2009

ARBAT CAPITAL

Russia at glance

(September 2009)

Agenda

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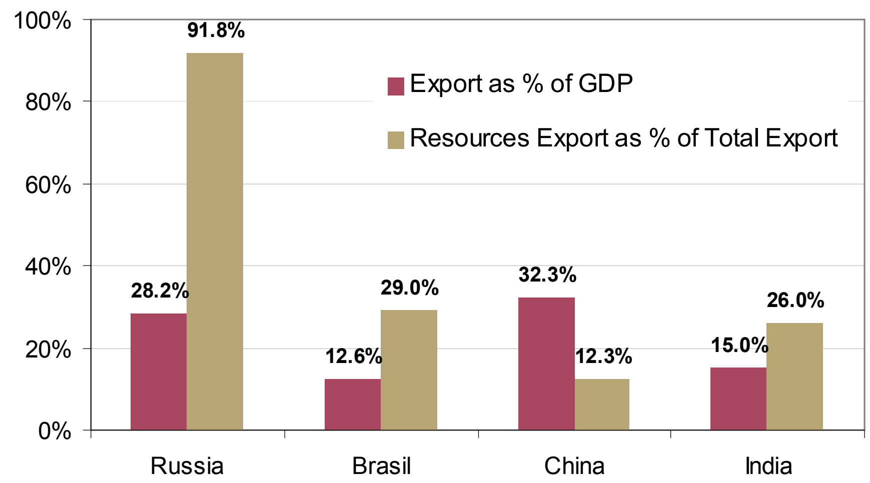
Russian economy – Commodity super-power

- Russia is one of the richest states in the world from natural resources point of view especially if consider mineral reserves as reserves per capita. That's why **the backbone of Russian economy is extraction of minerals** such as hydrocarbons, metals, chemicals etc. while many other sectors of the economy (e.g. machinery) are relatively weak.
- **Russian economy crucially depends on natural resources export** while other three BRIC members (even Brazil) concentrate mostly on domestic demand. High dependency on raw export makes Russian economy much more vulnerable to external shocks like commodity market free-fall in H208 in comparison with other major EM states.
- **Russian authorities not once claimed the need to diversify the economy towards to higher value-added industries** but it's hard to argue that current crisis became the trigger of such reformation as positions of oil, gas, coal and chemicals producers in Russia only improved during last hard year.

	World reserves	Russian reserves	Share of world reserves	World rank
Gas reserves, trln cm	180	48	27%	1
Oil reserves, bn tons	210	12	7%	7
Coal reserves, bn tons	1000	173	17%	2
Hydro Electricity, tw/h	3040	175	6%	5
Iron ore, bn tons	160	25	15%	2
Nickel, mln tons	64	6.6	10%	2
Gold, thd tons	42	3.0	7%	5

Source: Arbat Capital, EIA, USGS, US department of the Interior, BP Statistical review

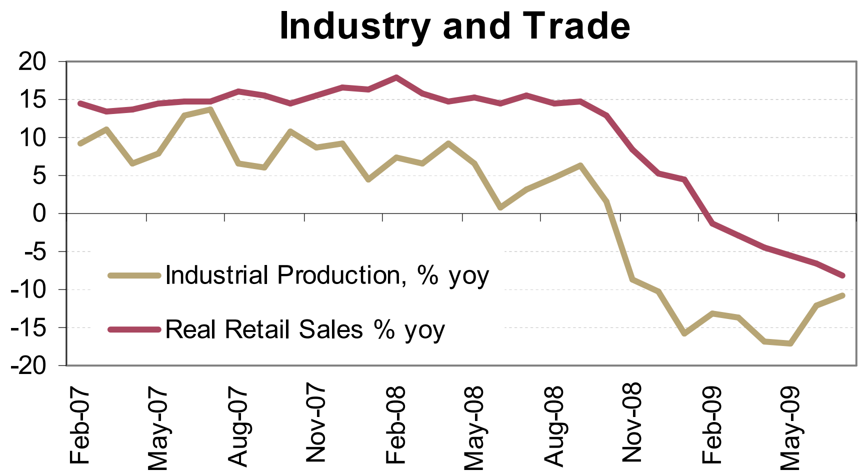
Dependency on natural resources export



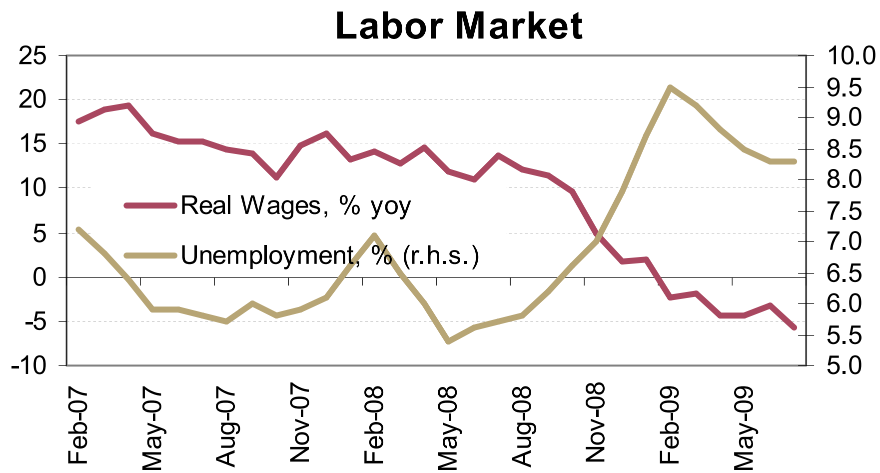
Source: Deutsche Bank, Bloomberg

Russian economy – Slowdown in 2009

- The 4th quarter of 2008 dealt a final blow to the idea of "decoupling" as main macro indicators of Russia's economy «suddenly» began to worsen at very rapid pace. While macro data for the 1st & 2nd quarters were very weak **the rising energy and other commodity prices will yield much stronger numbers for the 2nd half of the year**.
- While current recovery in most economies starts in financial sector and then spreads to the real economy, **the pattern of recovery in Russia is different due to high dependence on resources export**. The recovery in Russia starts with improvements in raw material sector that will translate into financial sector and only then will spread to other parts of the economy.
- Russian government expects real GDP contraction of 8.5% and inflation of 12% for 2009 while in 2010 real GDP is expected to grow by 1.0% with inflation reduction to 10%. In our opinion **GDP numbers has solid upside risk** as we are more optimistic about oil market perspectives relative to government forecast of $54-55 for Urals.



Source: FSSS, Bloomberg



Source: FSSS, Bloomberg

Russian economy – Local currency

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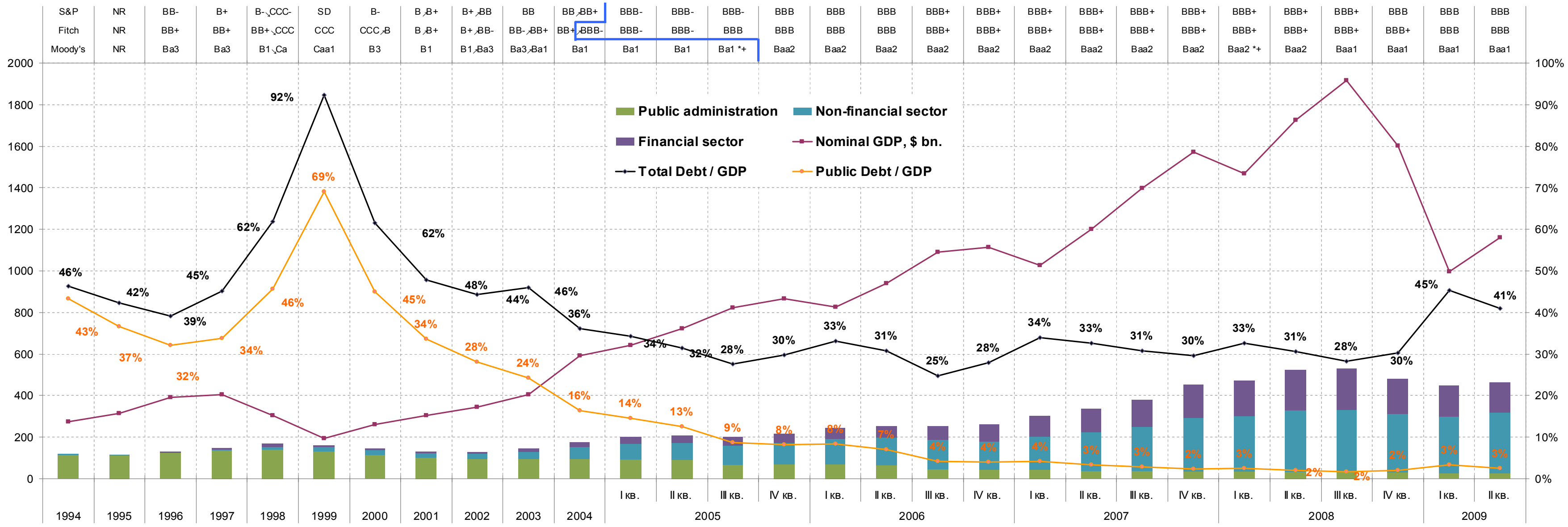
- **The «steady devaluation» strategy implemented by the CBR in Sep'08-Jan'09 brought little results** as Russian local currency (ruble) lost roughly 35% since Jul'08 highs, while CB reserves decreased by more than $200 bn (35%). Overall rally in risky assets during spring'09 resulted in a recovery for the Russian ruble back to the level of 31 per dollar today (from a low of 36 per dollar).
- **With oil traded around $70 there's almost no room for significant ruble devaluation** like it was in 4Q08-1Q09. However soft devaluation against greenback (in borders of 35 ruble per U.S. dollar) is possible as government and CBR measures to stimulate economic growth will support ruble liquidity in several quarters, while rumours about "the 2nd wave of crisis" will secure additional demand for hard currencies among companies and citizens along with fast growing NPLs at banks balances.

Currency	Current rate	2008 LC maximal rate	2008-09 LC minimal rate	Change since 2008 max	Change since 2008-09 min
RUSSIAN RUBLE SPOT	30.88	23.14	36.34	-25.1%	17.7%
UKRANIAN HRYVNIA SPOT	8.40	4.51	9.29	-46.3%	10.6%
KAZAK TENGE SPOT	150.85	119.48	152.95	-20.8%	1.4%
LATVIAN LAT SPOT	0.483	0.436	0.570	-9.6%	18.1%
CZECH KORUNA SPOT	17.48	14.48	23.41	-17.2%	33.9%
TURKISH LIRA SPOT	1.503	1.151	1.807	-23.4%	20.2%
HUNGARIAN FORINT SPOT	186.6	144.1	251.8	-22.7%	34.9%
ISRAELI SHEKEL SPOT	3.790	3.217	4.258	-15.1%	12.4%
POLISH ZLOTY SPOT	2.850	2.029	3.898	-28.8%	36.8%
S. AFRICAN RAND SPOT	7.590	6.751	11.376	-11.1%	49.9%
BRAZILIAN REAL SPOT	1.831	1.560	2.516	-14.8%	37.4%
MEXICAN PESO SPOT	13.48	9.89	15.42	-26.6%	14.4%
CHINA RENMINBI SPOT	6.829	6.811	7.307	-0.3%	7.0%
SOUTH KOREAN WON SPOT	1226.7	935.55	1570.75	-23.7%	28.0%
INDIAN RUPEE SPOT	48.64	39.27	51.97	-19.3%	6.9%
INDONESIAN RUPIAH SPOT	9935	9053	12600	-8.9%	26.8%
MALAYSIAN RINGGIT SPOT	3.500	3.132	3.728	-10.5%	6.5%
TAIWAN DOLLAR SPOT	32.64	30.00	35.17	-8.1%	7.7%
THAI BAHT SPOT	34.01	31.11	36.24	-8.5%	6.6%
DOLLAR INDEX SPOT	76.86	71.33	89.11	-7.2%	15.9%

Source: Bloomberg, Arbat Capital

- Years of very strong oil prices (2006-1H08) let Russian government to keep **Russia's public debt at close to zero levels**, but the same time improving economic situation and raising credit ratings granted **Russian corporate sector access to "cheap" external credit market that made the overall indebtedness of Russian economy not so easy as many thought**. However Russian economy is still considerably less leveraged than the other major developed and emerging states.
- Significant ruble devaluation along with credit markets tightening in 2H08 made rather high leverage of Russian corporations visible as the authorities were forced to support some borrowers to avoid defaults on Eurobonds and western bank loans. Nevertheless **steadily rising for last 7 months oil prices makes Russian sovereign credit cut less probable** even with the account of rather poor performance of the economy in the 1st half of the year.

Russia's National Debt and GDP, $ bn



Source: Arbat Capital, Bloomberg, Central Bank of Russia, FSSS, S&P, Moody's, Fitch

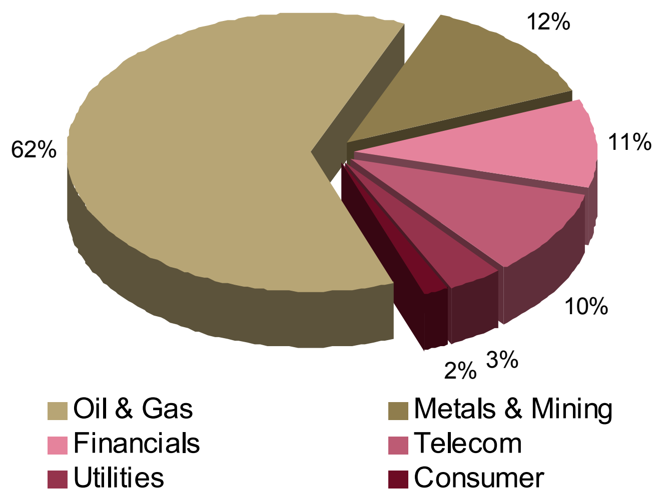
Russian stock market – Overview

- The dependence of Russian stock market on commodity markets are even much stronger comparative to the economy as large natural resources exporters take up to 3/4 of total market capitalization.
- Even another 1/3 of the market (Banks, Telecom, Utilities & Consumer) is strongly linked to commodity performance as extra revenue from natural resources export is the main engine of overall economic growth in Russia.
- Russian stock market is a high-beta market correlated with commodities (e.g. Oil), major EM economies (e.g. China) and developed stock markets (e.g. USA).
- Beyond the well-known large cap exporting companies (energy and resources) and some large cap state banks there are many perspective and much more undervalued small to mid tier companies that will outperform the main index once the economy begins a sustainable recovery.

Russian stock market at glance

- ✓ Market Capitalization: $530 bn
- ✓ Free-float: $180 bn
- ✓ Foreign investors in free-float: $100 bn
- ✓ Local investors in free-float: $80 bn
- ✓ High concentration: 80% of market capitalization in top 10 stocks.

MSCI Russia industrial composition

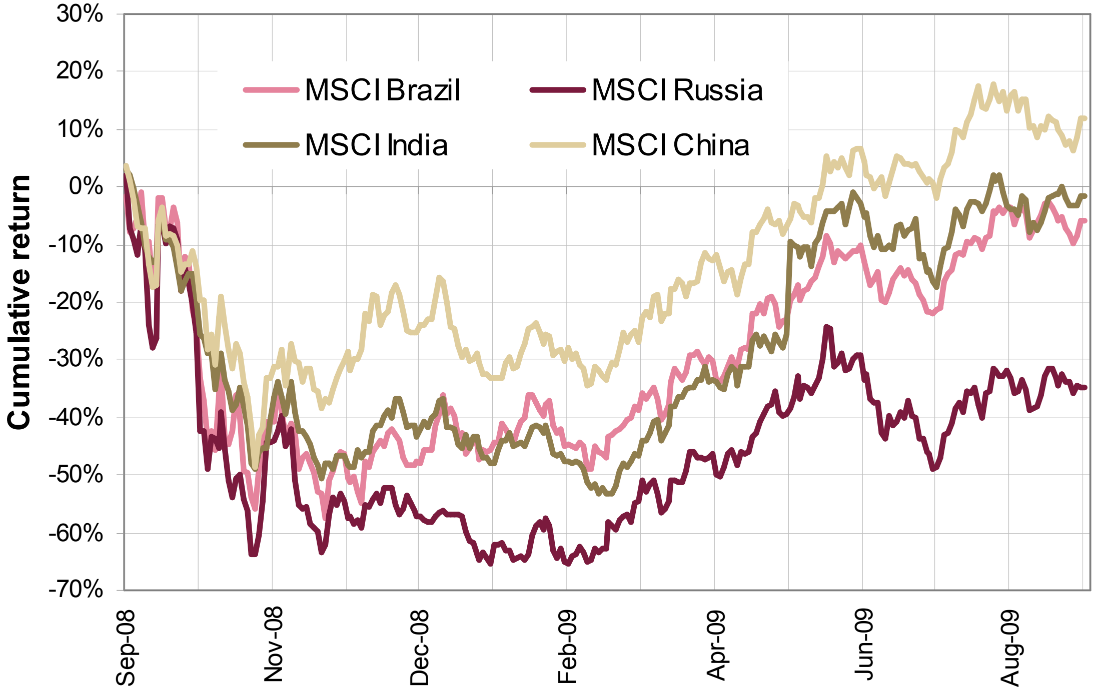


Source: Bloomberg, Morgan Stanley, Arbat Capital

Russian stock market – 2008-2009 rollercoaster

- **Russian stock market ended 2008 with a loss of more than 70%** and was among the top 10 worst performing markets. In Russia the main reasons of market crash besides the global recession were: unbalanced raw materials based economy with collapsing commodities prices, high leverage of certain enterprises, devaluing national currency, lack of trust in the government.
- **As expectations of V-shape recovery took hold and oil prices recovered in H109 Russian stock market rebounded sharply** despite to very poor performance of the economy. Despite to the 120% rally from Jan'09 lows Russian stocks are still 60% lower their 2008 highs and seriously underperform other major EM markets.
- **The rapid recovery of Russian stocks** became possible due to **strong commodity market performance** combined with **improving economic situation in China** and other Asian states as well as an **upward trend in US stock indexes**.

BRIC equities performance since Lehman fall



Source: Bloomberg, Morgan Stanley, Arbat Capital

Russian stock market – Cheap valuations

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	Market Cap, $ mln.	P/E		EV/EBITDA		EV/Sales		P/Book		Div yield	EBITDA margin
		2008	2009	2008	2009	2008	2009	2008	2009		
AMERICA		**20.81**	**12.63**	**7.67**	**6.30**	**1.89**	**1.68**	**1.93**	**1.62**	**3.8%**	**24.6%**
Argentina	140 328	12.56	9.93	5.81	4.84	1.51	1.26	1.79	1.67	1.6%	26.0%
Brazil	691 790	24.47	11.57	7.48	6.04	1.84	1.65	1.84	1.68	2.8%	24.6%
Chile	138 975	17.38	16.05	10.08	8.96	2.24	2.06	1.72	1.50	13.7%	22.2%
Mexico	227 721	18.47	14.42	6.53	6.05	1.52	1.42	2.28	2.24	1.3%	23.3%
Colombia	107 653	17.42	14.71	10.60	6.95	3.03	2.55	2.19	N/A	5.1%	28.6%
EUROPE		**30.42**	**11.23**	**9.59**	**8.60**	**1.55**	**1.44**	**1.39**	**1.27**	**3.1%**	**15.8%**
Czech Republic	71 671	27.88	12.96	15.94	16.66	3.41	3.28	1.49	1.42	4.5%	21.4%
Hungary	25 480	11.87	10.41	9.48	11.40	1.83	1.70	1.30	1.20	2.8%	19.3%
Poland	97 636	73.01	13.25	7.42	7.12	1.09	1.00	1.37	1.29	3.6%	14.7%
Romania	10 268	2.29	12.33	28.79	N/A	2.00	1.82	0.98	0.93	1.7%	7.0%
Slovenia	11 150	-117.39	15.34	10.37	9.25	0.89	0.76	1.11	1.19	1.7%	8.6%
Turkey	173 702	15.47	9.13	7.05	6.30	1.04	0.94	1.47	1.30	2.4%	14.8%
Ukrain	8 649	149.40	11.92	9.21	5.73	0.89	0.76	N/A	N/A	2.0%	9.7%
ASIA		**50.62**	**21.25**	**12.59**	**10.63**	**2.71**	**2.40**	**3.28**	**2.98**	**2.9%**	**29.5%**
China	2 350 490	33.03	18.33	8.83	7.25	1.59	1.39	2.84	2.54	1.6%	19.2%
India	506 226	19.48	15.74	9.75	8.10	2.08	1.81	3.01	2.63	1.2%	22.4%
Indonesia	186 734	31.12	Н/Д	6.45	5.69	1.87	1.69	2.64	2.34	2.2%	29.8%
Malaysia	162 061	23.35	14.76	8.41	7.49	2.17	2.01	1.98	1.85	3.4%	26.8%
Philippines	53 142	15.67	12.57	6.34	5.84	1.98	1.84	1.87	1.74	3.5%	31.5%
Taiwan	566 607	121.73	16.08	9.78	7.67	1.17	1.02	1.85	1.83	2.9%	13.3%
Thailand	161 610	28.63	11.03	6.71	5.90	1.04	0.93	1.55	1.45	3.5%	15.8%
Hong Kong	1 352 418	22.41	14.58	11.07	9.86	3.23	2.89	1.97	1.83	2.9%	29.3%
MSCI EM	**5 707 666**	**19.89**	**12.38**	**8.19**	**6.88**	**1.64**	**1.45**	**1.89**	**1.71**	**2.3%**	**20.0%**
MCAP WEIGHTED		32.77	14.53	8.77	7.40	1.92	1.70	2.20	1.97	2.5%	22.5%
MEDIAN		19.48	13.11	8.83	7.04	1.83	1.65	1.81	1.67	2.8%	22.2%
RUSSIA	**527 384**	**13.30**	**8.24**	**4.56**	**3.83**	**1.20**	**1.04**	**0.95**	**0.87**	**1.7%**	**26.3%**

Source: Bloomberg, Arbat Capital

Russian stock market – Bumpy road to recovery

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What stands behind our long-term positive view on Russian equities:

- The **commodity super-cycle is not over** as emerging regions like China, India and South-East Asia will consume more and more raw materials longer term. Current underinvestment in raw material green-fields will result in severe shortage of oil and major metals in coming years (2011-2012).
- **Chinese government has no other choice but to support very high economic growth** (above 8%) via real economy stimulus packages and soft monetary policy to guarantee social stability. Railroad construction and other infrastructure projects create demand for resources.
- The Russian stock market is **a high beta, super-cyclical market** and often occupies the top 5 or bottom 5 performers among major markets each year. While 2008 was a year of free fall, 2009-10 should be a time of first wave recovery in more liquid assets.

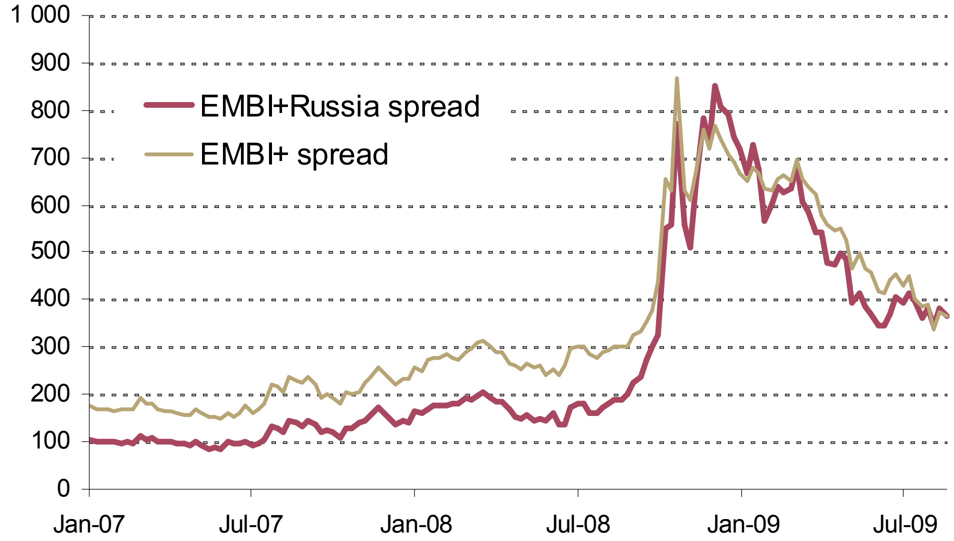
What makes us cautious to work in “long only” style:

- **Every crisis is unique and the current one isn’t an exception** as it is the first time since the WWII when all major developed economies were fell into recession simultaneously. So we can’t be sure that stimulating monetary and fiscal measures implemented by authorities for last 12 months will bring the exactly expected results in the longer period.
- **There is considerable risk of W-shape recovery with second leg down in 2010** as key central banks will face the need to tighten monetary policy to curb future inflation while governments will need to pay for current stimulus measures with tax increases.
- Financial markets anticipate recovery before real economic indicators and **currently a “V shaped” recovery is already being priced into prices for some assets**. But the road to recovery is bumpy that means a lot of up and down movements on this way.

Russian bond market - Eurobonds

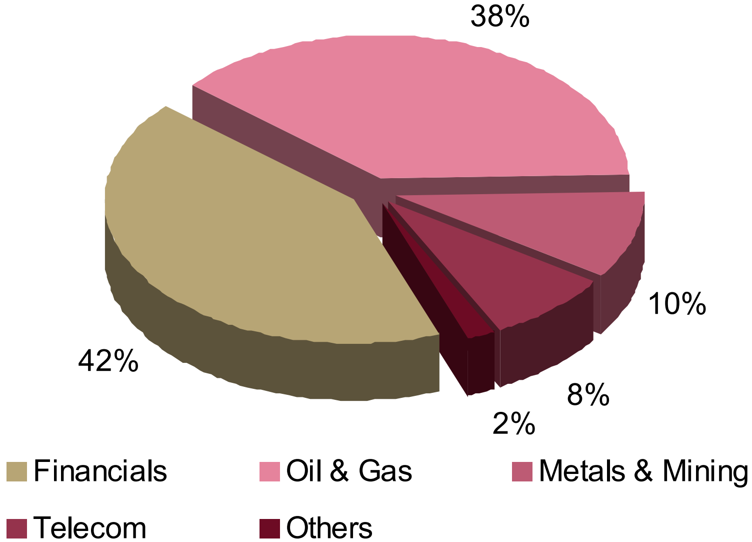
- The universe of Russian eurobonds includes more than 100 issues for total amount of $70 bn mainly denominated in U.S. dollars (85%) and euro (12%) with average yield of 7.7% and average maturity of 2.85.
- **Impressive performance of Russian Eurobonds since the last winter distressed levels wiped out the growth potential for the most part of the market**. New decline in Eurobond prices is very possible as the US/EU Central Banks monetary policy to be tighten.
- Further Russian sovereign spread contraction (now it stands nearly twice higher pre-crisis levels) will provide **value in some high-quality names with long duration like Russia-30 and Gazprom-37**, but the number of such bonds is limited.

Amazing rally over last 9 months, but only the half of the road is left behind



Source: JP Morgan, Bloomberg, Arbat Capital

Russian Eurobonds industrial structure



Source: Bloomberg, Arbat Capital

Russian bond market – Local bonds

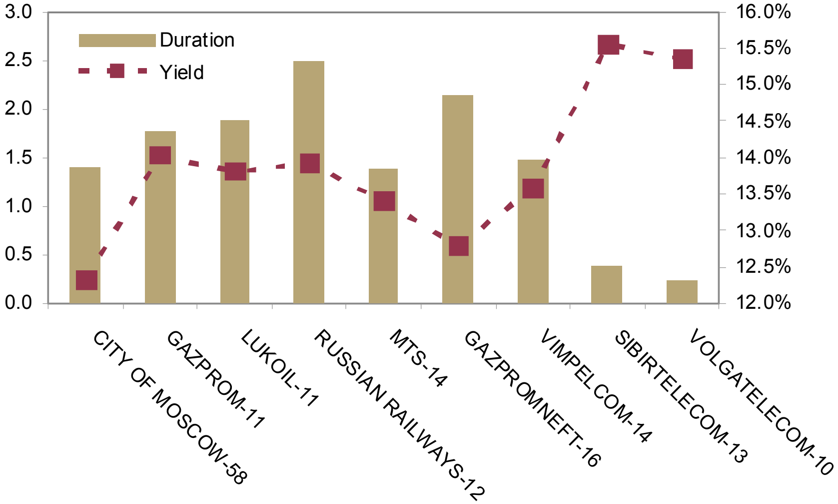
- CBR monetary easing and substantial increase in investors' risk appetite provided another impressive rally at the ruble bond market. As further rate cuts are expected **the liquidity will support local bond market in the 2nd half of the year** too.
- Even after strong performance in the 1st half of 2009 **high quality ruble bonds offer 3-4 p.p. higher yield than comparative Eurobonds** as devaluation risk still restricts foreigners' hunger for ruble instruments. That's why we see value at the 1st-tier corporate and municipal ruble bonds like Gazprom-11, Lukoil-11, MTS-14, Vimpelcom-14, Gazpromneft-16 and City of Moscow-58 that offer 12-14% yield to maturity / next put.
- Expected improving performance of the Russian economy in the 2nd half of the year and CBR monetary easing **make investments to 2nd-tier ruble bonds less risky than they were in 4Q08-1Q09**. Such instruments as Volgatelecom-10, Sibirtelecom-13 or Mosenergo-16 grants 15-16% yield to maturity / next put.
- The same time not defaulted yet 3rd-tier ruble junk bonds are traded at distressed levels, but from the standpoint of the bankruptcy law latest version that strongly enforce debtors rights (e.g. the period of financial normalization increased from 2 to 5 years) **the restructuring play doesn't look attractive any more**. Especially if the time horizon is less than 5 years.

Russian bond market – Proposed portfolio

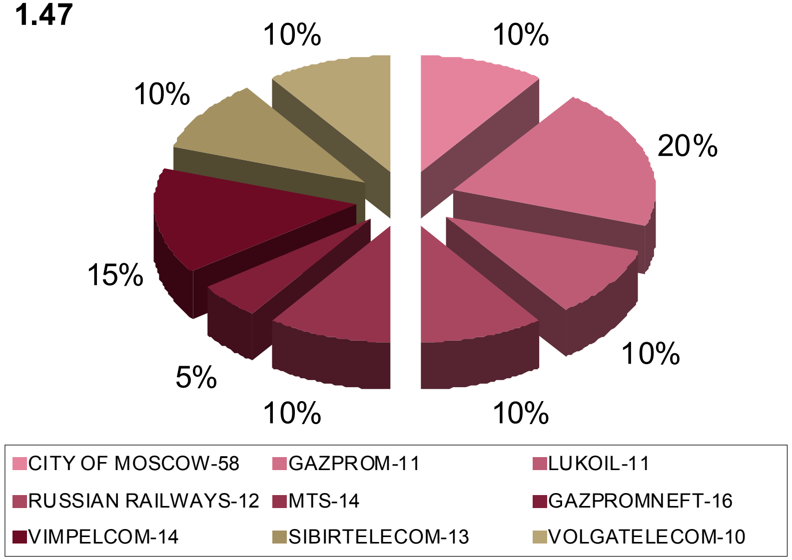
ISSUER	PRIORITY	AMNT (mln RUB)	MAT	CPN	WGT	NOTES	MARKET Price	Spread	Dur	Yld
CITY OF MOSCOW-58	Senior	11 953	06/2011	10.00%	10.0%		97.19	280	1.41	12.3%
GAZPROM-11	Senior	5 000	10/2011	7.00%	20.0%		88.00	206	1.78	14.0%
LUKOIL-11	Senior	8 000	12/2011	7.10%	10.0%		88.00	139	1.89	13.8%
RUSSIAN RAILWAYS-12	Senior	5 000	11/2012	7.55%	10.0%		85.00	99	2.50	13.9%
MTS-14	Senior	15 000	05/2014	16.75%	10.0%	putable 05/2011	104.66	340	1.39	13.4%
GAZPROMNEFT-16	Senior	8 000	07/2016	14.75%	5.0%	putable 07/2012	104.27	209	2.14	12.8%
VIMPELCOM-14	Senior	10 000	07/2014	15.20%	15.0%	putable 07/2011	103.27	363	1.47	13.6%
SIBIRTELECOM-13	Senior	2 000	08/2013	9.75%	10.0%	putable 02/2010	97.75	604	0.39	15.6%
VOLGATELECOM-10	Senior	3 000	11/2010	8.20%	10.0%	putable 12/2009	99.50	506	0.24	15.3%

Average Expected Yield (in RUB): **13.9%**

Average Duration: **1.47**



SELECTION WEIGHTS



Appendix – Key stock valuations

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11-Sep-2009	Ticker	Price, USD	Mcap, USD mn	EV, USD mn	EV/EBITDA			P/E			P/OCF			P/BV		
					2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E
Oil & Gas																
Gazprom	GAZP RX	5.674	133 885	179 146	3.0	4.2	4.0	3.9	5.2	5.0	3.3	5.3	3.6	0.9	0.8	0.7
Novatek	NVTK LI	42.35	12 856	13 400	9.6	15.1	7.9	14.0	27.1	11.8	10.2	15.2	9.5	4.1	2.9	2.1
Lukoil	LKOH RX	54.49	46 366	54 101	3.2	4.4	3.4	4.8	7.1	4.8	3.3	4.1	3.9	0.9	0.9	0.8
Rosneft	ROSN LI	6.990	74 081	95 858	5.6	8.9	5.8	7.8	16.1	8.5	5.1	7.0	6.1	2.0	1.6	1.4
Gazprom Neft	SIBN RX	3.968	18 790	20 126	2.6	5.7	4.0	3.6	10.1	6.2	3.4	5.1	4.8	1.3	1.1	1.0
TNK-BP Holding	TNBP RU	1.440	23 327	25 031	2.7	5.7	3.4	4.0	8.9	4.8	3.5	3.2	4.8	1.2	1.2	1.0
Tatneft	TATN3 RX	4.221	9 417	11 095	6.2	8.1	3.8	25.9	13.4	5.4	4.9	6.7	4.4	1.0	1.2	1.4
Surgutneftegaz	SNGS RX	0.870	33 873	20 111	2.8	3.3	2.4	8.7	9.5	6.0	4.9	5.5	4.3	1.0	0.8	0.7
Transneft, pref.	TRNFP RU	695.0	6 016	10 273	1.9	2.0	2.0	2.2	2.4	3.0	1.0	1.2	1.3	0.3	0.3	0.2
Integra	INTE LI	2.800	446	762	2.8	3.8	3.2	NEG	NEG	18.1	3.5	2.2	2.6	0.7	0.6	0.6
Banking																
Sberbank	SBER03 RX	1.926	42 762	N/A	N/A	N/A	N/A	10.9	NEG	NEG	N/A	N/A	N/A	1.7	1.9	1.9
VTB	VTBR LI	3.060	10 288	N/A	N/A	N/A	N/A	47.2	NEG	NEG	N/A	N/A	N/A	0.8	0.9	0.9
Bank Vozrozhdenie	VZRZ RX	32.18	778	N/A	N/A	N/A	N/A	6.2	15.1	8.9	N/A	N/A	N/A	1.5	1.5	1.3
Telecoms & Technology																
Comstar UTS	CMST LI	5.080	2 123	3 659	5.3	7.0	6.1	9.6	43.6	15.2	3.6	6.6	4.6	1.6	1.3	1.2
Centertelecom	CTLK RX	0.553	1 069	1 825	3.9	4.5	4.0	8.2	10.1	9.8	3.3	3.8	3.4	1.4	1.3	1.1
Dalsvyaz	DLSV RX	2.667	316	510	2.4	2.7	2.6	5.5	6.5	7.5	1.9	2.2	2.2	0.8	0.7	0.7
NW Telecom	SPTL RX	0.459	494	935	2.9	3.5	3.1	55.4	NEG	68.1	3.2	2.6	2.2	0.4	0.4	0.4
Sibirtelecom	STKM RX	0.034	502	1 193	2.6	3.0	2.6	9.3	11.4	5.8	1.6	1.8	1.4	0.6	0.6	0.6
Southern Telecom	UTEL RX	0.075	289	1 038	3.7	4.5	3.9	77.9	NEG	13.2	1.8	2.1	1.6	0.6	0.7	0.7
Uralsvyazinform	URSI RX	0.023	881	1 793	3.7	4.2	3.7	36.7	29.1	11.7	2.7	3.0	2.4	1.1	1.1	1.0
VolgaTelecom	VTEL RX	1.887	579	1 109	2.6	3.1	2.8	9.8	15.7	7.7	1.9	2.2	1.8	0.6	0.6	0.5
MTS	MBT US	47.02	17 470	20 584	3.6	5.6	5.2	7.3	17.4	11.4	3.9	5.6	5.4	4.4	4.1	3.4
Sistema	SSA LI	15.59	7 522	7 522	1.3	1.4	1.3	6.3	8.5	3.8	2.6	2.9	N/A	N/A	N/A	N/A
Vimpelcom	VIP US	17.23	17 718	25 467	5.2	6.2	5.5	17.1	20.9	10.1	6.6	5.9	5.0	4.0	3.0	2.3
Armada	ARMD RX	4.684	56	77	8.0	9.8	5.9	NEG	NEG	18.3	NEG	5.3	3.7	1.0	1.2	1.0
Sitronics	SITR LI	0.900	172	943	7.1	8.4	6.8	NEG	NEG	15.2	7.8	0.8	1.3	0.5	0.5	0.5
Consumer																
Wimm-Bill-Dann	WBD US	44.01	2 733	3 117	8.7	10.4	8.0	27.0	27.3	14.3	8.5	10.5	9.7	4.2	3.9	3.0
CTC Media	CTCM US	151.8	2 512	2 507	9.0	12.8	10.1	14.3	20.9	14.8	5.1	9.2	6.1	4.6	3.7	3.0
X5 Retail Group	FIVE LI	271.1	5 908	7 690	9.6	10.0	7.5	15.6	NEG	14.4	9.4	8.4	6.0	3.6	3.5	2.8
Seventh Continent	SCOH RX	75.07	585	987	6.0	7.2	6.9	9.9	NEG	13.8	4.2	6.1	6.6	1.1	1.1	1.1
Magnit	MGNT LI	415.0	5 076	5 305	13.2	11.9	8.6	27.0	21.5	15.0	12.1	12.9	10.8	6.1	4.9	3.7
Dixy Group	DIXY RX	85.95	564	820	7.6	10.2	5.9	NEG	NEG	13.0	9.6	8.4	5.1	2.8	3.7	2.9
Veropharm	VFRM RM	10.00	265	290	5.5	5.1	3.9	7.1	7.0	5.3	N/A	15.2	9.1	1.9	1.6	1.2
Pharmstandard	PHST LI	150.8	2 548	2 606	10.4	12.8	10.6	18.3	18.1	12.2	14.8	15.6	14.3	5.5	4.6	3.4

Source: Bloomberg, UniCredit, Arbat Capital

Appendix – Key stock valuations

11-Sep-2009	Ticker	Price, USD	Mcap, USD mn	EV, USD mn	EV/EBITDA			P/E			P/OCF			P/BV		
					2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E	2008	2009E	2010E
Electric utilities																
RusHydro	HYDR RX	0.034	8 371	8 325	6.4	5.7	4.2	NEG	13.3	8.9	NEG	7.8	5.7	0.7	0.7	0.6
OGK 1	OGK1 RX	0.023	1 016	1 325	7.5	5.4	3.2	21.9	12.3	5.0	6.5	5.4	3.1	2.0	1.7	1.3
OGK 2	OGK2 RX	0.027	887	1 039	17.0	10.3	7.3	NEG	NEG	27.1	NEG	12.5	9.2	1.4	1.4	1.3
OGK 3	OGKC RX	0.051	2 441	673	3.5	10.4	8.0	8.4	NEG	NEG	43.7	61.4	N/A	1.0	0.4	0.4
OGK 4	OGK4 RX	0.044	2 779	1 605	5.8	5.7	4.6	16.1	15.9	12.6	12.0	12.2	9.8	1.3	1.3	1.1
OGK 5	OGKE RX	0.046	1 639	1 848	8.0	11.2	7.9	26.8	12.7	10.6	17.1	12.2	9.0	0.8	0.8	0.7
TGK 1	TGKA RX	0.000	1 340	940	3.7	2.9	1.9	7.8	5.8	3.9	17.3	10.7	5.7	0.9	0.9	0.7
TGK 2	TGKB RX	0.000	336	-276	NEG	NEG	NEG	4.3	3.8	3.7	32.1	45.4	N/A	0.2	0.2	0.2
Mosenergo (TGK 3)	MSNG RX	0.080	3 169	2 936	6.7	6.5	6.3	18.5	17.5	18.0	19.2	20.5	23.7	0.5	0.9	1.0
TGK 4	TGKD RX	0.000	602	836	4.3	3.7	3.3	4.1	3.5	3.1	20.0	18.9	15.0	1.6	1.6	1.6
TGK 5	TGKE RX	0.000	441	-322	NEG	NEG	NEG	9.6	8.3	6.6	17.1	14.5	10.2	0.3	0.3	0.3
TGK 6	TGKF RX	0.000	672	328	2.0	1.7	1.5	6.6	5.6	4.7	22.5	24.8	21.3	0.6	0.6	0.6
Volga TGK (TGK 7)	VTGK RX	0.028	827	151	0.5	0.5	0.3	3.8	3.2	2.8	9.7	8.9	7.1	1.2	1.2	1.2
TGK 9	TGKI RX	0.000	993	1 202	5.3	4.8	4.6	6.3	5.6	5.4	24.3	24.7	32.0	1.4	1.4	1.4
Moscow Integrated DisCo	MSRS RX	0.037	1 820	3 389	4.7	3.0	1.4	5.9	3.1	1.2	NEG	NEG	4.2	0.6	0.5	0.4
Lenenergo	LSNG RX	0.607	621	879	7.1	2.4	2.0	#ЗНАЧ!	3.0	2.2	4.4	1.9	1.5	0.4	0.4	0.3
Center and Volga	MRKP RX	0.005	583	833	5.5	5.2	3.4	13.4	13.4	5.8	NEG	5.2	4.2	0.4	0.4	0.4
Center MRSK	MRKC RX	0.021	886	1 213	6.0	5.2	2.6	13.0	10.3	3.5	7.9	4.7	2.8	0.6	0.5	0.5
Siberian MRSK	MRKS RX	0.006	500	712	9.2	3.4	6.0	30.9	4.1	11.4	2.8	2.2	1.8	0.4	0.4	0.3
Volga MRSK	MRKV RX	0.003	519	707	11.0	11.3	3.9	19.7	24.2	4.8	NEG	11.9	6.4	0.3	0.3	0.3
Urals MRSK	MRKU RX	0.006	511	666	4.4	7.6	3.7	21.0	NEG	7.1	18.4	6.4	3.9	0.5	0.5	0.5
Southern MRSK	MRKA RX	0.005	243	565	4.1	6.9	4.4	6.3	NEG	26.6	63.4	3.0	4.3	0.3	0.3	0.3
MRSK Holding	MRKH RX	0.071	3 001	3 001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Base metals and Gold																
Polyus Gold	PLZL RX	43.87	8 312	7 751	17.3	10.6	5.8	NEG	26.6	11.4	40.8	16.8	9.3	2.1	2.1	1.8
Norilsk Nickel	GMKN RU	111.0	20 970	25 207	4.4	8.5	6.1	NEG	14.1	8.9	5.9	7.0	6.1	2.3	2.2	1.9
Polymetal	PMTL LI	8.900	2 959	3 274	16.6	12.8	8.5	42.3	20.7	12.3	21.6	13.4	10.4	6.0	4.7	3.4
Steel & Coal																
Evraz Group	EVR LI	23.35	8 272	17 573	3.5	9.7	7.9	4.5	NEG	28.0	1.8	3.3	6.4	1.6	1.6	1.5
Mechel	MTL US	14.07	5 862	11 267	3.8	17.2	12.4	5.2	NEG	NEG	2.7	7.7	24.4	1.5	1.5	1.5
MMK	MMK LI	9.100	7 822	8 586	7.1	8.7	5.9	57.5	44.5	13.3	8.0	9.2	6.6	0.8	0.9	0.8
NLMK	NLMK LI	22.71	13 611	14 486	3.1	13.0	7.6	6.0	NEG	11.8	4.9	11.7	10.9	1.6	1.7	1.5
Severstal	SVST LI	6.970	7 023	12 198	2.3	13.3	7.7	3.5	NEG	NEG	2.1	2.4	8.5	0.8	0.9	0.9
TMK	TMKS LI	13.30	2 903	6 567	6.5	8.2	6.3	14.7	22.0	8.6	3.9	2.3	3.9	2.5	2.3	1.9
Belon	BELO RX	0.509	582	903	3.1	9.5	8.2	3.5	NEG	N/A	3.5	5.7	9.7	1.2	1.2	1.2
Raspadskaya	RASP RX	3.134	2 447	2 618	2.9	17.2	16.0	4.3	NEG	N/A	3.2	15.7	16.9	1.6	1.6	1.6

Source: Bloomberg, UniCredit, Arbat Capital

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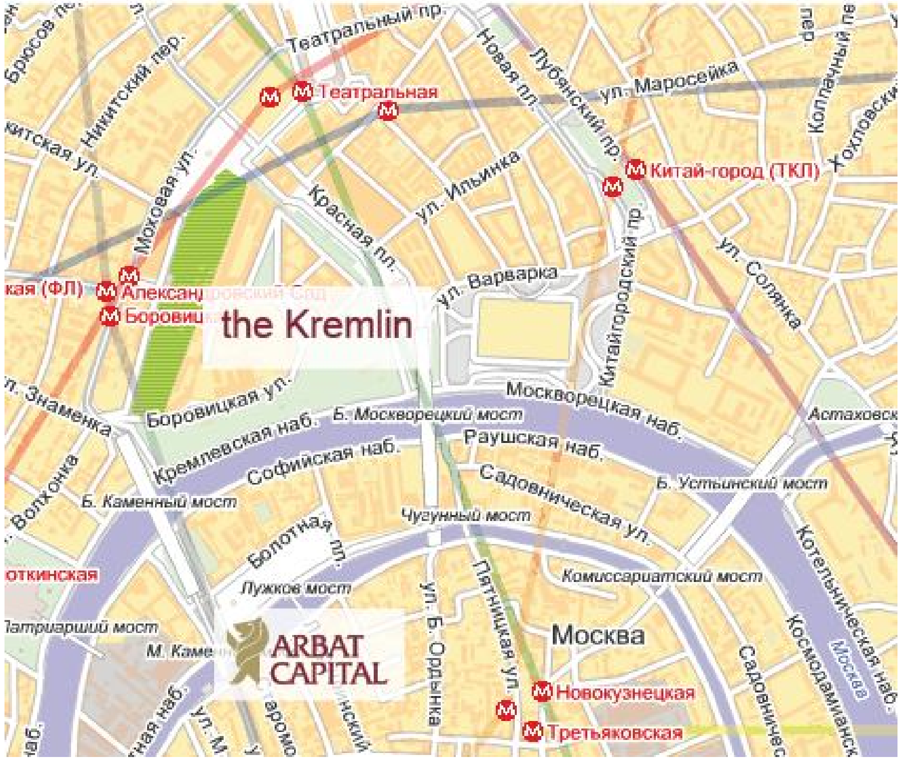

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