

August 10, 2007

Morning Brief

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Alfa Top Picks

Russia: EESR (\$2.00, 48%); SBER (\$5.05, 30%); ENCO (\$0.15, 43%)
Kazakh: KAZ (\$12.3, 105%); BTAS KZ (\$1 600, 42%) [pg 2](#)

Desk Note Issued

Baltika Target Price Upgrade on Stronger Volumes
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- CBR allows ruble appreciation, addressing inflationary concerns

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- Pharmacy Chain 36.6 posts strong 1H07 results; POSITIVE

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Equity Indices and Currencies

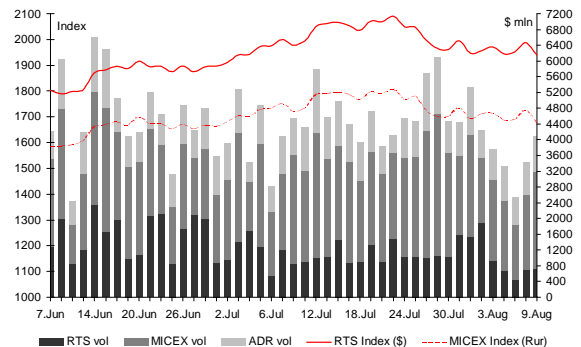
Figure 1: Equity Indices and Currencies

	Close	Change, %	YTD, %
Russian			
RTS	1 939	-2.4	0.9
RTS-2	2 141	-0.5	16.5
RTX	2 626	-2.5	-4.3
MICEX	1 676	-2.8	-1.0
Ukrainian			
KAC 20	19 770	0.34	69.7
PFTS	1 089	0.80	118.2
Kazakh			
KASE_Shares	2 706	3.6	11.9
Reuters ADR Index	450	-1.5	-12.4
International			
MSCI Russia	1 222	-2.7	-2.3
MSCI GEM	1 079	-1.3	18.3
DJIA	13 271	-2.8	6.5
S&P 500	1 453	-3.0	2.5
Shanghai Comp	4 677.5	-1.6	74.8
FTSE 100	6 271	-1.9	0.8
NIKKEI 225	16 720	-2.6	-2.9
ASX	3 245	-1.9	0.7
ISE 100	49 975	-4.0	27.8
Bovespa	53 431	-3.3	20.1
R/\$ Exchange Rates			
CBR	25.3444	-0.5	-3.7
SELT tomorrow	25.3769	-0.4	-3.7
UAH Exchange Rates			
UAH/\$	5.05	0.0	0.0
KAZ Exchange Rates			
KAZ/\$	124.76	-0.1	1.8
\$/Euro Exchange Rate	1.3677	-0.9	8.6

Source: Bloomberg, Reuters, Kazakhstan Stock Exchange

Market Data

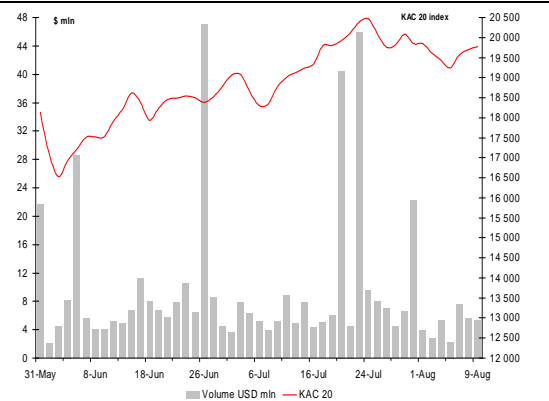
Figure 2: Russian Equity Market



Volumes, mln	Aug.3	Aug.6	Aug.7	Aug.8	Aug.9
MICEX	2 057	1 744	1 408	1 891	2 434
RTS	923	696	446	709	743
ADRs	781	873	680	819	903
FORTS	1 016	1 041	725	948	1 659
GSPBEX	1	3	1	3	2
Total	4 778	4 356	3 261	4 369	5 741

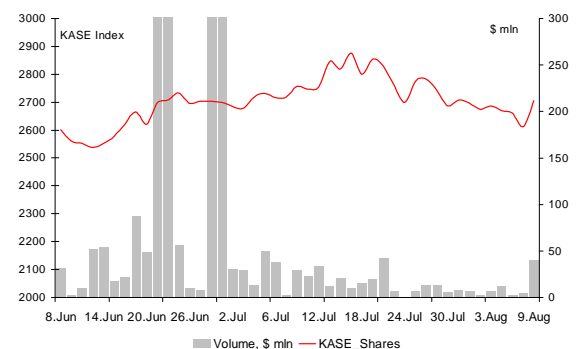
Source: RTS, MICEX, Bloomberg

Figure 3: Ukrainian Equity Market



Source: Bloomberg

Figure 4: Kazakh Equity Market



Source: Kazakhstan Stock Exchange, Irbis

Top Picks

Stock	Ticker	Target Price	Upside to Target	Investment rationale
RUSSIA				
UES	EESR	\$2.00	48%	We remain bullish on UES and consider it to be the best play in the sector, despite strong YTD performance. UES is one of the best plays in the market, and its stock still trades at a 34% discount to the aggregate value of its underlying assets. This provides a unique arbitrage opportunity, especially on the back of the looming "pilot" spin-off of O GK-5 and TGK-5. Furthermore, the new scheme of UES's breakup materially reduces the risk of minority dilution, which makes the opportunity even more attractive.
Sberbank	SBER	\$5.05	30%	Sberbank is the most liquid proxy for Russia's rapidly expanding economy and improving living standards. It benefits directly from upgrades in Russia's sovereign rating. The bank has shown revenue-driven growth based on diversified exposure to corporate and retail lending. Sberbank is keeping a strong presence on all markets. It maintains 33% of the retail lending market and 54% of retail deposits. Very impressive 2006 IFRS results are backed with robust revenue flow.
Sibir Telecom	ENCO	\$0.15	43%	We see Sibir Telecom as one of Russia's most attractive regional fixed-line operators. The company operates in a well-developed and wealthy region and leads in almost every market segment. The company is actively developing Value Added Services (VAS) such as broadband and IP-TV using xDSL technology. Sibir Telecom also has strong mobile exposure; mobile services will make up 31% of its 2007E revenues. We expect that new tariffs, which came into force in February 2007 together with a considerable number of net fixed line subscriber additions, will increase the company's revenue from local traffic by 31% in 2007E. Sibir Telecom now trades at 2007E EV/EBITDA of 3.9, which implies a 22% discount to its EMEA peers.
KAZAKHSTAN				
BMB Munai	KAZ	\$12.3	105%	This promising E&P play intends to raise production via enlargement of its contract area if its current exploration program and undergoing audit according to Western criteria (Aksaz-Dolinnoe-Emir block of fields in the Caspian Sea region) bear fruit. In addition, BMB Munai management has developed a good relationship with the Kazakh authorities, which we view as an advantage. The stock is still 33% below the April 19 level, which we see as a local peak for Kazakh equities.
Bank TuranAlem	BTAS KZ	\$1 600	42%	Bank TuranAlem (BTA) well outperformed the other "Big Three" Kazakh lenders in terms of assets growth in 2006 (+205% y-o-y) and we believe the bank will be able to lead growth in 2007 thanks to capital injection of up to \$1.5 bln (+75%) via IPO, anticipated by year-end. BTA is less vulnerable to interest rate declines due to a relatively high share of commission income and given its low cost/income ratio (29%), as well as a leading position in the mortgage market, we anticipate the Bank will be able to maintain an attractive ROE of 18% going forward despite the forthcoming increase in equity. BTA trades at 2.2x P/BV for 2007 vs. 3.0x and 5.0x for Kazkommertsbank and Halyk Bank, respectively.

Source: Alfa Bank Research

For more information, please contact the Alfa Bank sales team at (+7 495) 795-3712

Russian Market

Market Comment

French fried

Asian markets followed yesterday's collapse in Europe and the US with sharp falls this morning. That, plus weaker commodity prices, will guarantee a lower start to the RTS and MICEX. How they finish will depend on whether the US markets extend yesterday's weakness or reverse it. The price of nickel is again leading metal prices lower with a fall of 4.3%. That almost certainly guarantees Norilsk's place at the front of price weakness today.

The very real danger is of a death spiral as investors rush to take money from funds that then results in even tighter liquidity conditions and further forced selling. The best advice in markets like this is to take a vacation or stay market neutral while looking for pair-trades. The situation is simply far too unpredictable for analysis and is likely to remain so for several weeks at least. The RTS is now down about 7.5% from the record high of July 23rd. A market correction of around 10-15% is not at all unusual for the RTS so, if historic patterns are repeated, then we could see that index around 1,800. While domestic fundamentals are very strong, if international markets remain volatile then even the positive domestic story will not save prices.

The key assumption behind our rather optimistic view that global markets would settle into a better mood and avoid further suicidal leaps for a while was that there would be no more nasty surprises in the credit markets, which would then allow the main focus shift to still healthy growth in corporate and economic numbers. This lasted all of a few hours. The news that BNP Paribas, the largest bank in France, had stopped withdrawals from three funds because it could not value the assets as a result of the crisis in US subprime mortgages, hit most markets hard, including Russia's bourses. The fear is that this problem with BNP funds will be replicated by other banks, especially if their investors now rush to withdraw. That fear prompted a demand for increasingly scarce liquidity and that, in turn, drove up inter-bank rates. The ECB responded by promising to make available \$130 bln in cash to banks. In theory that should help calm the situation but investors first took this to be a panic reaction and that just made the situation worse.

The local bourses fell sharply, having initially opened in a cheerful mood. However, investors quickly reacted to the BNP news and prices fell steadily throughout the day. The RTS ended 2.4% down at 1,939.0 and MICEX was off 2.8% at 1,676.4. Price weakness was seen across the board, but Polyus was the day's biggest blue chip loser with a fall of 7.1% as analysts reacted negatively to the prospect of the deal with Alrosa. This was a classic case of "buy the rumor, sell the news."

All eighteen major European markets closed down because of increased fear and tightened liquidity. France's CAC lost 2.0%, the FTSE fell 1.8% and the DAX closed its session 1.7% lower. The worst hit sectors were those with any financial exposure and those stocks with significant debt. US equities followed the global trend when Wall Street opened as the main issue was again subprime and tightened credit rather than the driver of the past three days, growth. The Chicago Board's (volatility index) VIX rose 14% at the opening as a sign of the increased nervousness and the expectation of further volatility to come.

The price of oil traded near a one-month low on Nymex as commodities generally responded to the fears over tight credit markets and a possible slowing of global growth. WTI for September settlement traded \$0.56/bbl lower at \$71.59/bbl at yesterday's close. Nickel traded 4.3% down at \$26,705/t and copper was off 1.3%.

On a more positive note, the level of funds withdrawn from Russia equity funds was only \$13 mln according to the latest weekly data from EPFR Global. While a net \$400 mln was withdrawn from GEM balanced funds, this was not anywhere near as bad as was feared and shows an element of "wait and see" on the part of investors. However, the data only comes up to last Wednesday's close, and if this current rout lasts for several more days then inevitably the feared large withdrawals will soon come. India funds were the worst hit last week with a net withdrawal of \$139 mln, Brazil funds only lost \$5 mln and China funds took in a net \$71 mln.

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Macroeconomics

CBR allows ruble appreciation, addressing inflationary concerns

During the past two days the Russian Central Bank allowed an additional 0.5% ruble appreciation to the two currency basket. The move was expected by the market due to the mounting inflation of the past few months.

However, the fact that CBR has done this in early August suggests that the disinflation potential of the harvest season is not sufficient to suspend CPI growth at least for the next two months.

Meanwhile, we believe that the effect of additional ruble appreciation on CPI inflation is already very limited as there is almost no room for further dedollarization. Furthermore, expectations of continuing appreciation attract speculative capital, forcing the CBR to again balance between inflation and appreciation.

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Banking

Vozrozhdenie releases POSITIVE 1H07 IFRS results

Vozrozhdenie more than doubled its net profit in 1H07, reaching \$26 mln from \$12 mln a year ago. The relatively low 16.6% ROE reflects the recent \$177 mln capital raising, but the interest margins remain strong at 5.9%.

The key positive in the results is that the bank managed to cut its cost to income ratio to 65.3% for 1H07 vs. 69.8% for 1H06, and 73.8% for the whole of 2006. This suggests positive results from the bank's IT investments, as well as the ability of the bank to cross-sell products.

We reiterate our BUY recommendation with a target price of \$71 and 16% upside. We believe additional upside may arise from the bank's expected decision to attract another syndicated loan and debut on the ruble debt market later this year. This will help the bank cut its cost of funding and support the interest margin.

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VZRZ	BUY
Closing Price:	\$61.2
Target Price:	\$71.0
Upside:	16%

Telecoms

GLDN U/R
 Closing Price: \$66.37
 Target Price: U/R
 Upside: U/R

Golden Telecom reports strong 2Q07 US GAAP financials; POSITIVE

Golden Telecom (GT) reported 2Q07 US GAAP financials yesterday, beating consensus forecasts across the board.

Revenues went up by 17% q-o-q and 51% y-o-y, demonstrating strong growth in all business lines. The main reasons for the sales increase in the business and corporate services segment were the ongoing regional expansion and customers' migration from small operators. In the carrier and operator segment GT increased its number of wholesale customers offering access to the LD network. The consolidation of Corbina Telecom's one month results added about \$11 mln to the company's consolidated revenues for the period.

Optimization of network usage and construction of zonal networks in key regions started in the beginning of 2007, and amendments to the Stock Appreciation Rights (SARs) program have positively affected operating margins. The EBITDA margin grew from 22.2% in 1Q07 to 27.4% in 2Q07.

Figure 5: Golden Telecom key financials summary

	2Q07, \$ mln	1Q07, \$ mln	Change q-o-q, %	2Q06, \$ mln	Change y-o-y, %	2Q07E, \$ mln	Difference, %
Revenues	297.9	255.7	17%	197.0	51%	289.4	3%
EBITDA	81.6	56.7	44%	57.8	41%	74.4	10%
<i>margin</i>	27.4%	22.2%		29.3%		25.7%	
EBITDA adjusted	83.1	65.6	27%	58.2	43%	N/A	
<i>margin</i>	27.9%	25.7%		29.5%		N/A	
Net Income	33.0	16.7	98%	22.6	46%	25.7	28%
<i>margin</i>	11.1%	6.5%		11.5%		8.9%	
Net Income adjusted	34.3	24.2	42%	22.9	50%	N/A	
<i>margin</i>	11.5%	9.5%		11.6%		N/A	

Source: Company data, Reuters

Based on the solid financial results from 2Q07, Golden Telecom raised its outlook for 2007-2008, saying that revenue growth will stand at around 40% this year and around 30% in 2008. EBITDA is expected to grow by around 40% per annum in 2007-08. According to the company, CAPEX will equate to 20% of total revenues in the next three years.

We see the announced results as POSITIVE for the stock. At this time Golden Telecom is UNDER REVIEW.

Vitaly KupeeV Analyst (+7 495) 785-8266

Consumer Goods

APTK BUY
 Closing Price: \$84.0
 Target Price: \$124.0
 Upside: 48%

Pharmacy Chain 36.6 posts strong 1H07 results; POSITIVE

Pharmacy Chain 36.6 released healthy 1H07 preliminary results yesterday, with consolidated sales jumping 77% y-o-y to \$385 mln and retail sales surging 90% to \$300 mln. Sales in Veropharm rose 29% to \$58 mln and the European Medical Center added \$13 mln.

At the end of June 2007, the company operated 936 pharmacies throughout 26 Russian regions. In the second quarter, the company acquired 48 pharmacies and opened 43 organically. The company also reported that like-for-like sales were up 35%.

Figure 6: Pharmacy Chain 36.6 preliminary results, \$ mln

	1H06	1H07	Change y-o-y
Consolidated	217.6	385.0	77%
Retail	157.8	300.0	90%
Veropharm	45.2	58.2	29%
EMC	-	12.9	N/A

Source: Company data

These results were in line with our expectations of strong growth in the retail segment, on the basis of which we derive our target price. Our only concern is in the number of pharmacies opened. Company management is guiding for around 1,450 pharmacies by year-end, which means the company is in for an active 2H07 if it is to reach its goal.

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Ukrainian Market
Market Comment
PFTS rises despite profit taking

The PFTS index advanced 0.8% to close at 1,088.55 points, despite profit taking by market makers. The most popular stocks were in the engineering and steel sectors, with Azovstal gaining 1% to make the most sizable contribution to the index's climb. Enakievo Metals Steel (-2%) and Pivdenny GOK (-5%) dropped on profit taking, as they were the most actively trading metals stocks this week.

Motor Sich posted a slight correction (-1%), but still has 35% growth potential over the next 12 months by our calculations, as indicated in the report we issued this morning. Luganskteplovoy was another major contributor to PFTS growth, rising 6.6% on strong demand for the stock and the ambitious expansion plans of company management. Utilities stocks remained flat with the exception of Krymenergo, which gained 6.9% for the day.

As the general mood of the market is leaning toward profit taking, we believe there is a strong possibility that we will see a mild correction today on the PFTS.

Denis Shauruk Analyst (+380 44) 490-1721

Engineering

LTPL U/R
 Closing Price: \$1.08
 Target Price: U/R
 Upside: U/R

Luganskteplovoy reports weak 1H07 financials; NEUTRAL

Luganskteplovoy reported a 40% drop in sales in 1H07 to \$15.5 mln, with net loss expanding by 2.5x to almost \$6 mln. These financials were not a surprise for the market as the company did not have sizable orders in 1H07. Privatization and the transition to a new owner have also exerted downward pressure on the Luganskteplovoy's operational results.

We view the news as NEUTRAL for the company, as a major increase in orders is expected in late July and early August, which should lead to a sizeable hike in deliveries by year's end. Our view is substantiated by the conformation of an order for 32 locomotives for Russian Railways (RZD), which should be filled by YE2007. In addition, company management reported preliminary sales figures of \$28 mln in 7M07, with July sales nearly surpassing total sales in 1H07 (about \$13.5 mln).

Denis Shauruk Analyst (+380 44) 490-1721

Kazakh Market**Manufacturing****Kazakhstan Kagazy strengthens lead in corrugated board market**

Kazakhstan Kagazy Plc has announced it has reached an agreement to acquire a 100% interest in KazUpack Ltd, a local producer of corrugated cardboard in Kazakhstan.

Kazakhstan Kagazy Plc will pay \$5 mln in cash as well as assume \$3 mln of KazUpack's debt.

According to a statement released by Kazakhstan Kagazy yesterday, founded in 1999, KazUpack operates in the high value-added segment of corrugated board, utilizing the die cutting process, which is widely used in the production of consumer goods packaging. Its corrugating plant, located on 1.5 hectares of land in Almaty, produces approximately 1.5 mln sq m of corrugated board per month compared to our estimate of 7.3 mln sq m for Kazakhstan Kagazy. KazUpack's products are used by a number of international and regional brands, such as Pepsi-Cola, Efes and Derbes. KazUpack reported revenues of approximately \$1.4 mln for 1Q07 according to financial results under Kazakh Accounting Standards vs \$13.4 mln in sales achieved by Kazakhstan Kagazy Plc.

Assuming KazUpack's share in Kazakhstan's corrugated board market is at approximately 12%, Kazakhstan Kagazy will strengthen its leadership position to 67% of the market.

In the company's July IPO in London, the company raised \$240 mln and was valued at \$490 mln. The stock price has thus far changed little since the placement.

We see this news as POSITIVE for Kazakhstan Kagazy. We do not cover this stock at this time.

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Russian Market: Key Tables
Figure 7: Most Liquid Stocks Performance

	RTS				MICEX				Mcap \$ mln	Fair Value \$	12 M Target Price \$	Upside %	Rating
	Close*Change		Volume*	YTD	Close* Change		Volume*	YTD					
	\$	%	\$/1000	%	\$	%	\$/1000	%					
Gazprom	10.68	-2.7	4 909	-7	10.67	-2.9	686 224	-10	252 833	N/A	10.76	1	HOLD
LUKoil	77.40	-2.1	1 100	-12	77.05	-2.8	238 159	-14	65 834	N/A	58.23	-25	SELL
Gazpromneft	4.10	N/T	N/T	-10	3.99	-3.2	2 084	-15	19 439	N/A	2.58	-37	SELL
Rosneft	8.23	-1.0	1 048	-10	8.15	-2.2	68 338	-15	87 223	N/A	6.94	-16	HOLD
Surgutneftegaz	1.13	1.1	113	-26	1.12	-2.8	104 437	-29	40 263	N/A	0.82	-27	SELL
TNK-BP	2.03	-1.2	41	-22	N/T	N/T	N/T	N/A	32 169	N/A	1.50	-26	HOLD
Tatneft	4.80	-2.4	3 013	4	4.87	-3.2	24 200	1	10 458	N/A	2.94	-39	SELL
Yukos	0.37	N/T	N/T	-29	N/T	N/T	N/T	N/T	828	Susp	Susp	N/A	SUSP
Novatek	5.39	1.7	54	-15	5.22	-3.0	1 514	-20	16 366	N/A	6.26	16	HOLD
UES	1.36	-1.5	16 162	25	1.35	-2.1	473 878	20	55 612	1.83	2.00	48	BUY
Mosenergo (TGK-3)	0.24	N/T	N/T	19	0.23	-3.3	1 711	12	9 540	0.20	0.23	-4	HOLD
Irkutskenergo	0.95	-0.3	98	23	0.96	-1.0	856	15	4 528	1.01	1.14	20	HOLD
TGK-1	0.00140	N/T	N/T	N/A	0.00141	0.6	29	N/A	4 095	0.00125	0.00141	1	HOLD
OGK-1	0.11	-2.7	133	N/A	0.11	N/T	438	N/A	5 022	0.104	0.117	4	HOLD
OGK-2	0.16	0.3	2 379	15	N/T	N/T	N/T	N/A	4 184	0.153	0.171	8	BUY
OGK-3	0.172	N/T	N/T	40	0.166	-4.5	140	20	8 144	0.152	0.170	-1	HOLD
OGK-4	0.120	N/T	N/T	49	0.118	-1.0	88	40	5 871	0.090	0.101	-15	SELL
OGK-5	0.159	N/T	N/T	28	0.159	0.0	1 915	23	5 624	0.135	0.151	-5	HOLD
OGK-6	0.149	N/T	39	16	0.160	N/T	36	N/A	3 970	0.152	0.170	-14	HOLD
MTS	10.35	-2.4	419	20	10.22	-2.9	11 638	14	20 631	9.68	11.00	6	BUY
Rostelecom	9.82	N/T	N/T	28	9.52	-2.7	21 418	22	7 156	2.19	2.39	-76	SELL
Comstar-UTS	11.00	N/T	N/T	30	N/T	N/T	N/T	N/A	4 597	N/A	12.10	10	BUY
Sitronics	0.14	N/T	N/T	N/A	N/T	N/T	N/T	N/A	1 120	N/R	N/R	N/A	N/R
MGTS	32.50	N/T	N/T	33	33.00	-1.2	1	N/A	2 594	32.33	36.50	12	BUY
Center Telecom	0.93	-2.0	47	24	0.95	-1.0	55	23	1 469	0.75	0.80	-14	HOLD
NW Telecom	1.59	-0.9	161	0	1.58	-2.9	678	-4	1 401	1.43	1.60	1	HOLD
South Telecom	0.180	1.7	91	0	0.181	-1.5	10	-2	533	0.126	0.140	-22	SELL
Volga Telecom	5.02	-1.6	452	-17	5.05	-1.3	1 704	-19	1 235	7.19	8.10	61	BUY
Siberia Telecom	0.104	-1.1	208	-8	0.103	-1.9	1 639	-10	1 244	0.131	0.148	43	BUY
Uralsvyazinform	0.060	-3.6	728	-9	0.059	-4.9	16 705	-12	1 922	0.067	0.075	26	HOLD
FE Telecom	4.90	N/T	N/T	18	4.88	-2.0	225	12	468	4.86	5.50	-12	BUY
Severstal	16.30	-4.7	88	46	16.40	-4.7	9 463	36	15 172	13.80	15.30	-6	HOLD
NLMK	3.12	-1.3	78	33	3.09	-3.6	2 012	23	18 699	2.99	3.28	5	BUY
Norilsk Nickel	208.00	-3.5	5 637	32	208.18	-3.6	341 817	N/A	38 085	N/A	303	46	BUY
Polyus	42.00	-7.1	828	-15	41.85	-6.3	43 915	-18	8 006	53.70	58.80	40	BUY
Polymetal	5.95	-1.7	170	N/A	N/T	N/T	N/T	N/A	1 636	N/R	N/R	N/A	N/R
TMK	10.05	N/T	N/T	23	9.71	-1.5	265	N/A	8 774	N/R	N/R	N/A	N/R
AvtoVAZ	174.00	N/T	N/T	156	171.64	-0.7	1 820	144	4 732	N/R	N/R	N/A	N/R
Sberbank	3.87	-4.0	3 385	12	3.89	-3.4	197 130	7	83 541	4.61	5.05	30	BUY
VTB	0.0052	-0.6	53	N/A	0.0052	-1.4	11 145	N/A	34 966	0.0068	0.0074	42	BUY

Figure 8: Local Share Price Performance

	RTS				MICEX				Mcap \$ mln	Fair Value \$	12 M Target Price \$	Upside %	Rating
	Close*Change		Volume*	YTD	Close* Change		Volume*	YTD					
	\$	%	\$/1000	%	\$	%	\$/1000	%					
MOESK	0.090	N/T	N/T	-17	0.089	0.9	128	-17	2 542	0.160	0.180	103	BUY
MGESK	0.071	N/T	N/T	-5	0.065	-1.3	121	-11	2 006	0.094	0.105	62	BUY
TGK-2	0.00105	N/T	N/T	17	0.00105	-2.9	138	N/A	1 165	0.00091	0.00103	-2	SELL
TGK-4	0.00110	N/T	N/T	N/A	0.00109	-1.8	67	N/A	1 514	0.00112	0.00127	17	BUY
TGK-5	0.00130	N/T	N/T	19	0.00132	-0.6	68	21	1 599	0.00134	0.00151	14	BUY
TGK-6	0.00114	N/T	N/T	14	0.00114	-3.3	42	4	1 470	0.00118	0.00133	17	BUY
TGK-8	0.00115	-11.5	N/A	15	0.00115	-2.7	99	4	1 582	0.00115	0.00130	13	BUY
TGK-9	0.00033	N/T	N/T	10	0.00028	-4.1	250	-18	1 880	0.00025	0.00028	0	HOLD
TGK-10	4.4	N/T	N/T	N/A	4.4	-1.6	124	N/A	1 903	3.5	4.0	-10	HOLD
Kuzbassenergo	3.45	1.2	N/A	23	3.5	-3.3	1	23	2 091	3.1	3.5	1	HOLD
TGK-13	252.00	N/T	N/T	N/A	N/T	N/T	N/T	N/A	1 426	248.3	280.5	11	HOLD
TGK-14	0.0004	N/T	N/T	N/A	0.0003	-7.5	370	N/A	310	0.00033	0.00037	9	HOLD
Bashkirenergo	2.10	N/T	N/T	45	N/T	N/T	N/T	N/A	2 190	2.60	2.90	38	BUY
Novosibirskenergo	N/T	N/T	N/T	N/A	N/T	N/T	N/T	N/A	N/A	82.50	93.30	N/A	BUY
Omsk GenCo	158	N/T	N/T	35	N/T	N/T	N/T	N/A	675	172.2	196.3	24	BUY
Tomskenergo	0.04	N/T	N/T	14	0.04	0.1	4	11	174	0.045	0.051	28	BUY
Volzhskaya GES	0.86	2.4	N/A	127	N/T	N/T	N/T	N/A	2 435	U/R	U/R	N/A	U/R
Zhigulevskaya GES	0.49	-1.0	24	70	N/T	N/T	N/T	N/A	1 875	U/R	U/R	N/A	U/R
Volkinskaya GES	1.14	N/T	N/T	114	1.1	-4.3	885	59	411	U/R	U/R	N/A	U/R
Sayano-Shush. GES	1.67	N/T	N/T	36	N/T	N/T	N/T	N/A	3 229	U/R	U/R	N/A	U/R
Zeiskaya GES	0.46	N/T	N/T	32	N/T	N/T	N/T	N/A	373	U/R	U/R	N/A	U/R
Krasnoyarskaya GES	N/T	N/T	N/T	N/A	N/T	N/T	N/T	N/A	N/A	U/R	U/R	N/A	U/R
Zagorskaya GAES	0.039	N/T	N/T	117	0.039	-2.8	546	108	1 102	U/R	U/R	N/A	U/R
Megionneftegaz	32.1	N/T	N/T	-38	32.9	-1.4	29	N/A	3 191	52.40	58.16	81	HOLD
RITeK	10.85	N/T	N/T	-3	11.2	-0.1	95	1	1 082	8.16	9.17	-15	HOLD
Bashneft	14.7	N/T	N/T	-8	N/T	N/T	N/T	N/A	2 493	18.50	20.54	40	BUY
Ufaneftekhim	3.35	N/T	N/T	6	N/T	N/T	N/T	N/A	922	N/A	6.43	92	BUY
Ufa Refinery	1.95	0.0	28	15	N/T	N/T	N/T	N/A	1 063	N/A	4.24	117	BUY
Novoil	1.47	-2.0	32	9	N/T	N/T	N/T	N/A	1 168	N/A	2.42	65	BUY

NizhegorodNOS	56.0	N/T	N/T	53	N/T	N/T	N/T	N/A	1 002	N/A	104.7	87	BUY
Moscow Refinery	100.0	N/T	N/T	-23	N/T	N/T	N/T	N/A	591	N/A	335.0	235	BUY
SalavatNOS	78.0	N/T	N/T	25	N/T	N/T	N/T	N/A	1 447	N/A	106.4	36	BUY
YaroslavNOS	N/T	N/T	N/T	N/A	N/T	N/T	N/T	N/A	N/A	N/A	1.89	N/A	HOLD
VSMPO	291	0.0	29	-1	290.8	-1.8	76	-4	3 355	U/R	U/R	N/A	U/R
NTMK	2.55	2.0	N/A	21	N/T	N/T	N/T	N/A	3 341	2.15	2.41	-5	HOLD
ZSMK	202.0	N/T	N/T	64	N/T	N/T	N/T	N/A	2 704	U/R	U/R	N/A	U/R
Chelyabinsk Zinc	133.0	-8.3	61	N/A	N/T	N/T	N/T	N/A	721	N/A	210	58	BUY
Uralkali	2.8	N/T	N/T	N/A	N/T	N/T	N/T	N/A	5 970	2.7	3.0	7	BUY
Priargunsk Mining	700.0	N/T	N/T	N/A	N/T	N/T	N/T	N/A	1 193	N/A	1 000	43	BUY
Raspads kaya	2.82	0.0	28	53	N/T	N/T	N/T	N/A	2 205	N/R	N/R	N/A	N/R
Chelyabinsk Pipe	4.36	N/T	N/T	32	N/T	N/T	N/T	N/A	2 060	U/R	U/R	N/A	U/R
Vyksa Pipe	1 520	-1.3	15	9	N/T	N/T	N/T	N/A	2 861	U/R	U/R	N/A	U/R
Lengazpetsstroi	5 400	N/T	N/T	10	N/T	N/T	N/T	N/A	272	N/A	6 800	26	BUY
Irkut	0.97	-1.5	N/A	-6	0.964	-2.1	42	-10	949	N/R	N/R	N/A	N/R
OMZ	N/T	N/T	N/T	N/A	8.08	-0.3	2	-28	287	N/R	N/R	N/A	N/R
Power Machines	0.190	N/T	N/T	2	N/T	N/T	N/T	N/A	1 371	N/R	N/R	N/A	N/R
Baltika	50.5	1.0	51	14	50.2	-0.3	709	8	8 158	53.8	60.0	19	BUY
Lebedyansky	98.0	N/T	N/T	23	N/T	N/T	N/T	N/A	2 000	86.7	96.8	-1	BUY
Seventh Continent	25.2	-1.4	25	-6	25.21	-3.2	343	-9	1 886	20.8	23.0	-9	SELL
Kalina	42.7	0.7	265	-17	42.63	-0.2	83	-21	416	U/R	U/R	N/A	U/R
Pharmacy 36'6	83.0	N/T	N/T	42	84.7	0.6	16	N/A	664	N/A	124.0	49	BUY
Razgulyai Group	4.16	0.0	N/A	4	4.1	-1.7	5	1	441	N/R	N/R	N/A	N/R
Wimm-Bill-Dann	77.0	0.9	285	40	76.2	-0.8	31	31	3 388	88.3	98.0	27	HOLD
RBC	8.7	-1.1	87	-22	8.7	-1.7	552	-27	1 038	U/R	U/R	N/A	U/R
Open Investments	291	N/T	N/T	35	N/T	N/T	N/T	N/A	2 838	N/R	N/R	N/A	N/R
Veropharm	48.7	5.8	152	53	N/T	N/T	N/T	N/A	487	N/R	N/R	N/A	N/R
Magnit	45.0	1.4	178	26	44.8	-0.8	66	20	3 240	46.3	51.7	15	HOLD
UralSib	0.025	-2.0	63	-24	N/T	N/T	N/T	N/A	5 105	0.024	0.027	8	SELL
Rosbank	7.30	N/T	N/T	4	7.3	-1.0	158	-2	4 967	6.86	7.60	4	HOLD
Vozrozhdenie	61.3	0.9	152	7	61.4	0.4	1 812	9	1 148	64.32	71.00	16	BUY
Bank of Moscow	58.8	N/T	N/T	34	52.7	-2.1	128	8	7 644	51.74	57.00	8	SELL

Source: RTS, MICEX, Alfa Bank estimates; Notes: N/T – not traded, price reflects previous day; * includes quotes and matched transactions

Figure 9: Preferred Stock Performance

	RTS				MICEX				Mcap \$ mln	Fair Value \$	12 M Target Price \$	Discount to common		Upside %	Rating
	Close*	Change %	Volume*	YTD %	Close*	Change %	Volume*	YTD %				%	%		
Bashneft pref	9.60	N/T	N/T	-12	N/T	N/T	N/T	N/A	332	11.10	12.32	-34	28	HOLD	
MegionNG pref	21.25	N/T	N/T	-25	21.60	-1.6	26	N/A	702	45.72	50.75	-34	139	BUY	
SurgutNG pref	0.68	-1.0	169	-40	0.67	-2.5	14 241	-43	5 199	N/A	0.62	-40	-8	HOLD	
Tatneft pref	2.93	N/T	N/T	2	2.9	-3.1	518	N/A	426	N/A	2.21	-39	-25	SELL	
UES pref	1.21	N/T	N/T	30	1.19	-1.9	14 125	21	2 511	1.68	1.83	-11	51	BUY	
Rostelecom pref	2.83	N/T	N/T	-21	2.73	-2.5	20 978	-25	687	1.79	2.02	-72	-29	SELL	
Transneft pref	1 775	-2.5	N/A	-23	1 782	-2.5	6 954	-24	8 280	U/R	U/R	N/A	N/A	U/R	
Ufaneftkhim pref	1.82	-4.2	46	10	N/T	N/T	N/T	N/A	117	4.32	4.80	-46	164	BUY	
Ufa Refinery pref	1.10	N/T	N/T	0	N/T	N/T	N/T	N/A	82	2.88	3.20	-44	191	BUY	
Novoil pref	0.84	-2.3	8	9	N/T	N/T	N/T	N/A	66	1.64	1.82	-43	117	BUY	
Sberbank pref	2.90	N/T	N/T	1	2.90	-3.5	31 313	-3	2 900	3.92	4.29	-25	48	BUY	
Baltika pref	32.8	2.0	33	11	32.2	0.1	108	5	443	43.0	48.0	-35	47	BUY	
Priargunsk Mining pref	400	N/T	N/T	43	N/T	N/T	N/T	N/A	166	N/A	750	-43	88	BUY	

Source: RTS, MICEX, Alfa Bank estimates; Notes: N/T – not traded, price reflects previous day; * includes quotes and matched transactions

Figure 10: ADR/GDR Performance

	Ratio	Europe				United States				Fair Value \$	12 M Target Price \$	Upside %	Implied rating
		Close \$	Change %	Volume \$/1000	YTD %	Close \$	Change %	Volume \$/1000	YTD %				
Gazprom	4 in 1	43.1	-2.6	315 908	-6	43.0	-3.6	34 202	-7	N/A	43.04	0	HOLD
LUKoil	1 in 1	77.5	-2.8	188 409	-11	76.0	-4.6	4 921	-14	N/A	58.23	-25	SELL
Gazpromneft	5 in 1	19.9	-3.7	378	-14	20.0	-2.9	28	-14	N/A	12.90	-35	SELL
Rosneft	1 in 1	8.2	-1.8	27 364	-13	N/T	N/T	N/A	N/A	N/A	6.94	-16	HOLD
Surgutneftegaz	50 in 1	57.1	-1.6	58 121	-26	56.7	-2.7	4 003	-26	N/A	41.0	-28	SELL
Tatneft	20 in 1	97.4	-3.3	4 342	3	N/T	N/T	N/A	N/A	N/A	58.8	-40	SELL
Yukos	4 in 1	N/T	N/T	N/A	N/A	1.4	-12.9	58	-21	Susp	N/A	N/A	SUSP
Novatek	10 in 1	53.0	-2.6	22 894	-17	N/T	N/T	N/A	N/A	N/A	62.6	18	HOLD
Integra	1 in 20	17.0	-2.3	3 560	N/A	N/T	N/T	N/A	N/A	N/A	22.40	32	BUY
UES	100 in 1	135.3	-2.3	89 167	23	139.0	0.0	N/A	39	183.0	200.0	48	BUY
Mosenergo	100 in 1	24.0	0.7	N/A	22	22.0	0.0	N/A	17	20.0	23.0	-4	HOLD
Irkutskenergo	50 in 1	47.8	0.0	10	21	47.0	0.0	N/A	36	50.5	57.0	-19	HOLD
MTS	5 in 1	66.0	0.0	3 998	35	63.5	-2.6	125 650	27	48.38	55.00	-17	HOLD
VimpelCom	1 in 4	107.1	-3.6	225	28	106.7	-5.1	71 989	35	76.3	85.0	-21	HOLD
Golden Telecom	1 in 1	67.5	12.3	41	38	66.4	-4.6	41 306	42	U/R	U/R	N/A	U/R
Comstar UTS	1 in 1	10.5	-2.3	3 152	25	N/T	N/T	N/A	N/A	N/A	12.10	15	BUY
Sitronics	50 in 1	6.1	-11.0	1 836	N/A	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
Moscow CableCom	-	N/T	N/T	N/A	N/A	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
Sistema	1 in 50	29.1	-3.8	16 285	-9	N/T	N/T	N/A	N/A	32.11	35.00	20	HOLD
Sistema Hals	1 in 20	11.5	-6.5	982	-14	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
Rostelecom	6 in 1	57.8	-2.2	2 370	27	57.9	-2.7	2 634	27	13.16	14.34	-75	SELL
MGTS	1 in 1	30.1	0.0	N/A	22	N/T	N/T	N/A	N/A	32.33	36.50	21	BUY
Center Telecom	100 in 1	82.7	-6.8	N/A	8	95.5	0.0	N/A	26	74.9	80.0	-3	HOLD
NW Telecom	50 in 1	75.9	0.0	N/A	-2	N/T	N/T	N/A	N/A	71.5	80.0	5	HOLD

South Telecom	50 in 1	8.9	0.0	N/A	5	N/T	N/T	N/A	N/A	6.3	7.0	-21	SELL	
Volga Telecom	2 in 1	9.6	-3.4	N/A	-21	10.0	2.6	2	-18	14.38	16.20	69	BUY	
Siberia Telecom	800 in 1	80.0	0.0	N/A	-7	83.2	0.0	N/A	-3	104.8	118.4	48	BUY	
Uralsvyazinform	200 in 1	11.9	-2.6	3	-10	N/T	N/T	N/A	N/A	13.4	15.0	26	HOLD	
Far East Telecom	30 in 1	143.4	-2.8	N/A	12	N/T	N/T	N/A	N/A	145.8	165.0	15	BUY	
Rambler	1 in 1	42.7	-2.9	83	27	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R	
Norilsk Nickel	1 in 1	220.0	-4.5	179	109	39	N/T	N/T	N/A	N/A	N/A	303	38	BUY
NLMK	10 in 1	30.3	-3.8	4	107	30	N/T	N/T	N/A	N/A	29.9	32.8	8	BUY
Severstal	1 in 1	16.3	-5.2	6	443	46	N/T	N/T	N/A	N/A	13.8	15.3	-6	HOLD
Polymetal	1 in 1	5.7	-4.4	884	N/A	N/A	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
TMK	4 in 1	37.3	-4.9	2	003	6	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
Polyus	1 in 1	42.0	-6.7	2	257	-14	42.0	-6.9	331	-15	53.7	58.8	40	BUY
OMZ	1 in 1	7.9	-0.9	N/A	-28	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R	
Celtic Resources	-	4.1	-3.0	760	19	N/T	N/T	N/A	N/A	4.63	5.10	25	HOLD	
Highland Gold Mining	-	2.0	1.6	1	771	-40	N/T	N/T	N/A	N/A	U/R	U/R	N/A	U/R
Peter Hambro Mining	-	19.8	0.1	29	957	-3	N/T	N/T	N/A	N/A	N/A	25.4	28	BUY
Trans-Siberian Gold	-	0.6	1.6	39	-16	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R	
Mechel	3 in 1	N/T	N/T	N/A	N/A	40.0	-3.5	18	227	57	U/R	U/R	N/A	U/R
Evraz	1 in 3	51.1	-4.3	10	017	99	N/T	N/T	N/A	N/A	33.5	36.7	-28	BUY
Chelyabinsk Zinc	1 in 10	13.2	-4.9	847	-22	N/T	N/T	N/A	N/A	N/A	N/A	21.0	59	BUY
Wimm-Bill-Dann	1 in 1	N/T	N/T	N/A	N/A	96.3	-3.9	22	388	45	88.3	98.0	2	HOLD
X5 Retail Group	1 in 4	30.0	-1.7	1	723	15	N/T	N/T	N/A	N/A	34.2	38.0	27	BUY
RBC	4 in 1	N/T	N/T	N/A	N/A	N/A	N/T	N/T	N/A	N/A	U/R	U/R	N/A	U/R
Amtel-Vredestein	1 in 1	4.9	0.1	88	4	N/T	N/T	N/A	N/A	N/A	N/A	9.57	97	BUY
Efes Breweries	5 in 1	28.5	-1.7	2	038	-15	N/T	N/T	N/A	N/A	N/R	N/R	N/A	N/R
Cherkizovo Group	1 in 150	12.8	2.4	2	-6	N/T	N/T	N/A	N/A	11.3	12.6	-1	SELL	
CTC Media	1 in 1	N/T	N/T	N/A	N/A	22.3	-5.9	21	495	-7	N/R	N/R	N/A	N/R
VTB	2000 in 1	10.2	-2.1	46	282	N/A	N/T	N/T	N/A	N/A	13.5	14.8	45	BUY

Source: Bloomberg, Alfa Bank estimates; Notes: N/T – not traded, price reflects previous day

Figure 11: RTS Index Futures Performance

	Close \$	Change %	Maturity
VEU7	1 933.50	-3.16	Sep 15
VEZ7	1 963.35	-3.20	Dec 15

Source: Bloomberg

Figure 12: Equity Futures Performance

	Close \$	Change %	Volume \$/1000	Delivery
GAZR-09.07	1 078.07	-3.05	110 329.53	15.09.2007
LKOH-09.07	777.37	-2.95	23 588.54	15.09.2007
EERU-09.07	1 364.68	-1.90	125 382.72	15.09.2007
SBER-09.07	3 949.59	-3.38	12 026.50	15.09.2007
RTKM-09.07	958.79	-2.63	341.33	15.09.2007

Source: Bloomberg

Figure 13: Major Macroeconomic Parameters

	Unit	Current	YTD, %
Hard currency reserves	\$ bln	417.3	37.4
Monetary base (M0)	R bln	5 137.1	24.6
R/\$ exchange rate	R/\$	25.3444	-3.7
Inflation, M-o-M	%	0.9	6.6

Source: Reuters

Figure 14: Major Commodity Prices

Oil, \$/barrel (IPE CIF Prices)	Close	Previous close	Change	Change 3 months	Metals	Close	Previous close	Change	Change 3 months
	\$	\$	%	%		\$	\$	%	%
Brent, spot	70.12	70.60	-0.7	9.5	Gold, \$/oz	663.3	662.1	0.2	-0.3
1-month	70.30	70.21	0.1	6.9	Platinum, \$/oz	1 270	1 268	0.2	-3.0
3-month	71.16	71.03	0.2	6.7	Palladium, \$/oz	355.0	360.0	-1.4	-2.1
Urals	68.07	68.57	-0.7	10.9	Nickel, \$/ton*	27 000	28 100	-3.9	-45.2
WTI	71.59	72.15	-0.8	16.3	Copper, \$/ton*	7 470	7 580	-1.5	-7.2
REBCO	67.17	67.90	-1.1	11.0	Zinc, \$/ton	3 453	3 500	-1.3	-16.0

Source: Bloomberg, NYMEX; Note: N/A – not available, * – 3 months forwards

Figure 15: Russian Debt Market

	Maturity	Next coupon payment	Coupon rate	Closing price	Change	YTM	Current yield	Duration	Spread over RFR	Issue volume	Currency
			%	%	%	%	%	Years	bpts	mln	
Sovereigns											
Russia-10	03/31/10	09/30/07	8.3	103.5	-0.04	5.6	8.0	1.3	93.4	1 845	USD
Russia-18	07/24/18	01/24/08	11.0	139.6	-0.06	6.0	7.9	7.3	113.2	3 467	USD
Russia-28	06/24/28	12/24/07	12.8	177.0	0.16	6.2	7.2	10.4	127.3	2 500	USD
Russia-30	03/31/30	09/30/07	7.5	110.6	-0.20	6.0	6.8	7.0	111.3	2 021	USD
MinFins											
MinFin-7	11/14/07	11/14/07	3.0	99.3	0.00	5.5	3.0	0.3	83.3	1 322	USD
MinFin-8	05/14/08	05/14/08	3.0	98.1	0.03	10.3	3.1	0.3	561.5	2 837	USD
MinFin-11	05/14/11	05/14/08	3.0	90.7	-0.21	5.8	3.3	3.6	110.5	1 750	USD

Source: Reuters; Note: N/A – not applicable

Figure 16: Valuation Table, \$ mln

Stock	EV	Revenues		EBITDA		Net profit		EV/Sales			EV/EBITDA			P/E			Revenues, CAGR 2006-08E
		2006	2007F	2006	2007F	2006	2007F	2006	2007F	2008F	2006	2007F	2008F	2006	2007F	2008F	
Gazprom	286 757	71 910	78 724	37 148	37 234	19 571	20 267	4.0	3.6	3.5	7.7	7.7	7.2	12.9	12.5	11.2	7%
LUKoil	71 459	68 109	66 914	12 328	10 304	7 484	5 674	1.0	1.1	1.1	5.8	6.9	6.5	8.8	11.6	11.2	-2%
Rosneft	102 022	33 099	40 435	7 242	9 605	3 533	4 132	3.1	2.5	2.4	14.1	10.6	9.1	24.7	21.1	16.1	13%
TNK-BP Holding	32 857	32 114	30 143	7 161	6 105	6 409	3 871	1.0	1.1	1.1	4.6	5.4	6.3	5.0	8.3	10.4	-5%
Gazpromneft	19 551	20 172	18 670	5 168	4 245	3 661	2 660	1.0	1.0	1.1	3.8	4.6	5.8	5.3	7.3	10.8	-6%
Surgutneftegaz	40 898	18 408	17 339	7 161	6 105	2 836	2 963	2.2	2.4	2.5	5.7	6.7	7.8	14.2	13.6	15.8	-5%
Novatek	16 154	1 911	2 390	854	1 041	523	667	8.5	6.8	5.4	18.9	15.5	11.4	31.3	24.5	17.3	25%
<i>Oil & Gas average</i>								<i>3.0</i>	<i>2.6</i>	<i>2.5</i>	<i>8.7</i>	<i>8.2</i>	<i>7.7</i>	<i>14.6</i>	<i>14.1</i>	<i>13.2</i>	
UES	61 709	32 510	37 861	5 708	8 636	1 245	2 823	1.9	1.6	1.4	10.8	7.1	7.0	46.9	20.7	26.0	17%
Irkutskenergo	4 591	782	865	125	145	37	50	5.9	5.3	4.9	36.8	31.6	25.0	95.0	95.0	47.5	10%
Bashkirenergo	2 305	1 118	1 300	167	203	44	51	2.1	1.8	1.5	13.8	11.4	9.0	52.5	42.0	30.0	17%
Novosibirskenergo	1 051	636	726	111	132	70	84	1.7	1.4	1.3	9.4	8.0	5.8	13.6	11.5	8.0	13%
OGK-5	4 513	921	1 139	136	207	162	80	4.9	4.0	3.6	33.2	21.8	19.5	34.6	70.6	64.7	17%
TGK-5	737	401	460	59	53	n/a	n/a	1.8	1.6	1.4	12.5	14.0	12.4	n/a	n/a	n/a	15%
MOESK	2 731	896	1 536	309	824	150	484	3.0	1.8	1.3	8.9	3.3	2.1	16.9	5.3	3.6	55%
MGESK	1 971	373	661	202	461	105	301	5.3	3.0	2.3	9.7	4.3	3.1	19.1	6.7	4.9	51%
<i>Utilities average</i>								<i>3.3</i>	<i>2.6</i>	<i>2.2</i>	<i>16.9</i>	<i>12.7</i>	<i>10.5</i>	<i>39.8</i>	<i>36.0</i>	<i>26.4</i>	
Sistema	20 863	9 703	11 745	3 931	4 583	630	769	2.2	1.8	1.5	5.3	4.6	4.1	22.3	18.2	16.1	19%
MTS	22 970	5 996	6 269	3 196	3 383	1 531	1 602	3.8	3.7	3.5	7.2	6.8	6.5	16.5	15.8	14.9	4%
Comstar-UTS	4 727	1 120	1 435	429	634	82	276	4.2	3.3	3.1	11.0	7.5	7.4	49.3	14.6	14.8	16%
VimpelCom	23 902	3 802	4 176	1 895	2 061	766	829	6.3	5.7	5.5	12.6	11.6	11.0	28.6	26.4	25.6	7%
Golden Telecom	2 690	764	882	230	281	90	120	3.5	3.0	2.6	11.7	9.6	8.1	26.9	20.2	17.0	16%
Rostelecom	7 575	1 483	1 482	430	411	157	150	5.1	5.1	5.1	17.6	18.4	18.8	45.5	47.7	47.3	-0.3%
MGTS	3 147	791	993	355	451	173	229	4.0	3.2	2.9	8.9	7.0	6.4	15.0	11.3	10.0	17%
RBC	990	138	184	53	72	39	56	7.2	5.4	4.3	18.8	13.7	11.1	26.8	18.4	14.5	29%
Center Telecom	2 649	1 056	1 286	317	442	26	90	2.5	2.1	2.1	8.4	6.0	5.9	56.5	16.3	18.8	10%
NW Telecom	2 087	706	853	233	308	71	110	3.0	2.4	2.3	9.0	6.8	6.2	19.7	12.7	11.8	13%
South Telecom	1 549	636	728	171	215	-26	3	2.4	2.1	2.1	9.1	7.2	6.8	neg	177.6	25.4	8%
Volga Telecom	2 094	941	1 180	332	442	102	165	2.2	1.8	1.7	6.3	4.7	4.4	12.1	7.5	6.7	15%
Sibir Telecom	1 946	1 089	1 369	372	513	139	210	1.8	1.4	1.4	5.2	3.8	3.5	9.0	5.9	5.5	15%
Uralsvyazinform	3 291	1 258	1 477	413	551	110	191	2.6	2.2	2.1	8.0	6.0	5.4	17.5	10.1	8.0	12%
FE Telecom	919	392	485	119	161	43	62	2.3	1.9	1.8	7.7	5.7	5.2	10.9	7.6	6.5	13%
<i>Telecom average</i>								<i>3.5</i>	<i>3.0</i>	<i>2.8</i>	<i>9.8</i>	<i>7.9</i>	<i>7.4</i>	<i>25.5</i>	<i>16.6</i>	<i>15.5</i>	
Norilsk Nickel	36 594	11 300	13 256	7 654	9 638	5 008	6 915	3.2	2.8	3.2	4.8	3.8	4.7	7.6	5.5	7.0	0.2%
Severstal	15 004	12 423	12 588	2 987	2 921	1 231	1 203	1.2	1.2	1.2	5.0	5.1	5.5	12.3	12.6	15.2	0.1%
NLMK	18 050	6 046	6 574	2 631	2 758	2 066	1 785	3.0	2.7	2.9	6.9	6.5	7.0	9.1	10.5	11.3	2%
Chelyabinsk Zinc Plant	713	486	636	165	254	107	169	1.5	1.1	1.3	4.3	2.8	3.6	6.3	4.0	5.5	6%
Evraz	19 860	8 385	9 121	2 395	2 395	1 366	1 079	2.4	2.2	2.2	8.3	8.3	8.9	13.1	16.6	18.6	3%
Polus Gold	6 523	724	775	355	396	1 203	260	9.0	8.4	8.7	18.4	16.5	18.1	6.7	30.8	35.9	2%
Priargunsk Mining	1 224	212	288	29	70	8	42	5.8	4.3	2.2	42.2	17.5	3.7	140.4	26.7	4.9	62%
Highland Gold Mining	429	102	120	-87	23	-96	5	4.2	3.6	4.0	nm	18.6	47.6	neg	76.0	neg	2%
Peter Hambro Mining	1 684	177	187	64	97	31	47	9.5	9.0	4.7	26.3	17.4	7.9	51.9	34.2	12.6	43%
<i>Metals average</i>								<i>4.4</i>	<i>3.9</i>	<i>3.4</i>	<i>14.5</i>	<i>10.7</i>	<i>11.9</i>	<i>15.3</i>	<i>17.6</i>	<i>13.9</i>	
Wimm-Bill-Dann	4 571	1 762	2 223	218	309	104	149	2.6	2.1	1.7	21.0	14.8	11.6	40.7	28.4	20.2	23%
Lebedyansky	2 163	710	983	139	176	86	98	3.0	2.2	1.7	15.6	12.3	9.8	23.3	20.4	16.4	32%
Baltika	8 338	2 183	2 442	694	807	415	518	3.8	3.4	3.1	12.0	10.3	9.1	19.4	15.5	12.9	12%
Kalina	488	350	409	52	60	30	36	1.4	1.2	1.1	9.4	8.1	7.2	14.1	11.6	10.3	15%
Pharmacy Chain 36.6	948	424	784	-0.3	22	37	143	2.2	1.2	0.8	nm	44.1	19.8	18.0	4.6	neg	71%
X5 Retail Group	7 487	3 552	5 206	295	535	103	249	2.1	1.4	1.1	25.3	14.0	10.7	63.1	26.0	19.3	40%
Seventh Continent	1 831	958	1 326	104	145	68	77	1.9	1.4	1.0	17.6	12.6	10.1	27.9	24.6	21.4	38%
Magnit	3 405	2 505	3 711	122	186	57	86	1.4	0.9	0.6	27.8	18.3	12.2	56.9	37.5	25.1	45%
Cherkizovo Group	1 009	630	842	74	113	30	45	1.6	1.2	1.0	13.6	8.9	6.5	25.1	16.7	10.9	29%
Amfel-Vredestein	926	817	1 019	77	80	-5	-28	1.1	0.9	0.8	12.0	11.5	6.9	neg	neg	37.2	20%
<i>Consumer average</i>								<i>2.1</i>	<i>1.6</i>	<i>1.3</i>	<i>17.2</i>	<i>15.5</i>	<i>10.4</i>	<i>32.0</i>	<i>20.6</i>	<i>19.3</i>	

Source: Company data, Bloomberg

Kazakhstan Equities
Figure 17: Most Liquid Stocks Performance

	Type	Market	Ratio	Close \$	Change %	Volume \$/1000	YTD %	MCap \$ mln	12M Target Price \$	Upside %	Rating
Kazmunaigas E&P	GDR	Europe	1/6 in 1	21.58	-4.1	5 759	-11.8	9 092	N/R	N/A	N/R
Max Petroleum	Common stock	Europe		3.79	-2.5	7 360	106	1 228	N/R	N/A	N/R
Imperial Energy	Common stock	Europe		20.87	11.4	26 755	N/A	1 055	N/R	N/A	N/R
Arawak Energy	Common stock	U.S., Canada		2.68	-2.7	981	15.1	471	N/R	N/A	N/R
BMB Munai	Common stock	U.S.		6	-2.3	906	21.2	268	12.3	105	BUY
Transmeridian Exploration	Common stock	U.S.		1.84	0.5	1 869	-46.7	214	N/R	N/A	N/R
CanArgo Energy	Common stock	U.S.		0.89	0	289	-45.1	212	N/R	N/A	N/R
Roxi Petroleum	Common stock	Europe		1.37	-0.5	10 283	N/A	210	N/R	N/A	N/R
Caspian Services	Common stock	U.S.		2.97	0.7	354	-25.8	125	N/R	N/A	N/R
Victoria Oil & Gas	Common stock	Europe		0.785	-1.1	511	-35.6	91	N/R	N/A	N/R
Caspian Energy	Common stock	U.S., Canada		0.52	-5.8	2	-43.9	54	N/R	N/A	N/R
Big Sky Energy	Common stock	U.S.		0.25	6.4	12	-66.7	36	U/R	N/A	U/R
Kazakhmys	Common stock	Europe		22.79	-7.3	143 137	4.9	10 654	21	-8	HOLD
SXR Uranium One Inc	Common stock	U.S., Canada		10.22	-6.7	59 960	N/A	3 731	N/R	N/A	N/R
KazakhGold	ADR	Europe	1 in 1	20	-1.1	303	-2.4	1 012	40.6	103	BUY
Oriel Resources	Common stock	Europe		1.27	-5.8	205	49.6	806	N/R	N/A	N/R
European Minerals Corp	Common stock	U.S., Canada		1.23	-5.1	791	61	344	N/R	N/A	N/R
ShalkiyaZinc	GDR	Europe	1/10 in 1	4.75	-1	N/A	-32.7	268	N/R	N/A	N/R
Eurasia Gold	Common stock	U.S., Canada		0.757	N/T	N/T	N/A	257	N/R	N/A	N/R
Bekem Metals	Common stock	U.S.		1.9	N/T	N/T	N/A	238	N/R	N/A	N/R
Hambledon Mining	Common stock	Europe		0.324	-0.5	220	N/A	137	N/R	N/A	N/R
Alhambra Resources	Common stock	U.S., Canada		1.48	3.3	18	-4.5	104	N/R	N/A	N/R
Frontier Mining	Common stock	Europe		0.304	-0.5	N/A	-5.9	39	N/R	N/A	N/R
Bank TuranAlem	ADR	Europe	1 in 1	1 155	-0.8	N/A	-7.8	5 263	1 600	39	BUY
Halyk Savings Bank	GDR	Europe	4 in 1	19.4	-3	8 370	-11.8	4 727	21.2	9	HOLD
Kazkommertsbank	GDR	Europe	2 in 1	16.2	-3.1	15 862	-29.9	4 658	28.0	73	BUY
Alliance Bank	GDR	Europe	1/30 in 1	9.5	-5.9	8 827	N/A	2 747	20.7	118	BUY
ATF Bank	GDR	Europe	1 in 1	110	20.2	20	N/A	2 160	120.0	9	HOLD
TemirBank	GDR	Europe	1 in 1	43.42	-1.8	N/A	64.6	651	N/R	N/A	N/R
KazakhTelecom	ADR	Europe	1/3 in 1	126	-0.8	23	22.4	4 128	N/R	N/A	N/R
Steppe Cement	Common stock	Europe		6.99	-1.2	256	55.3	797	7.0	0	BUY
Chagala Group	GDR	Europe	4 in 1	9.5	1.1	N/A	N/A	202	N/R	N/A	N/R

Source: Bloomberg, Alfa Bank Research

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