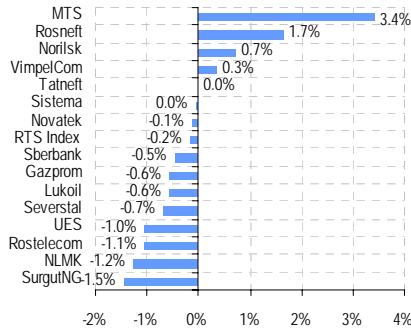
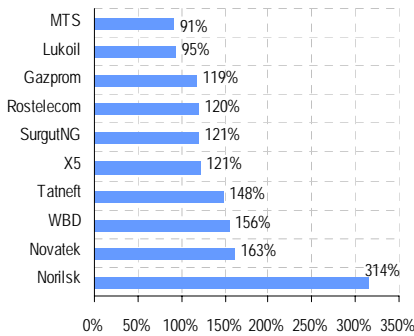


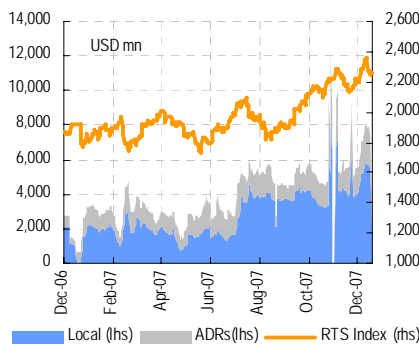
Blue chips: Advancers and decliners



Volume monitor: Daily/3M avg. volume



RTS index and weekly trading volumes



Upcoming events

Today	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

Russian indexes slipped yesterday as fresh global concerns in the money and credit markets offset solid commodities performance. The RTS declined 0.2% to 2265 and the MICEX 0.5% to 1899. With liquidity fading as we enter the holiday season, volatility may decrease in Russia in the coming days. Today, markets await US leading indicators and PCE inflation data.

Top news and ideas

- Integra Group: Reports strong 3Q07 preliminary financials.** Despite continuing pressure on margins, impressive y-o-y sales growth and a rosy outlook for company performance bode well for the stock price in the coming months.
- Rosneft: Shares Tomskneft with Gazprom.** The sale of 50% of the unit will reduce Rosneft's production by around 5% and increase Gazpromneft's by 14%. In our view, low transparency standards at Rosneft continue to increase investor risk.
- Norilsk Nickel: Prokhorov, Potanin to sell part of their stake.** Announced the day before the expiration of Prokhorov's offer, the news implies, in our view, that the final solution to their feud is getting closer, with both realizing that Prokhorov's 25% stake will most likely not be bought by Potanin.
- Sistema: Estimates pan-Indian network roll-out at USD4-7 bn.** We believe Sistema can afford this promising project, given its net debt/EBITDA ratio of 1.2X.

Other highlights

- Brief - Comstar announced that Access Industries completed its call option exercise for an 11.06 % stake in Comstar on Dec 18.** Shares were acquired from Comstar's subsidiary MGTS Finance for USD6.97/share or USD322 mn. The move helps to unwind most of the Comstar-MGTS cross ownership structure and reduce earnings volatility. We remind investors, however, that it was part of the Svyazinvest deal and hence is priced in to the stock price.
- Brief - Pharmacy Chain 36.6 completed the acquisition of 6 pharmacy chains with a total of 29 pharmacies.** No financial details were disclosed. The acquisition increased 36.6's presence in the Black Sea coast by 2.5 times and raised its market share in Sochi to 30%. Although management believes in the strategic importance of the region for 36.6's expansion, we are concerned with company's ability to control mounting debt.

>>> More news on page 6

Russian market in context

	Last Close	Performance/Trends				
		1D	1WK	1M	3M	12M
RTS Index	2,265	-0.2%	-4.0%	3.9%	12.4%	21.4%
MSCI EM Europe Index	795	-0.4%	-2.8%	2.7%	12.0%	26.9%
MSCI EM Index	1,197	0.6%	-3.6%	-2.6%	3.8%	34.1%
S&P500 Index	1,453	-0.1%	-2.3%	0.9%	-4.3%	2.1%
OIX (Oil majors) Index	855	0.8%	-0.2%	4.7%	5.5%	30.8%
GSCI (Commodities) index	5,813	0.7%	-1.0%	-1.6%	1.4%	-15.7%
Oil (WTI), USD/bbl	91.1	0.6%	1.0%	-4.8%	11.2%	44.2%
Nickel, USD/ton	25,675	0.7%	-1.3%	-17.8%	-12.1%	-26.9%
Steel (HR), USD/ton	590	-0.8%	-0.8%	0.4%	4.4%	16.8%
LT U.S. Treasury YTM	4.5%	4.6%	4.6%	4.5%	4.9%	4.8%
EMBI-Russia spread, bp	153	148	137	153	163	98
RUB/USD	24.72	24.71	24.42	24.52	25.35	26.39

Source: Datastream, Bloomberg

Integra Group: Reports strong 3Q07 preliminary financials

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

Sales double, but high costs constrain EBITDA. Integra Group, one of the leading Russian oil services companies, released unaudited preliminary revenue and EBITDA numbers for 9M07 yesterday. The company's total sales (USD315 mn) more than doubled in 3Q07 compared to the same period a year ago, but higher costs put pressure on EBITDA, which could not keep pace with the sales growth rate, increasing only 82% y-o-y (USD54.3) in 3Q07. The company noted in its release that half of its incremental EBITDA growth in 9M07 vs 9M06 came from acquisitions but did not provide details for the 3Q07 impact, which was probably higher as some of the acquisitions were made later in the year.

Drilling segment EBITDA pushed down by cost pressure. In the drilling segment, revenue growth reached 53% y-o-y in 3Q07, but EBITDA margin fell to 20.8% (down 6.6pp), resulting in a mere 16% y-o-y increase in EBITDA. On the top line, the company benefited from continuing pricing power, which reached double digit level, and strong demand – especially for inclined drilling and technology services where the product mix is improving. However, costs were strained by restructuring efforts that included rig rationalization, more downtime, one-time expenses and personnel reassignments.

Gazprom, Rosneft contracts provide huge boost. In the formation evaluation segment, revenues grew by 165%, benefiting from acquisitions, upgrades of seismic capacity and particularly good pricing trends. The segment's EBITDA margin improved further to 32.5%, mainly due to higher operating efficiencies in the company's Kazakhstan operations. Finally, in the manufacturing segment EBITDA quadrupled on the large Gazprom and Rosneft contracts and management believe further margin expansion is possible as in-house capacity for these contracts goes up.

Management upbeat about 4Q07, 2008. The total EBITDA margin for the company fell to 17.2% from 20% a year ago, but improved from 15% in 1H07. Seasonal factors explain most of the sequential trend, while acquisitions explain most of the y-o-y trends in margins. Management gave an upbeat outlook for 4Q07, saying that y-o-y price increases continue even though it noted that on a q-o-q there should be no material changes. Management also added that its order book for 2008 has filled at a faster pace than at the same time a year ago (USD963 mn for 2008).

Integra steps on the gas for positive outlook. The company reported strong results as acquisitions, strong demand for all services, favorable pricing trends, especially in inclined drilling, are driving top line growth. Although cost inflation and restructuring costs may have put some pressure on margins, we believe that the strong industry environment and management's optimistic outlook should bode well for the stock price in the coming months. The company appears to be running on all cylinders and we expect even better operating figures when the restructuring costs in their core drilling business are totally behind them in the next few quarters. However, we still view the valuation level as unjustified at this point. We do not officially cover this stock

Integra Group 3Q07 unaudited financials

USD, mn	Revenues			EBITDA			EBITDA Margins			
	3Q06	3Q07	YoY	3Q06	3Q07	YoY	3Q06	3Q07	1H06	1H07
Drilling, workover and IPM	95	145	53%	26.00	30.20	16%	27.4%	20.8%	15%	21%
Formation evaluation	22	59	165%	7	19	173%	31.6%	32.5%	15.6%	26.0%
Manufacturing	32	112	253%	5	22	300%	17.2%	19.3%	36.4%	12.9%
Total Revenues,	149	315	112%	30	54	82%	20.1%	17.2%	14.0%	15.4%

Source Company Data

Rosneft: Shares Tomskneft with Gazprom

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

Bloomberg ticker	Company name	Price, USD	Rating	12M High/Low	2007 P/E	2007 EV/EBITDA	MCAP, USD mn
ROSN RU	Rosneft	9.25	Not Rated	9.7/7.66	20.1	10.7	98,041

Source: IBES consensus, Data Stream

Gazpromneft the owner of the mysterious 50% of Tomskneft. Russian newspaper *Kommersant* reported that the mystery surrounding Tomskneft has been solved. A source from the regional Tomsk administration identified Gazpromneft, Gazprom's oil subsidiary, as the final owner of the 50% stake of Tomskneft. As a reminder, Rosneft paid USD6.8 bn to acquire Tomskneft at the Yukos auctions back in 2006 and this year announced that it sold a 50% stake of the unit to Vnesheconombank, which denied that it had actually bought the stake and did not consolidate it in its own balance sheet. Now, however, Rosneft claims it owns 100% of the Siberian unit as it will pay back the bank the USD3.4 bn it had received at that time and will sell the 50% stake to Gazpromneft for the same amount. Gazpromneft secured a USD1.2 bn loan from Gazprombank back in November and another USD2.2 bn facility from international banks in September which would allow it to pay for Tomskneft.

Confirmation of low transparency standards. The sale of the 50% stake of the 240 mboe per day producing unit from Rosneft to Gazpromneft would mean a 5% reduction in Rosneft and a 14% increase in Gazpromneft daily production. This will be essentially the first major asset won in the Yukos auction that Rosneft has shared, and will also be the first big joint venture between Rosneft and Gazprom. With regards to Rosneft, the positive news is that the mystery around this producing unit has been solved after so much speculation had circulated in the media and among investors. We note here, however, that the transaction once again shows the low transparency standards at the company, which kept 50% of Tomskneft off its balance sheet in order to improve its capital structure. From Gazpromneft's side, this is a very positive piece of news added to a series of other developments that increase significantly its output volumes and point to a gradual increase in its operating independency within Gazprom. While we believe that Gazprom will always want the upper hand and it will be difficult for Gazpromneft to gain complete independence, these steps may increase investors' confidence on the stock. We do not officially cover these stocks.

Norilsk Nickel: The two owners will sell part of their stake

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

Bloomberg ticker	Company name	Price, USD	Rating	12M High/Low	2006 P/E	2006 EV/EBITDA	MCAP, USD mn
GMKN RU	Norilsk Nickel	259.10	Not Rated	309.9/135.5	6.5	4.2	47,415

Source: IBES consensus, Data Stream

The two men decide to sell 2% of Norilsk. KM Invest, an investment company owned jointly by Mikhail Prokhorov and Vladimir Potanin, announced after the close of trading yesterday that it had decided to sell a 2% stake in Norilsk Nickel and a 7.4% stake in Polyus Gold for around USD990 mn and USD615 mn respectively. KM Invest owns in total 8.1% of Norilsk Nickel's outstanding shares. From the statement it was not clear whether the sale of these shares will be conducted through a private placement or will be sold on the open market. We believe that the former is the most likely scenario but the price in any case will be close to market terms. In addition, *Vedomosti* reports this morning that Prokhorov expressed his dissatisfaction with these sales. He highlighted the low transparency of its operations and accused Potanin of selling holdings without approval from shareholders. A similar accusation was made by Potanin yesterday against Polyus Gold. In other news yesterday, Interfax reported that RusAl is close to securing a USD4.5 bn loan to pay for Prokhorov's stake.

Separation day getting closer. The whole situation between the two owners is increasingly getting complicated but at the same time we could be inching toward to end of the saga. The sale of the KM Invest stakes indicates two things in our view. First, the probability of an agreement between the two sides for the purchase of Prokhorov's 25% stake in Norilsk before the expiration of the offer tomorrow is getting lower by the day. Not only is time running out for Potanin but also if an agreement was to be made there would have been no reason for them to sell the stake. Secondly, the day when this messy divorce ends is coming closer. Most likely both sides have by now realized that RusAl is the most probable owner of this 25% stake, with a possible RusAl-Norilsk merger to follow, and therefore it is best for them to separate all of their assets and move on to new adventures. If we are right on both of these points, the stock should react positively today as, in the long term, minority shareholders will be better off if a final solution is reached. Of course, the next question becomes whether they like the merger with RusAl or not. In the short term, a slight overhang of the shares to be sold could cause a decline in the stock if the shares are sold in the open market.

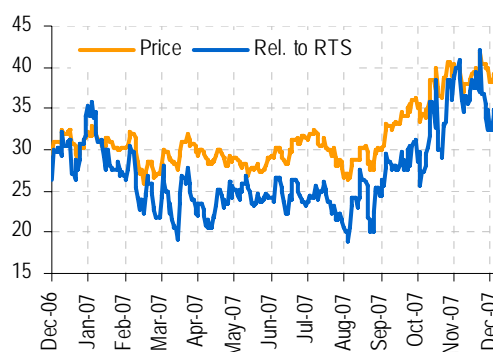
Sistema: Estimates pan-Indian network roll-out at USD4-7 bn

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

Bloomberg ticker	Price, USD	FV, USD	Rating	12M High/Low	1M Perf.	3M Perf.	12M Perf.
SSA LI	39.25	Under review	Under review	41.9/25.85	-0.3%	18.5%	33.1%

Financials, USD mn	2006A	2007E	2008E
Revenue	10,863	12,056	13,141
EBITDA	4,024	4,842	5,277
Net income	903	1,205	1,314
Revenue growth	49%	11%	9%
EBITDA growth	41%	20%	9%
Net income growth	93%	33%	9%
EBITDA margin	37%	40%	40%
Net margin	8%	10%	10%
EV/Revenue	3.7	3.4	3.1
EV/EBITDA	10.1	8.4	7.7
P/E	21.0	15.7	14.4
MCAP, USD mn	18,958	GDRs., mn	483
EV, USD mn	40,686		
Free float	23%	Total, mn	483

Price performance, USD



Source: Bloomberg

Source: Bloomberg, MDM estimates

Indian network deployment estimated at USD5-7 bn. Sistema's CEO Alexander Goncharuk said yesterday that construction of a pan-Indian wireless network will cost USD4-7 bn and Sistema is willing to pay half, with the rest to be financed by its as yet unnamed partners, according to Reuters. Mr. Goncharuk also specified that USD2 bn will come from Sistema's own resources and the rest will be borrowed. The project is expected to stretch to 5-7 years with similar payback period.

Challenging but promising project. Sistema paid USD11.4 mn for a 10% stake in Shyam Telelink, an Indian integrated telecom operator, in September, and later received an approval to build its share to 51% for total worth of USD58 mn. If this point is reached, Sistema's ownership could be increased to 74%, which is the upper limit for foreign participation in Indian entities. Shyam Telelink, holder of a GSM license in Rajasthan state (62 mn population) applied for a nationwide GSM license, which if received would enable Sistema to compete with the top 10 operators in the under-penetrated market (mobile penetration is about 20% and fixed-line is 4%). Earlier, Sistema had said that it planned to spend USD500 mn on license fees and USD500 mn on network deployment. In addition, Sistema has an option to sell the 51% stake it will own for USD58 mn, the price of purchase, which caps the project's risks.

Can be financed. We believe Sistema can afford entrance to one of the world's most lucrative markets. Sistema's net debt/EBITDA ratio of 1.2X allows it to easily borrow up to USD2 bn and still remain at a comfortable level. We also remind investors that the company registered a USD3 bn European Medium Term Notes at the beginning of 2007, which should give the company flexibility to meet financing needs.

News Briefs

Oil and Gas

TNK-BP is willing to spend USD520 mn on its Verkhnechonsk field in East Siberia, which will be developed jointly with Rosneft (Bloomberg). It seems that the delays in the ESPO construction will not hold back TNK-BP from moving ahead with this project.

Utilities

UES loaned RUB20 bn against its stock from VTB (Interfax). The loan was granted for six months. UES raised money to finance the repurchase of shares from shareholders who opposed its reorganization. The fact that the shares are pledged means that UES will not be able to sell the stake on the free market for the six month period, which, in our view, increases the probability that this stake finally might be sold to VTB.

Industrials, Consumer, Banks

X5 Retail Group yesterday announced an extraordinary shareholder meeting to accept the resignation of Vitaliy Podolskiy, CFO of the company. It seems unlikely to be coincidence that the resignation notice came immediately after the company received a USD1.1 bn syndicated loan the day before.

Other

President Putin called for a more responsible approach towards inflation yesterday (Interfax). This happened on the same day that MEDT head Elvira Nabiullina said that inflation for 2007 may exceed 12%. We expect the new government under PM Putin to focus more on inflation next year with more administrative measures on the table.

A MEDT official, from the trade negotiations department, said yesterday that Russia could join the WTO in 3Q08 (RBC Daily). The only countries that remain in the negotiation rounds are Saudi Arabia and UAE. He added that agricultural issues were the main remaining issues. Progress on this issue has been very slow and targets have been missed in the past but we see this as happening in 2008.

Stock performance summary									
	Company name	Last price, USD	1D	1WK	1M	3M	12M	YTD	12M High/Low
Oil and gas	Gazprom	14.05	-0.6%	-3.6%	9.3%	28.3%	21.6%	22.2%	14.58/8.75
	Novatek	74.10	-0.1%	-1.2%	23.5%	50.0%	15.6%	16.7%	76.8/46.5
	Rosneft	9.25	1.6%	-4.6%	5.0%	7.2%	1.1%	1.1%	9.7/7.66
	Lukoil	85.70	-0.6%	-7.4%	-1.4%	7.1%	-1.4%	-2.6%	95/71.9
	TNK-BP Holding	2.12	0.0%	-2.3%	-5.8%	5.8%	-14.4%	-18.5%	2.6/1.67
	Surgutneftegaz	1.22	-1.5%	-4.4%	1.2%	-4.5%	-16.7%	-20.3%	1.53/1.07
	Gazprom Neft	6.05	0.0%	2.5%	17.0%	53.2%	40.7%	32.7%	6.25/3.7
	Tatneft	5.79	-0.6%	-6.2%	1.5%	10.9%	16.8%	17.5%	6.26/3.95
	Bashneft	16.28	-0.1%	0.5%	2.7%	16.3%	-0.1%	1.8%	16.3/12
	Transneft pref	1,980.00	-1.7%	-5.7%	4.2%	19.3%	-13.9%	-13.7%	2495/1435
	Integra	14.85	1.0%	1.0%	0.3%	n/a	n/a	n/a	21.55/13.55
	C.A.T Oil	14.47	1.9%	-5.7%	-14.9%	-23.6%	-23.6%	-27.7%	25.56/13.73
West Siberian Resources	0.65	-4.4%	-8.3%	-14.5%	-16.9%	-42.0%	-41.2%	1.1/0.65	
Utilities	UES	1.31	-1.1%	-2.4%	6.2%	7.1%	40.0%	29.8%	1.37/0.93
	OGK-1	0.11	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%	2.0%	3.4%	12.7%	31.3%	23.3%	0.18/0.11
	OGK-4	0.13	0.0%	0.3%	3.1%	4.7%	69.4%	66.3%	0.13/0.08
	OGK-5	0.17	-0.3%	0.8%	2.3%	19.5%	28.6%	31.9%	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	94.92	3.4%	0.3%	8.5%	38.1%	98.6%	89.1%	99.16/45.81
	Sistema	39.25	-0.1%	-1.3%	-0.3%	18.5%	33.1%	22.7%	41.9/25.85
	VimpelCom	37.73	0.3%	-2.1%	19.8%	38.3%	145.3%	138.9%	40.67/14.79
	Comstar	11.90	1.3%	-1.9%	-2.5%	0.0%	44.2%	41.7%	13.71/7.7
	Rostelecom	11.20	-1.1%	-5.9%	13.1%	8.9%	56.9%	46.4%	11.95/7.14
	Golden Telecom	100.21	-2.0%	-7.3%	2.0%	37.3%	127.9%	113.9%	108.85/43.98
	MGTS	33.85	2.3%	4.7%	12.2%	9.4%	34.5%	28.9%	34.29/23.37
	Uralsvyazinform	0.06	-0.6%	-2.8%	-0.2%	9.7%	-10.2%	-7.5%	0.07/0.05
	Volga Telecom	5.73	-1.0%	-2.7%	-7.6%	22.7%	-0.7%	-5.3%	6.6/4.57
	Sibirtelecom	0.12	-0.4%	-3.3%	-5.6%	23.7%	6.8%	4.4%	0.13/0.09
	Northwest Telecom	1.69	-2.1%	-4.8%	-6.0%	16.8%	2.0%	0.0%	1.92/1.23
	Center Telecom	0.91	0.2%	-0.1%	-1.1%	-1.1%	19.7%	21.3%	1/0.71
	Southern Telecom	0.20	-1.3%	-4.6%	-8.1%	14.8%	12.9%	9.7%	0.23/0.16
	Dalsvyaz	5.30	-0.2%	-1.9%	-7.0%	13.0%	29.3%	27.4%	5.7/3.7
	Bashinformsvyaz	0.16	0.0%	0.0%	-6.1%	-8.8%	-14.6%	-29.0%	0.23/0.16
	Metals and mining	RBC	10.25	-0.1%	2.3%	11.0%	25.2%	-13.0%	-15.4%
Sitronics		5.53	-3.8%	-7.5%	-16.2%	-2.1%	n/a	n/a	12/5
CTC Media		26.10	-1.5%	-4.4%	8.9%	9.5%	13.1%	8.7%	28.77/19.59
Rambler Media		27.18	-2.3%	-8.6%	-16.4%	-32.5%	-18.0%	-19.5%	55/27.18
Norilsk Nickel		259.10	0.7%	-5.0%	-7.8%	6.2%	69.6%	65.0%	309.9/135.5
Polyus Gold		44.00	0.0%	1.1%	3.8%	1.1%	-10.1%	-10.8%	55.25/38.3
Severstal		22.20	-0.7%	-3.9%	1.6%	16.8%	100.0%	98.2%	23.84/10.85
Evraz Group		77.50	0.5%	-4.8%	14.0%	40.1%	213.8%	201.7%	86/24.7
Mechel		90.02	0.7%	-6.1%	16.8%	80.3%	256.4%	253.3%	99.89/23.73
NLMK		38.70	-1.3%	-7.9%	-0.8%	17.3%	67.7%	66.5%	44.89/20.8
MMK		1.29	0.0%	-5.8%	6.2%	15.8%	53.7%	48.4%	1.4/0.84
TMK		44.50	1.1%	-3.8%	12.0%	9.9%	n/a	27.1%	47.49/30.9
Industrials, consumer, banks	VSMPO	312.00	2.6%	0.6%	-2.8%	7.6%	7.6%	6.5%	330/275
	Sberbank	4.24	-0.5%	-4.1%	1.7%	4.2%	33.8%	22.9%	4.42/3.08
	Rosbank	7.03	-0.4%	-1.5%	0.2%	2.8%	-1.1%	-8.4%	7.67/5.94
	X5	33.30	2.1%	-2.1%	-1.0%	1.5%	31.1%	28.1%	37.5/24.6
	Seventh Continent	26.26	0.0%	0.0%	-2.7%	4.6%	3.2%	-1.6%	29.3/24.1
	Dixy Group	14.57	-1.6%	-1.6%	1.6%	16.7%	42.0%	37.3%	15.6/13.85
	Magnit	49.00	0.0%	0.5%	1.6%	16.7%	42.0%	37.3%	49/34.5
	Wimm-Bill-Dann	129.48	5.3%	8.3%	5.0%	15.0%	125.6%	94.6%	134.62/56.49
	Lebedyansky	88.00	0.0%	0.0%	-0.6%	-1.1%	10.0%	10.0%	99/73.5
	Nutritek	51.00	0.0%	0.0%	-4.7%	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%	36.96/32.58
	Razgulay	6.00	3.4%	14.3%	20.0%	48.1%	52.3%	50.0%	6/3.6
	Severstal Auto	55.00	0.0%	7.3%	7.6%	18.3%	96.4%	81.8%	55/28
	AvtoVAZ	1.75	0.0%	-2.8%	-2.8%	17.8%	59.8%	59.8%	2.05/0.67
	Aeroflot	3.50	0.0%	-2.8%	-2.8%	17.8%	59.8%	59.8%	3.6/2.19
	Veropharm	51.80	-0.4%	3.1%	7.7%	20.5%	76.2%	63.2%	52/29.4
	Apteka 36.6	77.00	0.0%	0.0%	1.7%	2.0%	37.5%	32.2%	96.1/56
Pharmstandard	23.10	3.1%	-7.6%	8.8%	24.1%	n/a	n/a	27.4/13.6	
Kalina	41.00	-2.4%	-5.5%	-5.5%	18.8%	-15.5%	-20.4%	51.5/34.25	
Oriflame (euro)	42.91	-1.0%	0.2%	9.7%	3.6%	47.6%	44.1%	44.28/28	
Cherkizovo	14.25	1.2%	1.8%	-3.1%	14.5%	3.3%	4.8%	17.35/11.05	
Sistema Hals	9.80	-2.0%	-3.9%	4.9%	-7.1%	n/a	-26.3%	15.05/8.75	
RTS Index	2,264.95	-0.2%	-4.0%	3.9%	12.4%	21.4%	17.8%	2359.85/1724.69	

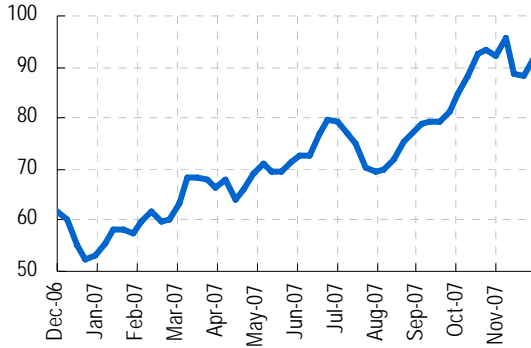
Source: Bloomberg

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	319,623	13.4	11.4	9.9	9.6	8.2	7.2	4.2	3.7	3.3		
	Novatek	22,497	29.3	22.4	19.4	18.6	14.3	13.1	9.1	6.9	5.7		
	Lukoil	72,931	8.8	8.7	10.1	6.0	5.9	6.2	1.1	1.1	1.1		
	Rosneft	98,041	20.1	16.0	16.9	10.7	9.2	8.9	2.8	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	28,683	7.6	8.2	8.7	5.4	5.6	5.8	1.4	1.4	1.4		
	Tatneft	13,090	9.9	11.0	9.8	6.0	6.8	6.1	1.0	1.0	1.0		
	Bashneft	2,768	6.3	5.2	5.4	3.4	3.1	3.1	0.7	0.7	0.8		
	Transneft pref	13,685	5.5	5.3	4.9	3.9	3.5	3.2	2.1	1.9	1.7		
	West Siberian Resources	772	17.4	8.2	6.3	8.1	5.0	3.8	2.8	1.9	1.5		
	Aggregate - oil and gas	619,909	12.5	11.2	11.0	7.6	6.9	6.6	2.7	2.3	2.1		
Utilities	UES	53,765	30.9	25.7	20.6	17.0	13.0	11.2	3.3	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	5,089	n/a	55.9	38.3	42.0	27.5	19.7	4.6	4.2	3.4		
	OGK-2	3,694	n/a	46.2	26.0	202.5	22.9	13.6	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	6,534	n/a	n/a	54.0	81.3	48.9	26.9	6.8	6.2	4.8		
	OGK 5	6,172	52.3	64.3	45.7	66.2	30.0	22.2	6.4	5.0	4.1		
	OGK-6	3,475	48.6	27.5	19.4	20.7	16.0	10.2	3.1	2.6	2.1		
	Aggregate - utilities	95,639	24.3	27.2	21.5	36.3	15.9	11.9	3.4	2.9	2.5		
Telecoms and technology	MTS	37,873	30.4	21.3	19.0	12.6	10.7	9.7	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	38,696	47.7	32.2	28.6	16.6	13.5	12.4	8.4	6.8	6.3		
		Aggregate - mobile telecoms	95,527	33.0	23.7	20.7	13.1	10.8	10.0	6.2	5.2	4.7	
	Comstar	4,973	60.7	44.8	14.5	17.1	9.8	8.5	5.6	4.2	3.7		
	Rostelecom	8,918	n/a	77.5	65.1	22.8	20.4	18.1	3.8	3.8	3.6		
	Golden Telecom	3,673	43.0	31.4	23.4	16.2	11.5	8.7	4.3	3.2	2.5		
	MGTS	3,177	10.1	9.4	9.2	6.5	6.5	6.3	3.2	3.1	3.0		
	Uralsvyazinform	2,386	77.0	17.4	13.4	9.6	6.4	5.6	2.7	2.3	2.1		
	Volga Telecom	1,737	22.3	13.1	10.9	6.9	5.3	4.7	2.4	2.0	1.8		
	Sibirtelecom	1,732	40.7	8.3	6.5	8.7	5.0	4.2	2.1	1.7	1.5		
	Northwest Telecom	1,795	38.2	15.2	14.6	8.8	5.9	5.5	2.8	2.3	2.0		
	Center Telecom	1,760	26.1	27.5	16.0	6.4	5.9	5.0	2.3	2.0	1.8		
	Southern Telecom	709	54.5	17.7	15.7	6.5	6.0	5.5	2.3	2.0	1.9		
	Dalsvyaz	648	49.9	13.5	9.3	8.8	5.2	4.1	2.2	1.6	1.5		
	Bashinformsvyaz	158	9.2	8.5	6.7	3.5	3.2	n/a	0.9	0.9	0.8		
	Sitronics	1,056	17.3	n/a	20.6	8.4	10.6	6.3	0.9	0.7	0.6		
		Aggregate - fixed line telecoms	31,665	39.2	23.7	17.1	10.2	7.6	6.9	2.9	2.4	2.2	
	RBC	1,178	20.0	16.7	18.2	12.6	11.6	8.8	4.8	3.8	3.2		
	CTC Media	3,965	29.0	21.2	16.5	15.9	11.8	9.4	8.1	6.1	4.9		
Rambler Media	408	33.7	16.9	11.0	20.6	9.4	6.5	5.1	3.0	2.3			
	Aggregate - media	5,551	27.6	18.2	15.3	16.4	10.9	8.2	6.0	4.3	3.5		
Metals and mining	Norilsk Nickel	47,415	6.5	7.8	8.4	4.2	4.6	4.9	2.9	3.0	3.1		
	Polyus Gold	8,404	46.4	58.3	53.5	18.8	22.5	22.3	7.9	7.6	7.9		
	Severstal	22,371	11.3	9.7	9.9	5.9	5.3	5.2	1.6	1.5	1.4		
	Evrz Group	27,180	12.1	10.6	10.9	7.5	6.8	7.3	2.7	2.3	2.4		
	Mechel	12,149	14.0	10.4	10.5	8.0	5.8	5.8	2.2	1.7	1.6		
	NLMK	23,193	10.7	10.6	10.3	7.2	7.0	6.8	3.3	3.2	3.0		
	MMK	13,117	7.3	7.1	6.5	5.3	4.9	4.6	1.6	1.5	1.4		
	TMK	9,701	16.3	12.3	9.4	10.5	8.2	6.5	2.6	2.2	2.0		
	VSMPO	3,744	14.2	12.3	9.7	9.3	7.9	6.2	3.6	3.1	2.5		
		Aggregate - metals and mining	167,275	16.6	15.7	14.4	9.3	8.4	7.8	3.4	3.0	2.9	
Industrials, consumer, banks	Sberbank *	237	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
		Aggregate - banks	237	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a		
	X5	7,209	46.0	28.8	21.9	17.0	12.4	9.8	1.6	1.1	0.9		
	Magnit	3,528	40.6	30.1	20.6	18.4	12.7	9.3	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	5,697	38.9	28.5	22.4	19.1	14.9	12.4	2.5	2.1	1.7		
		Aggregate - FMCG	26,035	30.3	22.5	17.1	14.6	11.0	8.8	1.8	1.4	1.2	
	Razgulay	636	29.9	15.4	13.4	9.6	7.1	6.6	1.2	1.0	0.9		
	Severstal Auto	1,870	17.2	14.4	11.1	11.5	8.6	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	518	19.1	13.8	11.0	12.9	9.5	8.0	4.0	3.1	2.6		
	Kalina	400	13.0	11.0	10.4	8.0	6.9	6.9	1.1	1.0	0.9		
Oriflame (euro)	2,390	24.3	18.3	14.7	16.1	13.2	11.2	2.4	2.1	1.9			
	Aggregate valuation	1,051,591	13.2	11.8	11.0	8.4	7.6	7.1	2.7	2.4	2.2		
	FF-adj. MCAP W.A. valuation	301,460	16.8	15.3	13.8	10.6	8.6	7.9	3.8	3.3	3.1		

Source: MDM estimates, IBES consensus

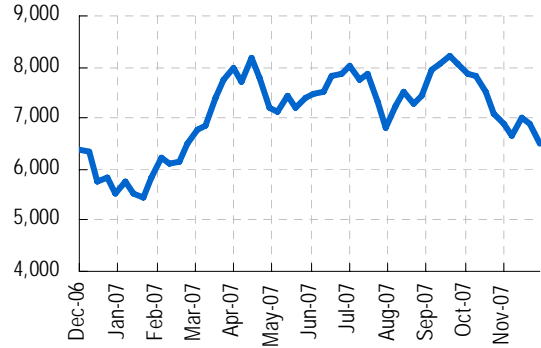
Key commodities

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



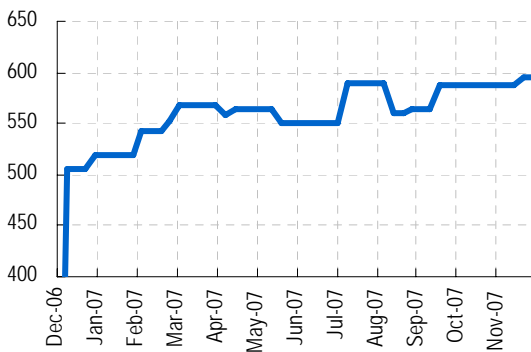
Source: Bloomberg

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



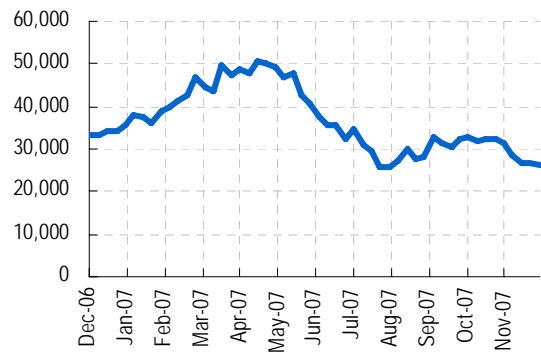
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MB-Steel HR Coil CIS, USD/ton



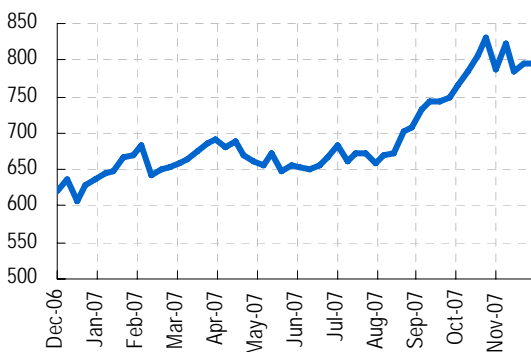
Source: Bloomberg

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



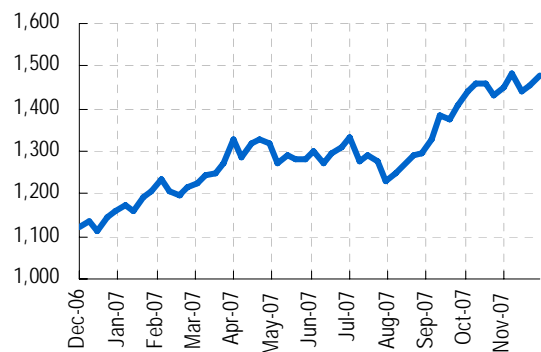
Source: Bloomberg

Gold Bullion, USD/oz



Source: Bloomberg

MB-Platinum Matthey, USD/oz



Source: Bloomberg



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