	4.1	2.2	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	1,066	17.5	n/a	20.8	8.4	10.6	6.4	0.9	0.7	0.6
	Aggregate - fixed line telecoms	31,580	39.4	23.7	17.1	10.2	7.6	6.9	2.9	2.4	2.2
RBC	1,182	20.1	16.8	18.3	12.7	11.6	8.8	4.9	3.8	3.2	
CTC Media	4,053	29.6	21.6	16.9	16.2	12.1	9.6	8.3	6.3	5.0	
Rambler Media	435	35.9	18.0	11.7	22.0	10.0	6.9	5.5	3.2	2.5	
Aggregate - media	5,670	28.5	18.8	15.6	17.0	11.2	8.5	6.2	4.4	3.6	
Metals and mining	Norilsk Nickel	46,134	6.3	7.6	8.2	4.1	4.5	4.7	2.8	2.9	3.0
	Polyus Gold	8,118	44.9	56.3	51.7	18.0	21.5	21.4	7.6	7.2	7.5
	Severstal	22,401	11.3	9.7	9.9	5.9	5.3	5.3	1.6	1.5	1.4
	Evraz Group	26,654	11.9	10.4	10.7	7.4	6.7	7.1	2.7	2.3	2.3
	Mechel	11,611	13.3	9.9	10.0	7.7	5.6	5.5	2.1	1.7	1.6
	NLMK	23,373	10.8	10.7	10.4	7.3	7.0	6.8	3.3	3.2	3.0
	MMK	13,009	7.3	7.0	6.5	5.3	4.8	4.5	1.6	1.5	1.4
	TMK	9,810	16.5	12.4	9.5	10.6	8.2	6.6	2.6	2.2	2.0
	VSMPO	3,630	13.7	11.9	9.4	9.0	7.7	6.0	3.5	3.0	2.4
	Aggregate - metals and mining	164,739	16.5	15.5	14.2	9.2	8.3	7.6	3.4	3.0	2.8
Industrials, consumer, banks	Sberbank *	236	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	Aggregate - banks	236	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
	X5	6,776	43.3	27.0	20.6	16.1	11.8	9.3	1.5	1.1	0.8
	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	5,119	35.0	25.6	20.1	17.3	13.4	11.2	2.3	1.9	1.6
	Aggregate - FMCG	25,006	29.1	21.7	16.5	14.1	10.7	8.6	1.8	1.4	1.1
	Razgulay	580	27.3	14.1	12.2	9.0	6.7	6.2	1.1	1.0	0.9
	Severstal Auto	1,846	17.0	14.2	10.9	11.4	8.5	6.8	1.4	1.1	0.8
	AvtoVAZ	51	0.4	0.2	0.2	1.4	1.1	n/a	0.1	0.1	0.1
	Aeroflot	3,889	12.9	13.1	9.4	8.9	7.5	5.7	1.3	1.1	1.0
	Veropharm	520	19.2	13.9	11.1	13.0	9.5	8.0	4.0	3.2	2.6
	Kalina	410	13.3	11.2	10.6	8.1	7.0	7.0	1.2	1.0	1.0
Oriflame (euro)	2,416	24.5	18.4	14.9	16.3	13.3	11.3	2.4	2.1	1.9	
Aggregate valuation	1,038,617	13.1	11.6	10.8	8.3	7.5	7.0	2.6	2.3	2.2	
FF-adj. MCAP W.A. valuation	296,618	16.3	14.9	13.5	10.4	8.5	7.7	3.7	3.2	3.0	

Source: MDM estimates, IBES consensus

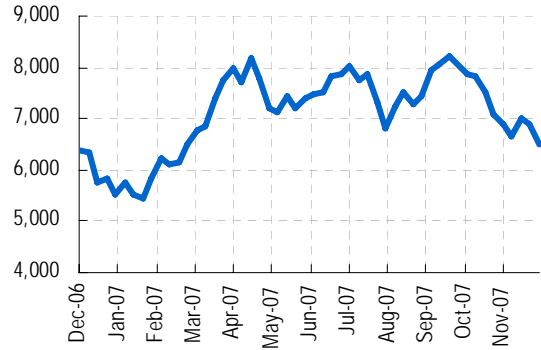
Key commodities

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



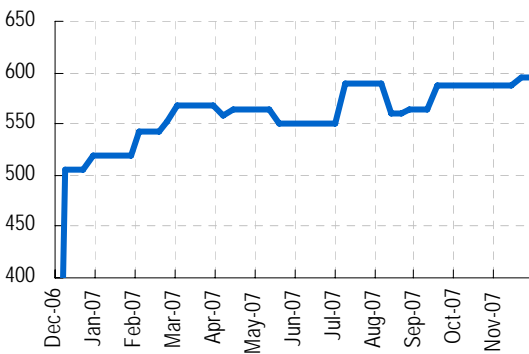
Source: Bloomberg

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



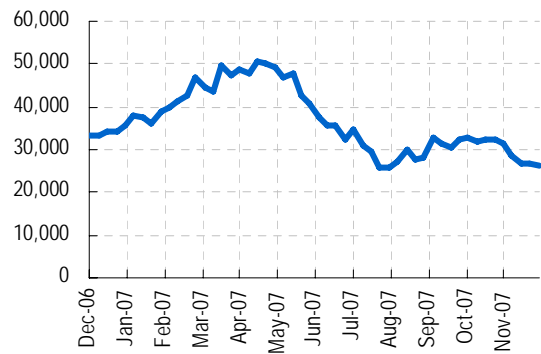
Source: Bloomberg

MB-Steel HR Coil CIS, USD/ton



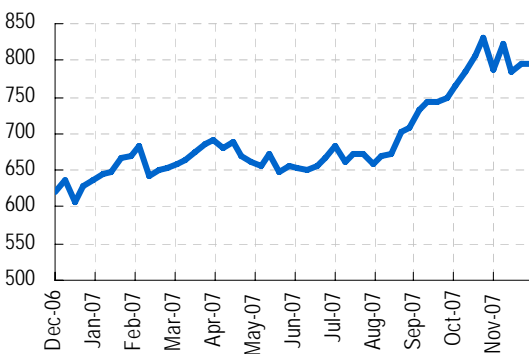
Source: Bloomberg

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



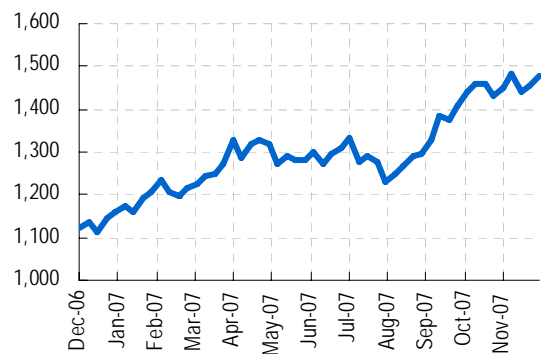
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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