

COMMENT

Another bunch of favorable economic updates from overseas rendered the stock markets support. The US indices gained 0.5-1.1% yesterday mainly driven by retail sector. However, today the US futures are trading in red. Yesterday's positive data boost markets in Asia but they are showing mixed performance. Oil price looks weaker following yesterday's growth.

Moscow's bourses are set to open slightly up and we have seen no signs of rally so far. Yesterday's stats provided only short-term support to the local equities and there is a lack of buyers. Reporting season continues and would weigh on the activity in selected names.

| Indicator | Value | Change | |
|--------------------|-----------|--------|--------|
| | | 1 day | 1 week |
| 03.09.2010 | | | |
| Nikkei 225 | ▲ 9,091 | 0.3% | 1.1% |
| Hang Seng | ▲ 20,882 | 0.1% | 1.4% |
| Shanghai Composite | ▼ 2,637 | -0.7% | 1.0% |
| 02.09.2010 | | | |
| DJIA | ▲ 10,320 | 0.5% | 3.3% |
| S&P 500 | ▲ 1,090 | 0.9% | 4.1% |
| NASDAQ | ▲ 2,200 | 1.1% | 3.8% |
| Bovespa | ▼ 66,808 | -0.4% | 4.6% |
| FTSE 100 | ▲ 5,371 | 0.1% | 4.2% |
| DAX | ▼ 6,084 | 0.0% | 2.9% |
| CAC 40 | ▲ 3,631 | 0.2% | 4.5% |
| RTS | ▲ 1,456 | 0.4% | 3.3% |
| MICEX | ▲ 1,402 | 0.5% | 3.3% |
| MSCI BRIC | ▲ 321 | 0.5% | 3.3% |
| MSCI Russia | ▲ 778 | 0.7% | 3.5% |
| Brent | ▲ 76.9 | 0.8% | 2.5% |
| WTI | ▲ 75.0 | 1.5% | 2.3% |
| Gold | ▲ 1,252.1 | 0.4% | 1.4% |
| Silver | ▲ 19.6 | 1.4% | 3.5% |
| Nickel | ▲ 21,603 | 2.8% | 5.9% |
| Corn | ▲ 433.0 | 0.8% | 3.7% |
| Wheat | ▲ 680.8 | 0.3% | -0.5% |
| Soybean | ▲ 1,007.5 | 0.8% | 1.8% |
| LIBOR 3 month | 0.30 | 0.00 | 0.00 |
| EURIBOR 3 month | 0.89 | 0.00 | 0.00 |
| MosPrime 1 week | 3.00 | 0.00 | -0.01 |
| MosPrime 1 month | 3.28 | 0.00 | -0.01 |
| USD/RUR | ▲ 30.79 | 0.2% | 0.1% |
| EUR/USD | ▼ 1.279 | 0.0% | 0.7% |
| GBP/USD | ▼ 1.545 | 0.0% | -0.6% |
| USD/JPY | ▼ 84.19 | -0.3% | -0.6% |
| 1 month | ▲ 2.71 | 0.12 | 1.56 |
| 3 months | ▲ 3.12 | 0.03 | 0.18 |
| 6 months | ▼ 3.51 | -0.05 | 0.09 |
| UST 10 | ▼ 2.56 | -0.02 | 0.08 |
| Russia 30 | 4.36 | 0.00 | -0.06 |

MAIN HEADLINES

- **Gazprom's (GAZP) 1Q10 IFRS results: strong performance**
- **Evrz Group (EVR LI) 1H10 financials and valuation revised**
- **VTB (VTBR) 2Q10 IFRS results: some grounds for price revision**

NEWS

- **Novatek (NVTK) to pay 1H10 dividends**
- **OGK-6 (OGKF) posted 1H10 IFRS unimpressive financials**
- **AVTOVAZ (AVAZ) to place additional common share issue at RUR40.24 per share**
- **Globaltrans' (GLTR) 1H10 financials preview**
- **AFI Development (AFID LI) secured \$74 mn project loan**

CALENDAR

| Time | Event | Period | Estimate | Prior |
|-----------------------|--------------------------------|--------|----------|--------|
| UK statistics: | | | | |
| 12:30 | PMI Services | AUG | 52.9 | 53.1 |
| 12:30 | Official Reserves (Changes) | AUG | -- | -\$24M |
| EU statistics: | | | | |
| 12:00 | PMI Services | AUG | 55.6 | -- |
| 12:00 | PMI Composite | AUG | 56.1 | -- |
| 13:00 | Euro-Zone Retail Sales (YoY) | JUL | 0.60% | 0.40% |
| 13:00 | Euro-Zone Retail Sales (MoM) | JUL | 0.20% | 0.00% |
| US statistics: | | | | |
| 16:30 | Change in Nonfarm Payrolls | AUG | -105K | -131K |
| 16:30 | Change in Private Payrolls | AUG | 40K | 71K |
| 16:30 | Change in Manufact. Payrolls | AUG | 10K | 36K |
| 16:30 | Unemployment Rate | AUG | 9.60% | 9.50% |
| 16:30 | Avg Hourly Earning MOM All Emp | AUG | 0.10% | 0.20% |
| 16:30 | Avg Hourly Earning YOY All Emp | AUG | 1.60% | 1.80% |
| 16:30 | Avg Weekly Hours All Employees | AUG | 34.2 | 34.2 |
| 18:00 | ISM Non-Manf. Composite | AUG | 53.2 | 54.3 |

FRIDAY SEPTEMBER 3, 2010

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OIL & GAS

Gazprom's (GAZP) 1Q10 IFRS results: strong performance. POSITIVE

Higher gas sales volumes and domestic prices supported the top-line. Yesterday, Gazprom reported 1Q10 IFRS results that surpassed the market expectations on the EBITDA and net income lines. The revenue at \$32.3 bn (up by 31% y-o-y) was 5% above the market consensus. The revenue from gas sales rose by 24% y-o-y (17% q-o-q) to \$24 bn, driven primarily by higher volumes and domestic price. In regards to volumes, Gazprom's gas exports to Europe increased by 37% y-o-y to 43 bcm, to the CIS – by 75% to 17 bcm and domestic sales – by 10% to 103 bcm. In 1Q10, Gazprom's realized gas price from exports to Europe showed negative y-o-y dynamic, reflecting more favorable oil price environment in 2008: in 2Q08-4Q08 average Urals price was \$95/bbl vs. \$67/bbl in 2Q09-4Q09. The average realized gas price from exports to Europe was down by 26% y-o-y at \$287/mcm and to the CIS – down by 14% y-o-y at \$233/mcm in 1Q10. Meanwhile, average realized domestic gas price was on the rise (not linked directly to the oil price): up by 53% y-o-y at \$76/mcm. As compared to 4Q09, there was a 10% decline in the realized European gas price, a 10% increase in the CIS price, and domestic price remained unchanged.

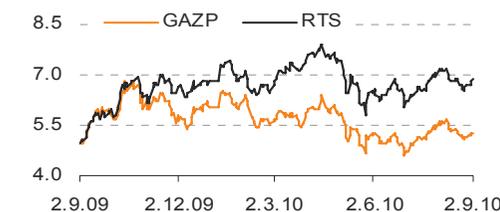
Strong EBITDA due to lower third-party purchases. The EBITDA at \$14.5 bn (up by 70% y-o-y) and net income at \$10.9 bn (more than three-fold increase y-o-y) surpassed the market consensus by 9%. The main reason for strong profitability was lower value of Gazprom's third-party purchases of gas, oil and oil products (down by 34% y-o-y at \$4.6 bn). EBITDA margin rose from 35% in 1Q09 (37% in 4Q09) to 45% in 1Q10. Among the major cost items, staff costs, transportation expenses and "other" costs increased tangibly – up by roughly 60%, 40% and 30% y-o-y to \$2.8 bn, \$2.6 bn and \$2.1 bn, respectively. According to Gazprom, the increase in transportation expenses is partially attributable to higher charges for transit via Ukrainian territory. In 1Q10, total capex was up by roughly 40% y-o-y at \$6.3 bn: investments increased in all the segments except for distribution and gas storage. The most notable growth in capex was in the transportation segment (up by roughly 30% y-o-y). In regards to leverage, Gazprom's net debt decreased from \$47 bn as of YE2009 to \$33 bn as of 1Q10 and, thus, 2010E (consensus) net debt to EBITDA is now as low as 0.7.

Positive, strong financials should support the performance. In our view, Gazprom's strong 1Q10 results should support performance of the stock. Prior to that, the market consensus was quite conservative (2010E EBITDA of \$45 bn and net income of \$28 bn) and the 1Q10 results may trigger an upward revision of the financial forecasts for Gazprom. On 2010E P/E Gazprom is trading at roughly 70% discount to the international peers (4.3 vs. international peers' average of 13.5) – a very attractive level. The recovery in gas production this year (in January-August, Gazprom's gas output increased by 16% y-o-y) and favorable domestic gas prices (regulated gas tariff for industrial consumers set at \$76/mcm for 2010) should support the company's financials. European export volumes are unlikely to increase: Gazprom forecasts its non-CIS gas sales to remain unchanged at 140 bcm this year.

Pressure from European customers, watch for Yamal news. The main risk for Gazprom, in our view, remains pressure from the European customers to revise terms of the former's long-term contracts. For 2010, EIA forecasts average spot gas price in 2010 at \$5.5/mn Btu, while Gazprom expects average realized non-CIS gas price at \$8.6/mn Btu. The first quarter was marked by even weaker spot price environment (average Henry Hub price of \$5.1/mn Btu vs. Gazprom's price of \$8.0/mn Btu), suggesting that pressure on Gazprom is likely to prevail going in the remainder of the year. On a positive note, the Russian government recently considered future development of Yamal Peninsula and may adopt a decree by the end of 2010 that would outline the state's position on a number of issues (e.g., tax breaks, strategic nature of license, access of foreign investors, sources of financing the infrastructure etc.). Gazprom plans to produce up to 175 bcm by 2020 at Yamal and the government's incentives may facilitate Gazprom's projects.

| Gazprom | | GAZP | |
|----------------|---------|-----------|---------|
| Price, \$ | | 5.29 | |
| Recommendation | | UR | |
| Target, \$ | | - | |
| Upside | | - | |
| MC, \$ mn | 124,214 | EV, \$ mn | 168,126 |
| | 2009 | 2010E | 2011E |
| P/E | 4.7 | 4.4 | 4.2 |
| EV/EBITDA | 4.8 | 3.8 | 3.5 |

Source: MICEX, Bloomberg consensus estimates



Source: MICEX, RTS, TKB Capital estimates

OIL & GAS
Gazprom: 1Q10 IFRS results, \$ mn

| | 1Q09 | 1Q10 | y-o-y | 4Q09 | q-o-q | 1Q10E (cons.) | Diff. |
|--|---------------|---------------|-------------|---------------|------------|---------------|-------|
| Average Urals price, \$/bbl | 44.1 | 75.2 | | 74.2 | | | |
| Sales of gas, bcm: | | | | | | | |
| non-CIS | 31.1 | 42.7 | 37% | 29.5 | 45% | | |
| CIS | 9.7 | 17.0 | 75% | 20.4 | -17% | | |
| domestic | 93.2 | 102.5 | 10% | 89.8 | 14% | | |
| Total | 134.0 | 162.2 | 21% | 139.7 | 16% | | |
| Gross gas sales, \$ mn: | | | | | | | |
| non-CIS | 12,141 | 12,261 | 1% | 9,456 | 30% | | |
| CIS | 2,622 | 3,967 | 51% | 4,312 | -8% | | |
| domestic | 4,625 | 7,799 | 69% | 6,734 | 16% | | |
| Total | 19,388 | 24,028 | 24% | 20,502 | 17% | | |
| Average realized gross gas price, \$/mcm: | | | | | | | |
| non-CIS | 390.4 | 287.2 | -26% | 320.5 | -10% | | |
| CIS | 271.7 | 233.3 | -14% | 211.4 | 10% | | |
| domestic | 49.6 | 76.1 | 53% | 75.0 | 1% | | |
| Weighted average | 144.8 | 148.1 | 2% | 146.8 | 1% | | |
| Sales | 24,611 | 32,258 | 31% | 19,327 | 67% | 30,785 | 5% |
| EBITDA | 8,506 | 14,485 | 70% | 11,742 | 23% | 13,332 | 9% |
| EBITDA margin, % | 35% | 45% | | 61% | | 43% | |
| Net income | 3,036 | 10,888 | 259% | 10,278 | 6% | 10,031 | 9% |
| Total debt | 35,185 | 33,340 | -5% | 46,662 | -29% | | |
| Net debt | 25,223 | 19,783 | -22% | 38,192 | -48% | | |
| Capex | 4,550 | 6,259 | 38% | 9,333 | -33% | | |

Source: Company data, Bloomberg, TKB Capital estimates

Novatek (NVTK) to pay 1H10 dividends. NEUTRAL

Implied dividend yield of 0.7%. Yesterday, Novatek reported that the board approved an interim dividend for 1H10 in the amount of RUR 1.5/ordinary share (\$0.049/share at the current exchange rate), or RUR 15.0/GDR (\$0.49/GDR). The record will be closed on 9 September. The implied current dividend yield is 0.7%.

UTILITIES
OGK-6 (OGKF) posted 1H10 IFRS unimpressive financials. NEGATIVE

1H10 IFRS revenue increased by 11% to RUR22.7 bn, according to the company's press release. Revenue from sale of electricity and capacity totaled RUR21.15 bn (up by 11%). Revenue increase is attributable to higher useful output of electricity (up by 14%) and an increase in average selling price of electricity (up by 4%). This gain from the sale of capacity decreased by 4% because of lower tariffs for capacity in 2010. Revenue from sale of heat increased by 7% and amounted RUR1.3 bn.

EBITDA lost 47% to RUR2.15 bn. EBITDA profitability was down by 9% from 20% a year earlier. Operating expenses of OGK-6 in 1H10 increased by 25% up to RUR21.7 bn that is primarily due to increased fuel costs (fuel costs edged up 44%), consumption of which has risen on the back of the growth of electricity generation and gas price since the beginning of 2010 in contrast to the quarterly dynamic in 2009. Average fuel price increased by 20%, even though the company raised the share of coal in the fuel balance thanks to the favorable price environment on the coal market. The second reason is the increased cost of purchased electricity that amounted RUR2.721 bn, up by 8%.

Net profit decreased by 3.3 times up to RUR799.9 mn, net margin was only 4%, down by 9 ppt from the level of 2009. In our view, against the background of fuel price performance and capacity tariff reduction, such financial results over 1H10 were widely anticipated.

Stably weak operating results. In 1H10 OGK-6 produced 15,332 mn kWh of electricity (up by 25.6%) and realized 18,475 mn kWh (up by 25%). Electricity purchases amounted 3,143 mn kWh (down by 22%). As a reminder, the decline in OGK-6 power station production up to 2009 was the steepest among other OGK's and totaled 23% from the level of 2008 to 28,950 mn kWh. Over 1H10 capacity utilization rate fell from 62.9% to 61.66% despite OGK-6 attempts to optimize the fuel component and ongoing liberalization of the wholesale electricity market.

Management's forecasts are conservative and laconic. During the conference call with regards to 1H10 financials, the management of the company found it difficult to clarify the main scenario and the consolidation scheme of OGK-2 and OGK-6, as well as its timelines. Management's projections regarding financial results for 2010 are in line with 1H10 profitability margins, which, in our view, taking into account the company's operating results are raises concerns ahead of 2011, because the profitability of the rest of OGKs is much higher.

We regard OGK-6's results as negative, while noting that the company had never been among our favorites in the sector of wholesale thermal generation and its financial statements for 1H10 again confirmed the status of sector outsider.

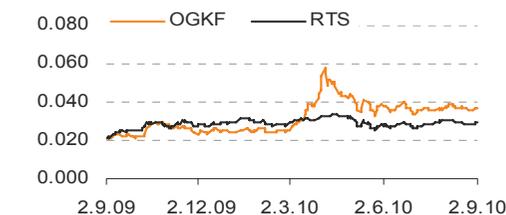
OGK-6: 1H10 IFRS financials

| Statements, RUR bn | 1H10 | 1H09 | y-o-y |
|--------------------|------|------|---------|
| Revenue | 22.7 | 20.5 | 11% |
| EBITDA | 2.15 | 4.1 | -47% |
| - EBITDA margin, % | 9% | 20% | -11 ppt |
| Net Income | 0.8 | 2.7 | -70% |
| - net margin, % | 4% | 13% | -9 ppt |

Source: Company data, TKB Capital estimates

| OGK-6 | | OGKF | |
|----------------|-------|--------------|-------|
| Price, \$ | | 0.037 | |
| Recommendation | | UR | |
| Target, \$ | | - | |
| Upside | | - | |
| MC, \$ mn | 1,191 | EV, \$ mn | 1,317 |
| | 2009 | 2010E | 2011E |
| P/E | 15.4 | 218.7 | 42.6 |
| EV/EBITDA | 7.9 | 11.1 | 6.8 |

Source: MICEX, Bloomberg consensus estimates



Source: MICEX, TKB Capital estimates

METALS & MINING
Evraz Group (EVR LI) 1H10 financials and valuation revised. NEUTRAL

EBITDA slightly below than expectations. Evraz Group announced 1H10 IFRS financial results which came slightly lower than our expectations and market consensus. The company's revenue rose 38% y-o-y to \$6,379 mn, EBITDA jumped by 2.5 times y-o-y to \$1,154 mn. EBITDA margin increased by 3 ppt y-o-y to 18%. In comparison with 2H09, the company's revenue and EBITDA grew by 24% and 50%, respectively.

Evraz Group's guidance: 3Q10 EBITDA and 2010 capex. The company expects 3Q10 EBITDA in the range of \$480-550 mn that reflects a q-o-q increase in steel prices of 20-25% in July-August. In addition, Evraz Group raised 2010 capex forecast to \$950 mn vs. the previous guidance of \$800 mn.

Net loss amounted \$270 mn. Evraz Group showed \$270 mn net loss in 1H10. We note that consensus was \$22 mn net profit. According to the company, net loss is explained by two factors. Firstly, it is high depreciation and amortization roughly at \$861 mn resulted in loss on revaluation of property, plant and equipment (\$416 mn), and secondly, a number of one-off transactions (\$138 mn). In the absence of these factors, Evraz's net profit in 1H10 would have amounted to \$284 mn.

Cash costs rising, but remain under control thanks to vertical integration. Evraz Group's 1H10 cash cost per ton of slab increased by 21% h-o-h to \$324. In general, it was possible due to metal scrap prices growth of 30%. Also cash cost grew due to ruble appreciation vs. US dollar. Meanwhile, Evraz's cash cost per ton of slab is one of the lowest in the Russian steel sector thanks to high vertical integration into the coking coal and iron ore production. According to our estimates, in 1H10 average cash cost per ton of slab among Russian steelmaking companies amounted \$330-340.

Leverage is still high. We think that significant leverage is a main risk for Evraz Group. Total debt at the end of 1H10 stood at \$7.3 bn including \$1.2 bn of short-term liabilities. Cash and cash equivalents were about \$654 mn. Thus, Evraz Group net debt accounted for \$7.2 bn and we expect end-2010E Net debt/EBITDA at about 3.0 that indicates high leverage risks. This confirms the fact that 1H10 interest payments stood at \$293 mn that corresponds to operating profit excluding losses from one-off transactions (\$305 mn).

Evraz Group: 1H10 key financials, \$ mn

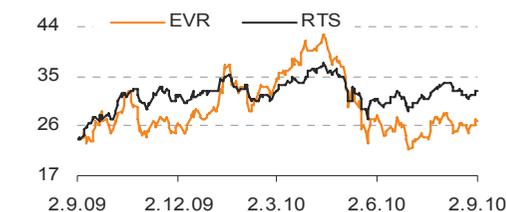
| | 1H10 | 1H09 | y-o-y | 2H09 | h-o-h | TKB Capital estimate | Diff. | Consensus | Diff. |
|---------------|-------|-------|-------|-------|-------|----------------------|-------|-----------|-------|
| Revenue | 6 379 | 4 639 | 38% | 5 133 | 24% | 6 413 | -1% | 6 409 | -0.5% |
| EBITDA | 1 154 | 468 | 147% | 769 | 50% | 1 170 | -1% | 1 180 | -2% |
| Net income | -270 | -999 | | -262 | | n/a | | 22 | |
| EBITDA margin | 18% | 10% | | 15% | | 18% | | 18% | |
| Net margin | n/a | n/a | | n/a | | n/a | | 0.3% | |

Source: Company data, TKB Capital estimate

Revised Evraz Group target price is \$32.1/GDR. We revised our target price of the company's GDRs based on 1H10 financial report and trends of the steel-rolled products market. As a result, we upgraded our target price by 28% to \$32.1/GDR and issued a HOLD recommendation. We view strong prices of raw materials and iron ore as a driver for Evraz Group since the company is integrated into coking coal and iron ore production. However, investment attractiveness of Evraz Group's GDR remains under question on the back of high debt leverage and vague medium-term outlook for rolled steel products.

| Evraz Group, GDR | | EVR | |
|------------------|--------|--------------|--------|
| Price, \$ | | 26.75 | |
| Recommendation | | HOLD | |
| Target, \$ | | 32.10 | |
| Upside | | 20% | |
| MC, \$ mn | 10,614 | EV, \$ mn | 18,418 |
| | 2009 | 2010E | 2011E |
| P/E | neg | 98.5 | 6.0 |
| EV/EBITDA | 14.9 | 8.5 | 4.9 |

Source: LSE, TKB Capital estimates



Source: Bloomberg, TKB Capital estimates

FRIDAY SEPTEMBER 3, 2010

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MACHINERY
AVTOVAZ (AVAZ) will place additional common share issue at RUR40.24 per share. NEUTRAL

Valuation of 50% above market price is unlikely to be followed by buy-out offer. According to Reuters, AVTOVAZ' shareholders will consider a deal to sell of 108,543,000 common shares to Renault at RUR40.24/share. As it was already reported, French auto producer will pay with technologies and equipment for these shares. Interfax reported yesterday other key parameters of AVTOVAZ additional common share issue:

- The car maker will announce a placement of 435,173,411 common shares under close subscription;
- Renault will purchase 108,543,355 common shares (24.94% of announced amount) paying RUR4.4 bn;
- Troika Dialog and other shareholders are expected to purchase 11,584,355 common shares (2.7% vs. possible 50% amount).
- Russian Technologies will purchase 109,228,526 common shares due to priority rights (25.1%) and also buy shares unclaimed by other shareholders up to 205,547,195 common shares (47.2%) paying totally about RUR12.7 bn;

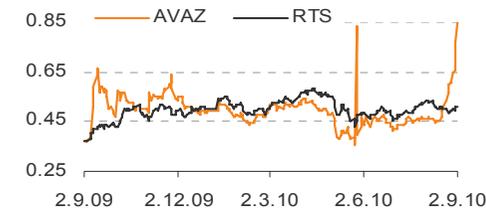
As a result, AVTOVAZ increases the number of common share by 31.3% to 1,823 mn, Russian Technologies boost its stake of common shares up to 36.4% vs. current 25.1%, Renault keeps its 25% stake, while Troika Dialog and minorities' shares are diluted to about 19–20% each from 25%.

The main point that Russian Technologies will have no obligation to make buy-out offer at RUR40.24 per share according to Russian law, which stipulates an exception to do it if the shareholder exceeds a 30% threshold through priority rights. That is why we believe that the car maker's minority shares will unlikely to be purchased by Russian Technologies at RUR40.24/share that is 54% higher than Thursday close price.

BANKING SECTOR
VTB (VTBR) 2Q10 IFRS results: some grounds for price revision. POSITIVE

VTB Bank published 2Q10 IFRS results, which beat expectations on core incomes, but appeared close to the forecasts on bottom-line. The bank showed strong results on NIM, loan portfolio growth and improvement of assets quality that allowed to reduce costs of risks. At the same time, the bank presented weak results on financial instruments operations and losses in non-banking segment, which negatively affected the bottom-line. We consider the numbers as neutral. During the conference-call management confirmed its forecasts of 2010 earnings and loan growth with more optimistic outlook on margins. Taking into account the published numbers and stronger forecasts we upgraded our TP of VTB shares by 12% to RUR0.087 (\$5.95 per GDR). HOLD recommendation is reiterated.

Loan portfolio grew by 11% YTD, but 15% expansion in 2010 confirmed. Loan portfolio growth upbeat both our and the market expectations that led to higher interest income. Retail portfolio slightly grew since the beginning of the year, while corporate loans showed strong development. The highest growth rates were observed in financial, chemical and energy segments. Strong loans expansion in 1H10 did not change forecasts for 2010 shared by the management. According to the management comments loan portfolio will grow by 15% in 2010 despite outperforming numbers in 1H10. Recovery of banking segment goes quite slow that may affect growth rates in 2H10.



Source: MICEX, RTS, TKB Capital estimates

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| VTB Bank | VTBR | | |
|----------------|---------------|-------|-------|
| Price, \$ | 0.0027 | | |
| Recommendation | HOLD | | |
| Target, \$ | 0.0030 | | |
| Upside | 12% | | |
| MC, \$ mn | 28,121 | | |
| | 2009 | 2010E | 2011E |
| P/E | neg | 14.1 | 10.5 |
| P/BV | 1.6 | 1.6 | 1.4 |

Source: MICEX, TKB Capital estimates

FRIDAY SEPTEMBER 3, 2010

BANKING SECTOR

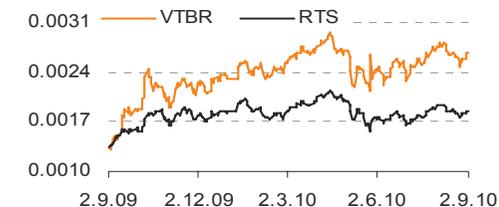
NIM strengthened in 2Q10, 2010 forecasts look more optimistic. NII was above both our and the market expectations due to higher interest income backed by strong loan portfolio growth and due to faster reprising of liabilities. NIM in 2Q10 grew to 5.5% posting NIM at 5.3% over 1H10. According to VTB management comments the current high level of NIM is hardly sustainable in longer period, as reprising of loans will put pressure on margins. Earlier management expected NIM in 2010 at higher level than in 2009 (4.6%), and now NIM level in 2010 is expected at least at 5%. Strong results in 2Q10 were determined by gap in reprising of loans as they have longer maturity comparing to liabilities.

NPLs reduced in 2Q10, pick level to be passed shortly. The bank reported reduction of NPLs from 10.2% in 1Q10 to 9.5%. Allowance for loan impairment was almost unchanged at 9.3% (9.2% of the total loans in 1Q10). Costs of risk reduced in 2Q10 and were below our and the market forecasts. Thus, provisions over the period amounted to RUR11.7 bn in 2Q10 or 1.7% of the total loans (2.1% in 1H10). Management expected NPLs at 10-12% in 2010, and now this range is considered as the pick level, which is close to be passed. VTB expects to see further improvement of loans quality in 2H10, while the volume of restructured loans will reduce. Loan portfolio growth also helped to reduce NPL ratio.

2010 earnings forecast is kept at RUR50 bn. Despite strong core operating incomes and improvement of the assets quality 2Q10 earnings were in line with our and consensus forecasts. Volatility on the financial markets and losses brought by other business segment may put pressure on bottom line through 2010, as we observed this in 2Q10. We revised our earnings forecast for 2010 with regard to the published results and announced guidance. Our new forecast is RUR56 bn vs. RUR52.5 bn according to the previous estimates. Higher NII was partly offset by weaker numbers in non-core items.

TP upgraded from RUR0.078 to RUR0.087 per local share (to \$5.95 per GDR), recommendation HOLD reiterated. New target price implies 5% upside to the current market and means HOLD recommendation. Margins contraction in 2H10 and still existing risks will not allowed to achieve substantial improvement on bottom line. We estimate ROAE in 2010 at 10% that below forecasts for Sberbank (at 15%) that explains existing discount of VTB shares to the largest bank (we will provide our updated financial forecasts in the following flash note).

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Source: MICEX, RTS, TKB Capital estimates

| IFRS, RUR mn | 2Q10 | 1Q10 | Change q-o-q | 2Q09 | Change y-o-y | 1H10 | 1H09 | Change y-o-y | Consensus 1H10E | TKB Capital 1H10E | Actual vs Consensus | Actual vs TKB Capital |
|--------------------------------|-----------|-----------|--------------|-----------|--------------|-----------|-----------|--------------|-----------------|-------------------|---------------------|-----------------------|
| Assets | 3 627 800 | 3 362 000 | 8% | 3 637 300 | 0% | 3 627 800 | 3 637 300 | 0% | 3 500 900 | 3 496 480 | 3.6% | 3.8% |
| Net Loans | 2 553 300 | 2 291 000 | 11% | 2 512 700 | 2% | 2 553 300 | 2 512 700 | 2% | 2 396 300 | 2 371 977 | 6.6% | 7.6% |
| Equity Capital | 529 723 | 520 423 | 2% | 356 259 | 49% | 529 723 | 356 259 | 49% | | 544 536 | | -2.7% |
| Net Interest Income | 44 400 | 42 000 | 6% | 36 000 | 23% | 86 400 | 70 300 | 23% | 82 890 | 80 063 | 4.2% | 7.9% |
| Provisions for Loan Impairment | (11 700) | (15 500) | -25% | (47 400) | -75% | (27 200) | (96 600) | -72% | (32 900) | (34 523) | -17.3% | -21.2% |
| Net Commission Income | 6 700 | 5 100 | 31% | 5 400 | 24% | 11 800 | 9 700 | 22% | | 10 966 | | 7.6% |
| Operating Income | 35 800 | 40 700 | -12% | 1 900 | 1784% | 76 500 | (4 500) | na | 76 241 | 75 006 | 0.3% | 2.0% |
| Operating Expenses | (22 700) | (22 200) | 2% | (18 000) | 26% | (44 900) | (35 300) | 27% | | (45 480) | | -1.3% |
| Net income (loss) | 9 800 | 15 300 | -36% | (11 000) | na | 25 100 | (31 500) | na | 25 334 | 24 121 | -0.9% | 4.1% |

Source: Company data, TKB Capital estimates

FRIDAY SEPTEMBER 3, 2010
TRANSPORT
Globaltrans' (GLTR) 1H10 financials preview.

We expect strong financial results and the improvement of profitability over 1H10. On 7 September Globaltrans is set to disclose its 1H10 operating and financial results and hold conference-call. Due to overall economic recovery and increased demand in metal segment (41% in 2009 of total company's freight turnover), as well as growth in the company's average tariffs by 5%, we anticipate higher company's adjusted revenue by 17.6% y-o-y to \$387.2 mn vs. \$329.2 mn in 1H09 (according to the company's unaudited pro forma followed the deal on BTS purchase). However, due to high base effect of the company's oil and gas transportation, we expect that Globaltrans' growth rate of operating results would be lower than total Russian freight turnover over 1H10. We also project EBITDA and net income to rise 28.4% and 75%, respectively. Moreover, thanks to the freight market recovery and as a result of lower empty run ratio, EBITDA margin would amount 41.8% in 1H10 (vs. 38.3% in 1H09).

Positive view on the stock maintained. We think that during conference-call the company's management will provide guidance for further railcar park expansion in 2H10 and current price environment. We also expect to get more details regarding the company's ambitions to purchase a 50% stake in Freight Two company. We reiterate our positive view on the company and confirmed our BUY recommendation on Globaltrans' GDR, which trade with a discount to its peers at 11.5% and 34% on 2010E EV/EBITDA and P/E, respectively.

Globaltrans: 1H10 financial results, \$ mn

| Statements, measure | 1H09* | 2H09 | 1H10E | y-o-y | h-o-h |
|-----------------------|-------|-------|-------|---------|-----------|
| Net adj. revenue | 329.2 | 354.8 | 387.2 | 18% | 9% |
| Operating income | 100.2 | 127.7 | 133.4 | 33% | 4% |
| - operating margin, % | 30.4% | 36% | 34.4% | 3.6 ppt | (2 ppt) |
| Adj. EBITDA | 126 | 158.5 | 161.9 | 28% | 2% |
| - EBITDA margin, % | 38.2% | 44.6% | 41.8% | 3.6 ppt | (2.8 ppt) |
| Net Income | 43.7 | 76.3 | 76.45 | 75% | 0% |
| - net margin, % | 13.2% | 21.5% | 20% | 6.8 ppt | (1.5 ppt) |

*according to the company's unaudited pro forma after BTS purchased

Source: Company data, TKB Capital estimates

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Tatiana Zadorozhnaya *t.zadorozhnaya@tkbc.ru*

| Globaltrans, GDR | | GLTR | |
|------------------|-------|-----------|--------------|
| Price, \$ | | | 13.80 |
| Recommendation | | | BUY |
| Target, \$ | | | 18.80 |
| Upside | | | 36% |
| MC, \$ mn | 2,182 | EV, \$ mn | 2,471 |
| | 2009 | 2010E | 2011E |
| P/E | 18.2 | 11.5 | 8.1 |
| EV/EBITDA | 8.8 | 7.5 | 5.7 |

Source: LSE, TKB Capital estimates



Source: LSE, TKB Capital estimates

CONFERENCE CALL DETAILS:

DATE: Tuesday, 7 September, 2010

TIME:

14.00 UK time
 09.00 East coast time (EDT)
 17.00 Moscow time

TELEPHONE:

UK toll free: 0808 109 0700
 International: +44 203 003 2666

REAL ESTATE & DEVELOPMENT
AFI Development (AFID LI) secured \$74 mn project loan. POSITIVE

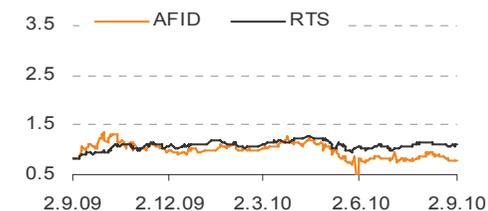
Funds to be directed to project development, debt level to grow by 18%. Yesterday, AFI Development announced that it obtained a 5-year \$74 mn project loan from Sberbank. The loan will be in rubles and will be used to complete construction works at Ozerkovskaya Embankment Project (phase III) located in the prestigious business area of Zamoskvorechie. The loan carries an initial interest rate of 13% and following project completion in 2011, the interest rate will be reduced to 11.75%. Obtaining of a new loan is in line with the company's business plan for this year, announced on 18 January, 2010. According to the agreement with the government of Moscow, AFI Development should finish construction works till 28 February, 2011, and put the project into operation till 30 September, 2011. Based on 1H10 financials, AFI Development had \$400 mn debt, of which short-term obligations accounted for \$47 mn and long-term ones were \$354 mn. Taking into account \$74 mn new loan, debt burden of the company is expected to grow by 18% to \$474 mn and net debt is estimated at \$340 mn.

Bet on stronger demand. Expecting higher demand on class A offices in Moscow, and in light of negotiations with a number of potential tenants for this property, AFI Development decided to resume this project. The project will comprise class A office buildings and apartments with total area of 75,500 sqm. AFI Development's stake in the project is 50%. According to our forecasts, steady improvement of demand on commercial real estate property may begin when the level of the vacant areas will decrease to 10%. In our opinion this is likely to happen not earlier than 2012 and phase III of Ozerkovskiy project will be finished just by that date and it is quite probable that the project will find its tenants and buyers.

Pre-sales of residential will cover loan servicing. In our opinion, apartments with net sellable area of 5,108 sqm (49 apartments and 37 underground parking spaces) will allow the company to begin pre-sales and serve the new loan. According to our estimates, the average prices for real estate class business in capital now vary from \$7,000 to \$16,000 per sqm and in Zamoskvorechie the prices are in a range from \$8,500 to \$16,000 per sqm. Thus, for repayment of interests on credit in 2011, AFI Development needs to sell about 11 apartments at a construction stage (i.e. at a discount of 20-30% to market price). Taking into account the latest guidance from the company, we forecast project value at \$129 mn at the end of 2010, and AFI Development's share at \$64.5 mn accordingly that represents 4% of total project portfolio. We have a positive stance on the company and keep our BUY recommendation for AFI Development's shares with a target price \$1.5 per GDR.

| AFI Development, GDR | | AFID | |
|----------------------|------|-----------|-------------|
| Price, \$ | | | 0.78 |
| Recommendation | | | BUY |
| Target, \$ | | | 1.50 |
| Upside | | | 92% |
| MC, \$ mn | 817 | EV, \$ mn | 1,022 |
| | 2009 | 2010E | 2011E |
| P/E | neg | neg | 57.4 |
| EV/EBITDA | 39.2 | 30.3 | 12.2 |

Source: LSE, TKB Capital estimates



Source: LSE, TKB Capital estimates

RECOMMENDATIONS
Oil & Gas

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|--------|-------------------------|-------------------|--------|---------|-----------|----------------|-----------|------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| GAZP | * Gazprom | 5.29 | UR | UR | UR | 124,214 | 168,126 | 4.7 | 4.4 | 4.2 | 4.8 | 3.8 | 3.5 | 1.5 | 0.7 | 1.0 |
| ROSN | ** Rosneft | 6.54 | 8.5 | BUY | 30% | 62,773 | 77,875 | 9.6 | 6.4 | 9.4 | 5.7 | 4.4 | 5.7 | 1.3 | 1.3 | 0.9 |
| LKOH | ** LUKOIL | 54.4 | 74.0 | BUY | 36% | 46,071 | 53,830 | 6.6 | 5.5 | 5.9 | 3.8 | 3.7 | 4.0 | 0.6 | 0.8 | 0.5 |
| SNGS | * Surgutneftegas | 0.97 | UR | UR | UR | 38,032 | 25,221 | 10.6 | 7.7 | 8.2 | 6.2 | 3.5 | 3.5 | 1.1 | 1.0 | neg |
| SNGSP | * Surgutneftegas, Pref | 0.43 | UR | UR | UR | | | | | | | | | | | |
| SIBN | ** Gazprom Neft | 3.80 | 4.50 | HOLD | 18% | 17,948 | 23,365 | 6.0 | 6.0 | 5.9 | 4.6 | 4.1 | 4.0 | 0.8 | 1.1 | 1.0 |
| tnbp | ** TNK-BP Holding | 1.99 | 2.80 | BUY | 41% | 30,623 | 32,365 | 5.9 | 5.0 | 5.3 | 4.0 | 3.4 | 3.5 | 0.8 | 1.6 | 0.2 |
| tnbpp | ** TNK-BP Holding, Pref | 1.73 | 2.50 | BUY | 45% | | | | | | | | | | | |
| TATN | * Tatneft | 4.69 | UR | UR | UR | 10,254 | 11,848 | 6.0 | 5.9 | 4.8 | 4.6 | 4.3 | 3.4 | 0.9 | 0.9 | 0.6 |
| TATNP | * Tatneft, Pref | 2.29 | UR | UR | UR | | | | | | | | | | | |
| BANE | * Bashneft | 37.25 | UR | UR | UR | 7,369 | 9,249 | 23.0 | 6.2 | 4.9 | 13.6 | 3.8 | 3.2 | 0.8 | n/a | 0.8 |
| BANEP | * Bashneft, Pref | 29.75 | UR | UR | UR | | | | | | | | | | | |
| NVTK | * NOVATEK | 7.14 | UR | UR | UR | 21,647 | 22,508 | 26.4 | 16.7 | 13.6 | 18.0 | 11.9 | 9.7 | 5.7 | 4.5 | 0.5 |

Metals & Mining

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|--------|------------------------|-------------------|--------|---------|-----------|----------------|-----------|-------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| GMKN | * NorNickel | 169.8 | UR | UR | UR | 32,377 | 34,109 | 12.5 | 7.5 | 7.2 | 7.7 | 5.1 | 4.7 | 2.5 | 2.2 | 0.3 |
| CHMF | Severstal | 12.49 | 15.50 | BUY | 24% | 12,585 | 16,955 | neg | 13.5 | 8.8 | 20.9 | 5.5 | 4.7 | 1.0 | 1.6 | 1.4 |
| NLMK | NLMK | 3.03 | 3.21 | HOLD | 6% | 18,155 | 19,359 | 84.4 | 12.9 | 11.0 | 13.4 | 6.3 | 5.5 | 2.3 | 2.3 | 0.4 |
| MAGN | MMK | 0.86 | 1.06 | BUY | 24% | 9,578 | 11,805 | 43.7 | 12.9 | 8.5 | 11.9 | 6.2 | 5.0 | 1.6 | 1.0 | 1.2 |
| MTL | Mechel, ADR | 24.50 | 29.50 | BUY | 20% | 10,199 | 15,781 | 133.6 | 10.7 | 8.0 | 15.8 | 7.6 | 5.4 | 1.8 | 2.5 | 2.7 |
| EVR | Evraz Group, GDR | 26.75 | 32.10 | HOLD | 20% | 10,614 | 18,418 | neg | 98.5 | 6.0 | 14.9 | 8.5 | 4.9 | 1.4 | 1.1 | 3.6 |
| PLZL | * Polyus Gold | 46.66 | UR | UR | UR | 8,894 | 8,920 | 27.7 | 17.0 | 13.6 | 16.7 | 10.1 | 8.8 | 5.3 | 2.8 | 0.0 |
| PMTL | * Polymetal | 12.89 | UR | UR | UR | 4,060 | 4,480 | 42.3 | 19.9 | 12.3 | 19.0 | 11.6 | 8.4 | 5.2 | 4.4 | 1.1 |
| TRMK | * TMK | 4.06 | UR | UR | UR | 3,543 | 7,051 | neg | 10.5 | 6.7 | 21.9 | 6.6 | 5.8 | 1.3 | 2.3 | 3.3 |
| RASP | Raspadskaya | 4.97 | 8.50 | BUY | 71% | 3,879 | 4,182 | 33.1 | 14.0 | 8.9 | 16.1 | 9.0 | 6.0 | 5.4 | 3.1 | 0.7 |
| BLNG | Belon | 0.82 | 1.29 | BUY | 57% | 947 | 1,263 | 60.7 | 10.6 | 9.8 | 11.3 | 6.5 | 6.2 | 1.6 | 2.0 | 1.6 |
| unkl | Yuzhuralnickel | 289.0 | 472.0 | BUY | 63% | 173 | 21 | 255.9 | 11.4 | 7.4 | neg | 0.7 | 0.5 | 0.1 | 0.1 | 0.1 |
| AMEZ | Ashinskiy Steel Works | 0.468 | 0.579 | BUY | 24% | 233 | 306 | 13.9 | 5.4 | 9.5 | 6.1 | 3.5 | 4.5 | 0.9 | 0.6 | 0.8 |
| VSMZ | Vyksa Steel Works | 1400 | 1740 | BUY | 24% | 2,404 | 2,475 | 9.8 | 5.6 | 4.0 | 4.8 | 3.7 | 2.9 | 0.8 | 1.0 | 0.8 |
| CHZN | Chelyabinsk Zinc Plant | 3.73 | 4.64 | HOLD | 24% | 202 | 188 | 10.1 | 5.7 | 4.3 | 2.9 | 2.6 | 2.2 | 0.4 | 0.7 | neg |

TABLE CONTINUED ON THE NEXT PAGE

RECOMMENDATIONS (CONTINUED)

Utilities

| Ticker | Company | Current price, \$ | TP, \$ | Recom. | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|--------|-----------------------------------|-------------------|---------|--------|-----------|----------------|-----------|-------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| FEES | Federal Grid Company | 0.0117 | 0.0155 | BUY | 32% | 14,458 | 11,752 | 23.1 | 18.4 | 9.5 | 10.5 | 6.2 | 3.6 | 2.8 | 0.5 | neg |
| HYDR | RusHydro | 0.053 | 0.072 | BUY | 35% | 14,343 | 15,369 | 14.5 | 9.6 | 7.9 | 9.5 | 6.9 | 5.2 | 1.2 | 0.9 | 0.5 |
| IRAO | * INTER RAO UES | 0.0013 | UR | UR | UR | 3,064 | 3,805 | neg | 17.3 | 16.3 | neg. | 8.1 | 6.2 | 1.3 | 1.6 | 1.6 |
| OGKA | * OGK-1 | 0.035 | UR | UR | UR | 1,564 | 1,609 | 15.8 | 14.4 | 7.7 | 10.7 | 6.2 | 4.0 | 0.9 | 1.3 | 0.2 |
| OGKB | * OGK-2 | 0.050 | UR | UR | UR | 1,629 | 1,896 | 47.1 | 28.7 | 11.9 | 18.6 | 11.6 | 6.2 | 1.2 | 1.3 | 1.6 |
| OGKC | * OGK-3 | 0.050 | UR | UR | UR | 2,388 | 685 | 17.6 | 26.0 | 20.6 | 5.3 | 6.5 | 4.5 | 0.5 | 0.7 | neg |
| OGKD | OGK-4 | 0.077 | 0.118 | BUY | 53% | 4,872 | 4,306 | 23.7 | 19.4 | 12.5 | 18.6 | 11.5 | 6.7 | 2.5 | 1.8 | neg |
| OGKE | * EneI OGK-5 | 0.085 | UR | UR | UR | 3,020 | 3,601 | 29.8 | 25.8 | 10.2 | 14.7 | 11.6 | 6.5 | 2.2 | 1.5 | 1.9 |
| OGKF | * OGK-6 | 0.037 | UR | UR | UR | 1,191 | 1,317 | 15.4 | 218.7 | 42.6 | 7.9 | 11.1 | 6.8 | 0.9 | 0.6 | 1.1 |
| TGKA | * TGC-1 | 0.00068 | UR | UR | UR | 2,628 | 3,109 | 9.9 | 15.8 | 7.5 | 12.7 | 7.8 | 4.6 | 1.9 | 1.2 | 1.2 |
| TGKB | * TGC-2 | 0.00026 | UR | UR | UR | 379 | 645 | neg | 17.0 | 8.0 | 9.7 | 4.3 | 3.0 | 0.6 | 0.6 | 1.8 |
| TGKBP | * TGC-2, Pref | 0.00028 | UR | UR | UR | | | | | | | | | | | |
| MSNG | * Mosenergo | 0.103 | UR | UR | UR | 4,077 | 4,626 | 77.8 | 25.1 | 13.5 | 10.3 | 7.0 | 5.4 | 1.0 | 0.7 | 0.8 |
| TGKD | * TGC-4 | 0.00049 | UR | UR | UR | 964 | 927 | neg | 18.7 | 22.3 | neg. | 4.7 | 3.5 | 0.7 | 1.0 | neg |
| TGKDP | * TGC-4, Pref | 0.00027 | UR | UR | UR | | | | | | | | | | | |
| TGKE | * TGC-5 | 0.00054 | UR | UR | UR | 667 | 706 | 22.5 | 15.0 | 10.1 | 15.3 | 8.0 | 5.0 | 1.0 | 0.7 | 0.4 |
| TGKF | * TGC-6 | 0.00052 | UR | UR | UR | 962 | 1,226 | 57.8 | 10.0 | 10.0 | 16.3 | 6.8 | 7.6 | 1.2 | n/a | 1.5 |
| TGKG | * Volga TGC (TGC-7) | 0.078 | UR | UR | UR | 2,339 | 2,359 | 24.0 | 25.8 | 16.5 | 11.4 | 8.9 | 7.6 | 1.1 | 1.6 | 0.1 |
| TGKI | * TGC-9 | 0.00017 | UR | UR | UR | 1,349 | 1,738 | 10.1 | 13.2 | 7.4 | 8.9 | 7.5 | 5.7 | 0.9 | 1.0 | 1.7 |
| TGKJ | * Fortum, TGC-10 | 1.36 | UR | UR | UR | 1,200 | 1,194 | 10.3 | 10.8 | 9.9 | 12.7 | 9.9 | 5.2 | 1.2 | 0.5 | neg |
| TGKK | TGC-11 | 0.00060 | 0.00113 | BUY | 88% | 308 | 305 | 5.4 | 5.7 | 4.1 | 3.9 | 4.5 | 3.1 | 0.6 | 0.7 | neg |
| KZBE | * Kusbassenergo | 0.0122 | UR | UR | UR | 865 | 956 | 79.9 | 11.4 | 28.3 | 10.6 | 4.1 | 4.8 | 0.8 | 0.9 | 0.4 |
| TGKM | * Yenisei TGC (TGC-13) | 0.0040 | UR | UR | UR | 643 | 697 | 96.9 | 102.3 | 13.3 | 22.1 | 5.9 | 3.1 | 1.0 | 1.1 | 0.5 |
| TGKN | * TGC-14 | 0.00013 | UR | UR | UR | 181 | 119 | neg | 9.1 | 4.6 | neg. | 3.6 | 2.0 | 0.5 | 0.7 | neg |
| MRKH | * Holding MRSK | 0.129 | UR | UR | UR | 5,473 | 9,530 | 12.5 | 9.1 | 16.7 | 3.5 | 4.4 | 4.0 | 0.9 | 0.5 | 1.9 |
| MRKHP | * Holding MRSK, Pref | 0.091 | UR | UR | UR | | | | | | | | | | | |
| LSNG | * Lenenergo | 0.76 | UR | UR | UR | 784 | 1,241 | 9.6 | 8.7 | 11.7 | 4.7 | 3.7 | 4.0 | 1.3 | 0.5 | 1.4 |
| LSNGP | * Lenenergo, Pref | 0.89 | UR | UR | UR | | | | | | | | | | | |
| MRKC | * IDGC of Centre | 0.037 | UR | UR | UR | 1,560 | 1,992 | 23.4 | 9.4 | 4.4 | 6.7 | 4.6 | 3.0 | 1.1 | 1.6 | 1.0 |
| MRKK | * IDGC of Northern Caucasus | 4.93 | UR | UR | UR | 146 | 179 | neg | neg | 38.3 | 6.5 | 3.8 | 3.1 | 0.5 | 0.3 | 0.7 |
| MRKP | * IDGC of Center and Volga Region | 0.0068 | UR | UR | UR | 763 | 1,105 | 56.5 | 23.0 | 4.2 | 5.5 | 4.9 | 2.7 | 0.7 | 0.6 | 1.5 |
| MRKS | * IDGC of Siberia | 0.0090 | UR | UR | UR | 805 | 1,022 | neg | neg | 10.3 | 9.0 | 7.2 | 4.2 | 0.7 | 0.9 | 1.5 |
| MRKU | * IDGC of of Urals | 0.0088 | UR | UR | UR | 771 | 922 | 23.2 | 6.0 | 4.5 | 4.3 | 3.2 | 2.8 | 0.5 | 0.8 | 0.5 |
| MRKV | * IDGC of Volga | 0.0034 | UR | UR | UR | 605 | 792 | 14.7 | 12.0 | 7.2 | 5.2 | 4.6 | 3.4 | 0.7 | 0.9 | 1.1 |
| MRKY | * IDGC of South | 0.0050 | UR | UR | UR | 248 | 640 | neg | 14.6 | 3.8 | 5.3 | 4.5 | 3.0 | 0.9 | 0.4 | 2.7 |
| MRKZ | * IDGC of North-West | 0.0066 | UR | UR | UR | 628 | 768 | 415.5 | neg | 14.4 | 7.6 | 6.4 | 4.9 | 0.8 | 0.9 | 1.2 |
| MSRS | * MOESK | 0.045 | UR | UR | UR | 2,190 | 3,705 | 6.4 | 5.5 | 4.3 | 3.8 | 3.5 | 3.1 | 1.2 | 0.7 | 1.4 |

TABLE CONTINUED ON THE NEXT PAGE

RECOMMENDATIONS (CONTINUED)

Transport

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|--------|------------------|-------------------|--------|---------|-----------|----------------|-----------|------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| GLTR | ** Globaltrans | 13.80 | 18.80 | BUY | 36% | 2,182 | 2,471 | 18.2 | 11.5 | 8.1 | 8.8 | 7.5 | 5.7 | 3.1 | 3.6 | 0.9 |
| AFLT | * Aeroflot | 2.04 | UR | UR | UR | 2,263 | 3,852 | 25.4 | 13.4 | 9.6 | 9.1 | 6.1 | 4.5 | 0.9 | 2.2 | 2.5 |
| UTAR | * Utair Aviation | 0.35 | UR | UR | UR | 204 | 928 | 31.7 | 24.9 | 5.8 | 5.4 | 4.3 | 3.2 | 0.6 | 0.7 | 3.4 |
| NCSP | * NCSP, GDR | 11.59 | UR | UR | UR | 2,976 | 3,272 | 11.9 | 11.5 | 10.7 | 7.5 | 7.5 | 7.1 | 4.5 | 3.6 | 0.7 |
| FESH | * FESCO | 0.4 | UR | UR | UR | 1,178 | 1,892 | neg | neg | 55.6 | neg. | 67.2 | 1.2 | 11.7 | 0.9 | 25.4 |

Telecoms

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | Net Debt/EBITDA'09 |
|--------|------------------------|-------------------|--------|---------|-----------|----------------|-----------|------|-------|-------|-----------|-------|-------|------|------|--------------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| MBT | MTS, ADR | 21.19 | 28.00 | BUY | 32% | 21,119 | 24,489 | 18.4 | 10.2 | 8.4 | 6.1 | 5.0 | 4.3 | 2.5 | 5.9 | 0.7 |
| VIP | VimpelCom, ADR | 14.94 | 29.10 | BUY | 95% | 21,750 | 27,656 | 19.5 | 7.8 | 9.6 | 6.5 | 4.2 | 4.5 | 2.1 | 4.8 | 0.9 |
| CMST | Comstar, GDR | 6.59 | 7.70 | HOLD | 17% | 2,754 | 3,577 | neg | 10.9 | 9.0 | 72.0 | 5.4 | 4.6 | 2.1 | 1.3 | 1.2 |
| URSI | Uralsvyazinform | 0.0355 | 0.033 | HOLD | -7% | 1,389 | 2,337 | 9.8 | 7.8 | 6.6 | 3.8 | 3.5 | 3.4 | 1.4 | 1.6 | 1.4 |
| URSIP | Uralsvyazinform, Pref | 0.0309 | 0.026 | SELL | -16% | | | | | | | | | | | |
| NNSI | VolgaTelecom | 3.42 | 5.15 | BUY | 51% | 1,079 | 1,654 | 6.0 | 4.9 | 3.9 | 3.4 | 3.0 | 2.8 | 1.2 | 1.0 | 1.1 |
| NNSIP | VolgaTelecom, Pref | 2.91 | 3.94 | BUY | 35% | | | | | | | | | | | |
| ENCO | Sibirtelekom | 0.0644 | 0.091 | BUY | 41% | 988 | 1,786 | 10.6 | 6.1 | 4.8 | 3.1 | 2.9 | 2.7 | 1.1 | 1.2 | 1.3 |
| ENCOP | Sibirtelekom, Pref | 0.0548 | 0.073 | BUY | 33% | | | | | | | | | | | |
| KUBN | * UTK | 0.1562 | UR | UR | UR | 592 | 1,201 | 8.3 | 8.2 | 6.0 | 3.9 | 4.0 | 3.7 | 1.5 | 1.7 | 2.0 |
| KUBNP | * UTK, Pref | 0.1331 | UR | UR | UR | | | | | | | | | | | |
| SPTL | N.W. Telecom | 0.744 | 0.79 | HOLD | 6% | 814 | 1,340 | 9.9 | 8.6 | 7.8 | 3.7 | 3.4 | 3.4 | 1.4 | 0.7 | 1.3 |
| SPTLP | N.W. Telecom, Pref | 0.636 | 0.64 | HOLD | 0% | | | | | | | | | | | |
| ESMO | CenterTelecom | 0.779 | 0.758 | HOLD | -3% | 1,583 | 2,392 | 7.4 | 5.5 | 4.8 | 4.1 | 3.6 | 3.4 | 1.4 | 2.1 | 1.2 |
| ESMOP | CenterTelecom, Pref | 0.672 | 0.606 | HOLD | -10% | | | | | | | | | | | |
| ESPK | Far East Telecom | 3.25 | 5.76 | BUY | 77% | 400 | 595 | 4.4 | 3.7 | 4.0 | 2.4 | 2.0 | 1.9 | 0.8 | 1.2 | 0.7 |
| ESPKP | Far East Telecom, Pref | 2.88 | 4.85 | BUY | 68% | | | | | | | | | | | |
| RTKM | * Rostelecom | 3.98 | UR | UR | UR | 3,731 | 3,481 | 32.1 | 28.9 | 31.6 | 8.8 | 9.2 | 10.2 | 1.6 | 1.8 | neg |
| RTKMP | * Rostelecom, Pref | 3.43 | UR | UR | UR | | | | | | | | | | | |

Consumer & Retail

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|---------|---------------------------|-------------------|--------|---------|-----------|----------------|-----------|-------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| FIVE | X5 Retail Group | 36.7 | 50.0 | BUY | 36% | 9,967 | 11,506 | 60.3 | 28.6 | 17.0 | 15.6 | 11.9 | 8.6 | 0.9 | 5.6 | 1.6 |
| MGNT LI | Magnit, GDR | 22.1 | 24.4 | BUY | 10% | 9,832 | 9,873 | 35.7 | 28.3 | 19.6 | 19.9 | 14.6 | 10.0 | 1.3 | 6.9 | 0.1 |
| MGNT | Magnit, Common | 99.4 | 122.0 | BUY | 23% | 8,843 | 8,884 | 32.1 | 25.5 | 17.6 | 17.9 | 13.1 | 9.0 | 1.2 | 6.2 | 0.1 |
| DIXY | Dixy Group | 10.2 | 10.3 | HOLD | 1% | 879 | 1,137 | 200.1 | 25.1 | 13.6 | 12.9 | 9.1 | 6.7 | 0.5 | 4.6 | 2.1 |
| SCON | Seventh Continent | 7.9 | 9.6 | BUY | 22% | 589 | 1,003 | 24.4 | 16.6 | 10.5 | 8.8 | 7.8 | 6.5 | 0.6 | 1.0 | 3.2 |
| MVID | * M.video | 6.2 | UR | UR | UR | 1,116 | 901 | 45.1 | 21.1 | 15.3 | 8.8 | 6.9 | 5.2 | 0.3 | 3.8 | neg |
| APTK | * Pharmacy Chain 36.6 | 2.6 | UR | UR | UR | 249 | 506 | neg | neg | neg | 11.3 | 7.0 | 5.4 | 0.6 | 1.7 | 3.5 |
| WBD US | Wimm-Bill-Dann, ADR | 19.4 | 27.0 | BUY | 39% | 3,414 | 3,665 | 29.3 | 30.2 | 22.8 | 12.0 | 9.7 | 8.2 | 1.3 | 4.9 | 0.7 |
| WBDF | Wimm-Bill-Dann, Common | 45.3 | 108.0 | BUY | 138% | 1,994 | 2,244 | 17.1 | 17.7 | 13.3 | 7.3 | 5.9 | 5.0 | 0.8 | 2.8 | 0.7 |
| PKBA | * Baltika Breweries | 32.4 | UR | UR | UR | 5,321 | 5,353 | 7.2 | 7.7 | 8.5 | 4.9 | 5.1 | 4.7 | 1.6 | 3.1 | 0.0 |
| PKBAP | * Baltika Breweries, Pref | 32.3 | UR | UR | UR | | | | | | | | | | | |
| PHST LI | Pharmstandard, GDR | 23.3 | 33.5 | BUY | 44% | 3,515 | 3,411 | 16.3 | 15.6 | 12.7 | 11.6 | 10.9 | 9.0 | 4.1 | 5.5 | neg |
| PHST | Pharmstandard, Common | 78.4 | 134.0 | BUY | 71% | 2,962 | 2,858 | 13.7 | 13.2 | 10.7 | 9.8 | 9.1 | 7.5 | 3.5 | 4.6 | neg |
| VRPH | Veropharm | 35.7 | 47.0 | BUY | 32% | 357 | 379 | 10.2 | 9.1 | 7.1 | 8.7 | 6.6 | 5.3 | 2.1 | 2.1 | 0.4 |
| KLNA | * Kalina | 19.6 | UR | UR | UR | 192 | 284 | 14.7 | 7.7 | 6.5 | 5.8 | 4.9 | 4.6 | 0.5 | 1.6 | 1.6 |

TABLE CONTINUED ON THE NEXT PAGE

RECOMMENDATIONS (CONTINUED)

Banks

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | P/E | | | P/BV | | |
|----------|-------------------------------|-------------------|--------|---------|-----------|----------------|-------|-------|-------|------|-------|-------|
| | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E |
| SBER | Sberbank | 2.62 | 3.50 | BUY | 34% | 58,385 | 69.1 | 14.3 | 7.6 | 2.38 | 1.91 | 1.60 |
| SBERP | Sberbank, Pref | 1.87 | 2.90 | BUY | 55% | | | | | | | |
| VTBR | VTB Bank | 0.0027 | 0.0030 | HOLD | 12% | 28,121 | neg | 14.1 | 10.5 | 1.62 | 1.62 | 1.43 |
| MMBM * | Bank of Moscow | 31.59 | UR | UR | UR | 5,686 | 252.8 | 22.0 | 11.9 | 1.74 | 1.48 | 1.28 |
| VZRZ | Vozrozhdenie Bank, Common | 34.42 | 45.9 | BUY | 33% | 832 | 26.3 | 24.2 | 7.8 | 1.50 | 1.44 | 1.19 |
| VZRZP | Vozrozhdenie Bank, Pref | 11.62 | 17.2 | BUY | 48% | | | | | | | |
| STBK | Bank Saint-Petersburg, Common | 3.34 | 4.20 | BUY | 26% | 1,206 | 59.6 | 13.7 | 7.7 | 1.38 | 1.32 | 1.08 |
| STBKPA * | Bank Saint-Petersburg, Pref | 4.03 | UR | UR | UR | | | | | | | |

Machinery

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|---------|-------------------------|-------------------|--------|---------|-----------|----------------|-----------|------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| GAZA * | GAZ | 26.00 | UR | UR | UR | 499 | 1,401 | neg | neg | neg | neg. | 13.3 | 4.4 | 0.4 | 0.5 | 8.6 |
| GAZAP * | GAZ, Pref | 12.00 | UR | UR | UR | | | | | | | | | | | |
| SVAV * | Sollers | 16.35 | UR | UR | UR | 560 | 1,318 | neg | neg | 12.3 | 157.9 | 10.0 | 5.5 | 0.8 | 1.1 | 5.8 |
| KMAZ * | KAMAZ | 2.37 | UR | UR | UR | 1,676 | 2,259 | neg | neg | 24.4 | 71.4 | 17.3 | 8.5 | 0.8 | 1.6 | 4.5 |
| SILM * | Power machines | 0.23 | UR | UR | UR | 1,968 | 1,715 | 10.6 | 9.9 | 9.0 | 5.9 | 5.3 | 4.7 | 0.9 | 4.6 | neg |
| MASZ * | Mashinostroitelny Zavod | 265 | UR | UR | UR | 369 | 352 | 4.6 | 4.6 | 4.4 | 2.8 | 2.5 | 2.4 | 0.8 | 0.6 | neg |
| NZHK * | NCCP | 10.0 | UR | UR | UR | 265 | 246 | 6.1 | 6.5 | 6.5 | 3.0 | 3.0 | 3.0 | 1.2 | 0.6 | neg |
| NZHKP * | NCCP, Pref | 2.7 | UR | UR | UR | | | | | | | | | | | |
| KHEL * | Kazan Helicopters | 1.77 | UR | UR | UR | 273 | 430 | 5.6 | 5.6 | 5.1 | 6.5 | 5.7 | 5.2 | 0.8 | 1.3 | 2.1 |
| uuaz * | Ulan-Ude Avia Plant | 1.35 | UR | UR | UR | 361 | 199 | 4.5 | 4.7 | 5.0 | 1.8 | 1.7 | 1.7 | 0.4 | 1.7 | neg |
| rtvl * | Rostvertol | 0.059 | UR | UR | UR | 135 | 224 | 8.8 | 8.4 | 7.8 | 5.5 | 5.6 | 5.1 | 0.8 | 0.8 | 2.2 |

Real Estate & Infrastructure

| Ticker | Company | Current price, \$ | TP, \$ | Recom.* | Upside, % | Mkt Cap, \$ mn | EV, \$ mn | P/E | | | EV/EBITDA | | | EV/S | P/BV | N.Debt/EBITDA |
|---------|--------------------------|-------------------|--------|---------|-----------|----------------|-----------|------|-------|-------|-----------|-------|-------|------|------|---------------|
| | | | | | | | | 2009 | 2010E | 2011E | 2009 | 2010E | 2011E | | | |
| LSRG | LSR Group, Common | 28.1 | 57.0 | BUY | 102% | 2,900 | 3,727 | 20.0 | 14.2 | 11.1 | 8.1 | 7.9 | 6.9 | 2.1 | 2.2 | 1.7 |
| LSRG LI | LSR Group, GDR | 7.8 | 11.4 | BUY | 47% | 3,992 | 4,819 | 27.6 | 19.5 | 15.2 | 10.4 | 10.2 | 8.9 | 2.8 | 3.1 | 1.7 |
| PIK LI | Pik Group, GDR | 3.7 | 7.2 | BUY | 94% | 1,835 | 3,161 | neg | neg | 50.8 | 18.5 | 14.5 | 12.4 | 2.6 | 3.3 | 6.1 |
| AFID | AFI Development, GDR | 0.78 | 1.50 | BUY | 92% | 817 | 1,022 | neg | neg | 57.4 | 39.2 | 30.3 | 12.2 | 9.6 | 0.5 | 6.1 |
| MLD | MirLand Development, GDR | 2.76 | 5.00 | BUY | 81% | 286 | 500 | neg | 111.4 | 7.9 | neg. | 24.5 | 7.9 | 11.7 | 0.9 | 10.5 |
| MSTT | Mostotrest | 977 | 1070 | BUY | 10% | 1,212 | 1,285 | 35.2 | 24.1 | 19.2 | 8.5 | 6.8 | 6.0 | 0.9 | 6.0 | 0.4 |

* - multiples for companies Under Review based on Bloomberg consensus estimates

** - Target price for 12 months. For other companies target price calculated at the end of 2010

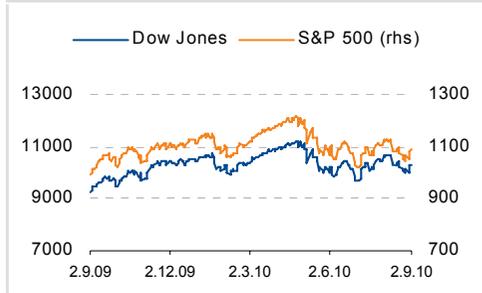
Source: RTS, MICEX, Bloomberg, TKB Capital estimates

MODEL PORTFOLIO

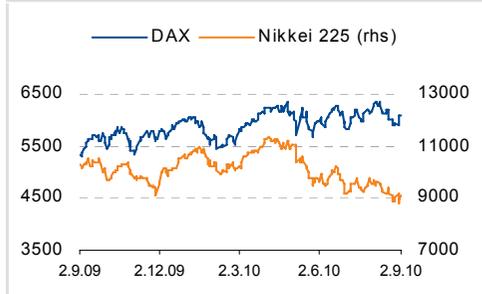
| Company name and ticker | Price of purchase (22/04/2010), \$ | Current Price, \$ | Upside Potential | | | Market Cap (\$ mn) | Free float (\$ mn) | Share in RTSI | Share in Portfolio | |
|---|--|----------------------|------------------|-----|-----|-----------------------|-----------------------|---------------|-----------------------|--------|
| | | | 1M | 6M | 12M | | | | | |
| Model Portfolio performance since last update | | | 3.3% | | | since 21/04/2010 | | -7.6% | | |
| Cash | | | | | | | | | 10.00% | |
| Oil & Gas | | | | | | | | | 30.00% | |
| ROSN | Rosneft | 7.53 | 6.54 | n/a | 26% | 53% | 62,779 | 9,417 | 7.00% | 5.00% |
| TNBP | TNK-BP Holding | 2.06 | 1.99 | n/a | 10% | 21% | 31,535 | 1,577 | 0.00% | 10.00% |
| BANE | Bashneft | 36.25 | 37.25 | n/a | 17% | 34% | 6,339 | 1,559 | 0.42% | 15.00% |
| Metals & Mining | | | | | | | | | 13.00% | |
| RASP | Raspadskaya | 4.875 | 4.968 | 3% | 21% | 41% | 3,879 | 776 | 0.52% | 5.00% |
| MTLR | Mechel | 25.06 | 23.82 | 0% | 30% | 47% | 0 | 0 | 0.94% | 5.00% |
| CHMF | Severstal | 12.43 | 12.49 | 0% | 20% | 36% | 12,585 | 2,202 | 1.25% | 3.00% |
| Consumer and Retail | | | | | | | | | 10.00% | |
| MGNT | Magnit | 88.93 | 99.38 | 2% | 10% | 21% | 8,838 | 2,651 | 1.47% | 5.00% |
| PHST | Pharmstandard | 70.81 | 78.38 | 3% | 16% | 31% | 2,962 | 296 | 0.29% | 5.00% |
| Machinery | | | | | | | | | 6.00% | |
| SVAV | Sollers | 15.91 | 16.35 | 22% | 41% | 59% | 560 | 196 | 0.10% | 3.00% |
| SILM | Power Machines | 0.209 | 0.226 | 15% | 24% | 37% | 1,968 | 98 | 0.00% | 3.00% |
| Banks | | | | | | | | | 10.00% | |
| SBER | Sberbank OS | 2.70 | 2.62 | 18% | 34% | 49% | 56,511 | 16,953 | 14.60% | 6.00% |
| STBK | Bank St-Petersburg OS | 3.28 | 3.34 | 26% | 35% | 47% | 944 | 165 | 0.00% | 4.00% |
| Utilities | | | | | | | | | 15.00% | |
| HYDR | RusHydro | 0.0539 | 0.0532 | 4% | 27% | 36% | 13,030 | 4,834 | 2.33% | 6.00% |
| TGKG | TGK-7 | 0.0472 | 0.0779 | 2% | 11% | 14% | 2,339 | 1,085 | 0.00% | 4.00% |
| TGKK | TGK-11 | 0.000705 | 0.000601 | 11% | 66% | 88% | 308 | 123 | 0.00% | 2.00% |
| TGKM | TGK-13 | 0.00359 | 0.00404 | 5% | 32% | 43% | 643 | 214 | 0.00% | 3.00% |
| Telecoms | | | | | | | | | 3.00% | |
| ENCO | Sibirtelecom OS | 0.058 | 0.064 | 19% | n/a | n/a | 774 | 77 | 0.20% | 1.00% |
| KUBN | South Telecom OS | 0.140 | 0.156 | 22% | n/a | n/a | 462 | 46 | 0.00% | 1.00% |
| SPTL | North-West Telecom OS | 0.654 | 0.744 | 21% | n/a | n/a | 655 | 66 | 0.15% | 1.00% |
| Real Estate / Development | | | | | | | | | 3.00% | |
| LSRG | LSR Group | 29.64 | 27.00 | 56% | 93% | 141% | 2,529 | 455 | 0.00% | 3.00% |

STOCK INDEXES

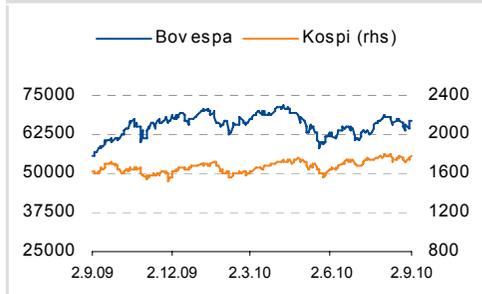
| | | |
|-----------|--------|-------|
| Dow Jones | 10,320 | 0.49% |
| S&P 500 | 1,090 | 0.91% |



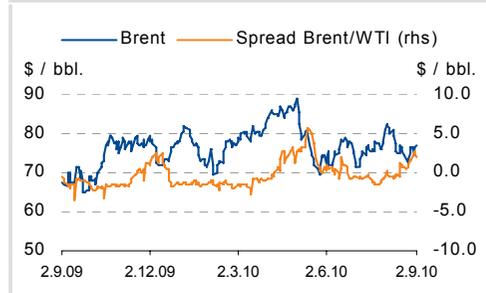
| | | |
|------------|-------|-------|
| DAX | 6,084 | 0.00% |
| Nikkei 225 | 9,063 | 1.52% |



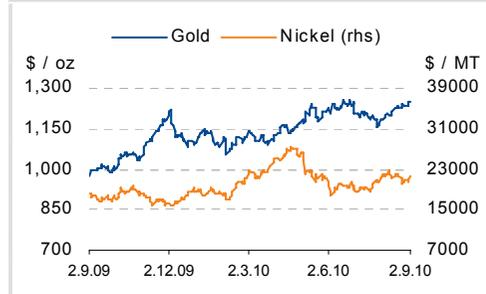
| | | |
|---------|--------|--------|
| Bovespa | 66,808 | -0.39% |
| Kospi | 1,776 | 0.63% |


COMMODITY FUTURES

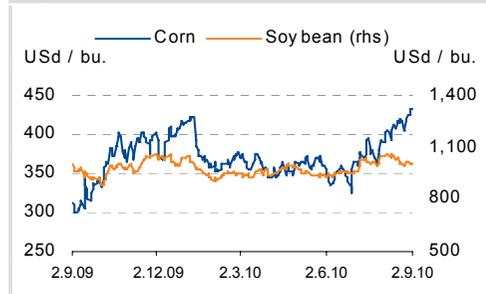
| | | |
|------------------|-------|-------|
| Brent | 76.93 | 0.76% |
| Spread Brent/WTI | 1.91 | -0.53 |



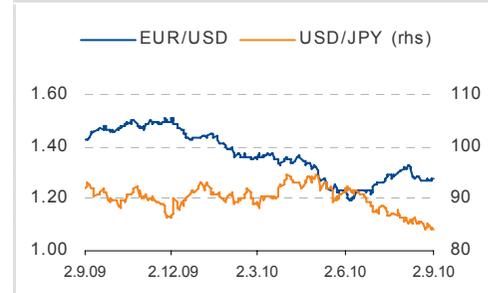
| | | |
|--------|--------|------|
| Gold | 1,252 | 0.4% |
| Nickel | 21,603 | 2.8% |



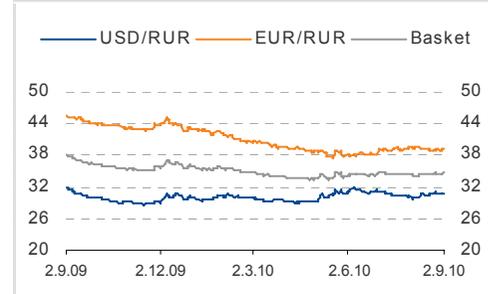
| | | |
|---------|---------|-------|
| Corn | 433.0 | 0.17% |
| Soybean | 1,007.5 | 0.30% |


CURRENCIES

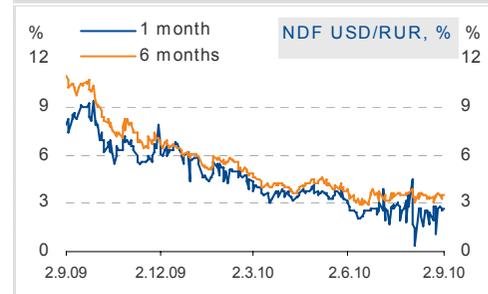
| | | |
|---------|-------|--------|
| EUR/USD | 1.279 | -0.02% |
| USD/JPY | 84.2 | -0.32% |



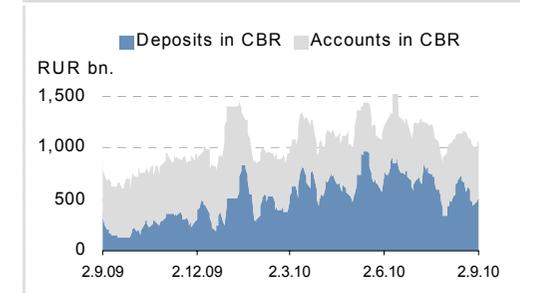
| | | |
|---------|-------|-------|
| USD/RUR | 30.79 | 0.24% |
| EUR/RUR | 39.38 | 0.16% |



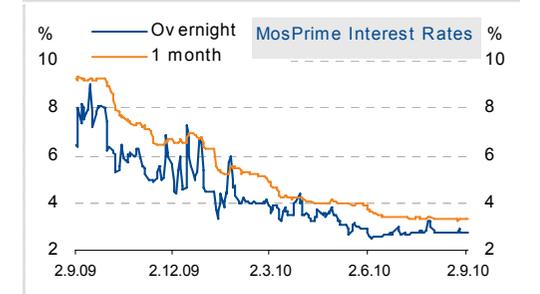
| | | |
|-------------------|------|-------|
| NDF USD/RUR 1m, % | 2.71 | 0.12 |
| NDF USD/RUR 6m, % | 3.51 | -0.05 |


LIQUIDITY AND INTEREST RATES

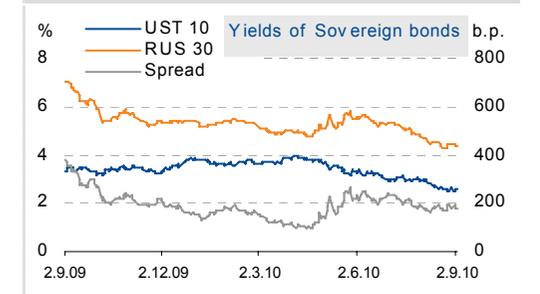
| | | |
|-------------------------|---|---------|
| Deposits in CBR, RUR bn | 0 | -100.0% |
| Accounts in CBR, RUR bn | 0 | -100.0% |



| | | |
|-----------------|-----|------|
| MosPrime O/N, % | 2.7 | 0.00 |
| MosPrime 1m, % | 3.3 | 0.00 |



| | | |
|---------------|------|-------|
| UST 10Y, % | 2.56 | -0.02 |
| Russia 30Y, % | 4.36 | 0.00 |



Source: Bloomberg, Central Bank of Russia, TKB Capital estimates

RUSSIAN ADRS & GDRS ON FOREIGN EXCHANGES

| Bloomberg Code | Issuer | Exchange | Shares per ADR/GDR | Volume in ADRs/GDRs | Price per ADR/GDR, \$ | Change, % | Local ticker | Price per local share, \$ | Premium / discount to local, |
|----------------|---------------------------|----------|--------------------|---------------------|-----------------------|-----------|--------------|---------------------------|------------------------------|
| OGZD LI | Gazprom | LSE | 4 | 8,832,863 | 21.20 | 0.71% | GAZP RX | 21.14 | 0.27% |
| ROSN LI | Rosneft | LSE | 1 | 12,159,000 | 6.54 | 0.77% | ROSN RX | 6.54 | -0.01% |
| LKOD LI | LUKOIL | LSE | 1 | 2,235,390 | 54.40 | 1.30% | LKOH RX | 54.42 | -0.03% |
| SGGD LI | Surgutneftegas, Common | LSE | 10 | 1,403,966 | 9.70 | 0.41% | SNGS RX | 9.71 | -0.08% |
| ATAD LI | Tatneft, Common | LSE | 6 | 360,027 | 30.99 | -0.03% | TATN3 RX | 28.17 | 10.02% |
| GAZ LI | Gazprom Neft | LSE | 5 | 71,753 | 19.03 | 0.16% | SIBN RX | 19.02 | 0.05% |
| NVTK LI | NOVATEK | LSE | 10 | 149,342 | 74.70 | 0.67% | NVTK RX | 71.39 | 4.63% |
| AOIL SS | Alliance Oil | OMXS | 1 | 336,442 | 12.32 | -0.18% | | | |
| EDCL LI | Eurasia Drilling | LSE | 1 | 45,709 | 19.99 | -0.05% | | | |
| INTE LI | Integra | LSE | 0.05 | 3,014,593 | 2.22 | 3.26% | | | |
| O2C GR | CAT Oil | XETRA | 1 | 143,591 | 0.00 | -100.00% | | | |
| VGAS LN | Volga Gas | LSE | 1 | 2,500 | 0.00 | -100.00% | | | |
| SSA LI | Sistema | LSE | 20 | 274,763 | 26.20 | -0.76% | AFKC RX | 16.88 | 55.19% |
| MBT US | Mobile TeleSystems | NYSE | 2 | 1,852,175 | 21.19 | 0.19% | CMST RX | 16.17 | 31.01% |
| VIP US | VimpelCom | NYSE | 0.05 | 4,596,139 | 14.94 | -1.71% | | | |
| CMST LI | Comstar-UTS | LSE | 1 | 1,603,872 | 6.59 | 1.38% | MTSI RX | 6.58 | 0.11% |
| RKMD LI | Rostelecom, Common | LSE | 6 | 5,300 | 23.50 | 1.03% | RTKM RX | 23.86 | -1.52% |
| CTCM US | CTC Media | NASDAQ | 1 | 593,741 | 19.80 | 0.15% | | | |
| SITR LI | SITRONICS | LSE | 50 | - | 0.88 | 0.00% | SITR RU | 1.13 | -21.78% |
| VTBR LI | VTB Bank | LSE | 2000 | 2,593,646 | 5.42 | 0.74% | VTBR RX | 5.38 | 0.81% |
| VZY GR | Vozrozhdenie Bank, Common | XETRA | 3/4 | - | 25.00 | -7.41% | VZRZ RX | 25.81 | -3.15% |
| FIVE LI | X5 Retail Group | LSE | 0.25 | 265,392 | 36.70 | 1.94% | | | |
| MGNT LI | Magnit | LSE | 0.20 | 523,820 | 22.10 | 3.51% | MGNT RX | 19.88 | 11.18% |
| PHST LI | Pharmstandard | LSE | 0.25 | 169,860 | 23.25 | -1.90% | PHST RX | 19.59 | 18.66% |
| WBD US | Wimm-Bill-Dann Foods | NYSE | 0.25 | 507,984 | 19.40 | 3.19% | WBDF RX | 11.33 | 71.20% |
| CHE LI | Cherkizovo Group | LSE | 2/3 | 4,371 | 16.00 | -0.62% | GCHE RX | 15.35 | 4.26% |
| URKA LI | Uralkali | LSE | 5 | 423,854 | 23.94 | 0.34% | URKA RX | 23.70 | 0.99% |
| RUSAL FP | RUSAL | Euronext | 20 | 1,801 | 21.07 | -0.99% | | | |
| MNOD LI | Norilsk Nickel | LSE | 0.1 | 4,672,284 | 17.15 | -0.64% | GMKN RX | 16.98 | 0.97% |
| SVST LI | Severstal | LSE | 1 | 1,351,934 | 12.77 | 0.79% | CHMF RX | 12.49 | 2.25% |
| NLMK LI | NLMK | LSE | 10 | 496,712 | 30.54 | 1.33% | NLMK RX | 30.29 | 0.82% |
| MMK LI | MMK | LSE | 13 | 401,042 | 11.26 | 0.09% | MAGN RX | 11.14 | 1.05% |
| MTL US | Mechel, Common | NYSE | 1 | 1,598,565 | 24.50 | 0.74% | MTLR RX | 23.82 | 2.85% |
| EVR LI | Evraz Group | LSE | 1/3 | 1,067,305 | 26.75 | -1.91% | | | |
| PLZL LI | Polyus Gold | LSE | 0.5 | 136,494 | 26.39 | 2.49% | PLZL RX | 23.33 | 13.13% |
| PMTL LI | Polymetal | LSE | 1 | 47,730 | 13.18 | 2.17% | PMTL RX | 12.89 | 2.26% |
| HGM LN | Highland Gold | LSE | 1 | 195,936 | 1.94 | -4.71% | | | |
| HRG CN | High River Gold | TSX | 1 | 278,536 | 0.88 | 0.88% | | | |
| TMKS LI | TMK | LSE | 4 | 270,395 | 16.39 | 0.55% | TRMK RX | 16.24 | 0.95% |
| CHZN LI | Chelyabinsk Zinc Plant | LSE | 1 | 4,000 | 3.60 | 0.00% | CHZN RX | 3.73 | -3.48% |
| LSRG LI | LSR Group | LSE | 0.20 | 107,455 | 7.75 | -3.00% | LSRG RX | 5.63 | 37.66% |
| PIK LI | PIK Group | LSE | 1 | 701,411 | 3.72 | -0.53% | PIKK RX | 3.72 | -0.12% |
| AFID LI | AFI Development | LSE | 1 | 326,395 | 0.78 | 1.30% | | | |
| MLD LN | MirLand Development | LSE | 1 | - | 2.76 | -0.37% | | | |
| HALS LI | Sistema Hals | LSE | 0.05 | - | 1.21 | 0.00% | HALS RX | 1.27 | -4.44% |
| RUS LN | Raven Russia | LSE | 1 | 1,237,683 | 0.76 | 1.69% | | | |
| RGI LN | RGI International | LSE | 1 | - | 1.93 | -1.03% | | | |
| GLTR LI | Globaltrans | LSE | 1 | 132,868 | 13.80 | 0.58% | | | |
| NCSP LI | NCSP | LSE | 75 | 154,176 | 11.59 | -2.19% | NMTP RX | 11.44 | 1.33% |

Source: Bloomberg, TKB Capital estimates

WORLD EQUITY INDICES

| Index | Country | Value | Daily change, % | Weekly change, % | Monthly change, % | YTD change, % | Change of 52 week, |
|---------------------------------|----------------|-----------|--------------------|---------------------|----------------------|------------------|-----------------------|
| Asia | | | | | | | |
| Nikkei 225 | Japan | 9,062.84 | 1.52% | 1.76% | -6.51% | -14.07% | -11.84% |
| Hang Seng | Hong Kong | 20,868.92 | 1.19% | 1.25% | -2.74% | -4.59% | 6.90% |
| Straits Times | Singapore | 2,986.66 | 0.13% | 2.08% | -0.93% | 3.07% | 16.22% |
| Seoul Composite | South Korea | 1,775.73 | 0.63% | 2.66% | -0.83% | 5.52% | 10.08% |
| Shanghai Composite | China | 2,655.78 | 1.25% | 2.01% | 1.10% | -18.96% | -2.18% |
| Taiwan Weighted | Taiwan | 7,720.82 | 0.69% | 0.40% | -2.97% | -5.71% | 9.67% |
| SENSEX | India | 18,238.31 | 0.18% | 0.07% | 0.68% | 4.43% | 17.91% |
| Europe | | | | | | | |
| FTSE 100 | Great Britain | 5,371.04 | 0.09% | 4.17% | -0.47% | -0.77% | 11.49% |
| DAX | Germany | 6,083.85 | 0.00% | 2.90% | -3.55% | 2.12% | 14.36% |
| CAC 40 | France | 3,631.43 | 0.21% | 4.50% | -3.10% | -7.75% | 1.63% |
| Budapest SE Index | Hungary | 22,857.70 | -0.66% | 5.11% | -1.11% | 7.68% | 24.57% |
| PX50 | Czech Republic | 1,178.20 | 1.88% | 2.63% | -0.97% | 5.45% | 5.19% |
| WIG 20 TR | Poland | 2,460.66 | 0.29% | 2.51% | -3.34% | 3.01% | 16.39% |
| ISE 100 | Turkey | 60,865.73 | 0.30% | 3.06% | 1.31% | 15.22% | 33.01% |
| RTS | Russia | 1,455.64 | 0.39% | 3.27% | -4.09% | 0.76% | 38.22% |
| MICEX | Russia | 1,401.81 | 0.52% | 3.35% | -0.74% | 2.32% | 30.20% |
| Africa | | | | | | | |
| FTSE/JSE Top 40 | South Africa | 24,718.08 | -0.57% | 3.85% | -3.12% | -1.12% | 12.07% |
| Egypt CMA GENL | Egypt | 602.53 | 0.39% | 0.61% | 2.39% | 5.07% | -0.91% |
| America | | | | | | | |
| DJIA | USA | 10,320.10 | 0.49% | 3.35% | -2.97% | -1.04% | 11.20% |
| S&P 500 | USA | 1,090.10 | 0.91% | 4.09% | -2.71% | -2.24% | 9.59% |
| NASDAQ | USA | 2,200.01 | 1.06% | 3.84% | -3.66% | -3.05% | 11.84% |
| Bovespa | Brazil | 66,808.08 | -0.39% | 4.60% | -1.75% | -2.60% | 20.62% |
| BUSE MERVAL | Argentina | 2,415.92 | 0.88% | 4.07% | -1.03% | 4.10% | 37.76% |
| IBC | Venezuela | 64,768.77 | 0.00% | 0.00% | 0.96% | 17.60% | 27.05% |
| Emerging markets indexes | | | | | | | |
| MSCI BRIC | | 321.29 | 0.52% | 3.28% | -2.06% | -3.31% | 19.57% |
| FTSE Russia IOB Index | | 842.51 | 0.63% | 3.59% | -4.27% | -4.15% | 24.95% |
| MSCI Russia | | 777.59 | 0.66% | 3.52% | -4.04% | -2.23% | 27.70% |

Source: Bloomberg, TKB Capital estimates

COMMODITY MARKETS
Spot-market

| Bloomberg code | Commodity | Value | Daily change, % | Weekly change, % | Monthly change, % | YTD change, % | Change of 52 week, % |
|----------------|---------------------------|-----------|-----------------|------------------|-------------------|---------------|----------------------|
| EUCRBRDT | Brent | 76.19 | 0.45% | 2.75% | -7.76% | -1.31% | 13.34% |
| EUCRURMD | Urals | 76.34 | 0.74% | 3.19% | -5.04% | -0.51% | 15.21% |
| USCRWTIC | WTI | 75.02 | 1.50% | 2.26% | -9.12% | -5.47% | 10.24% |
| GOLDLNPM | Gold | 1,248.50 | 0.16% | 0.93% | 5.14% | 14.80% | 29.41% |
| SLVRLN | Silver | 19.45 | -0.10% | 1.78% | 5.59% | 14.48% | 30.45% |
| PLAT | Platinum | 1,550.75 | 1.04% | 1.24% | -2.01% | 5.82% | 25.97% |
| PALL | Palladium | 523.00 | 0.87% | 4.50% | 4.18% | 28.25% | 82.71% |
| LMAHDY | Aluminium | 2,119.50 | 1.67% | 5.33% | -3.38% | -3.53% | 17.03% |
| LMCADY | Copper | 7,623.25 | 0.40% | 4.55% | 3.04% | 3.83% | 23.79% |
| LMNIDY | Nickel | 21,595.00 | 2.85% | 5.88% | -0.02% | 17.03% | 19.31% |
| LMZSDY | Zinc | 2,145.00 | 1.99% | 6.20% | 4.29% | -15.18% | 18.98% |
| MBSTCIHR | Steel HRC (FOB Black Sea) | 600.00 | 0.00% | -1.23% | 7.62% | 18.23% | 9.59% |
| MBSTUSHR | Steel HRC (USA) | 545.00 | 0.00% | 0.00% | -3.54% | 7.92% | 4.81% |
| LMSNDY | Tin | 21,425.00 | -0.21% | 0.22% | 8.15% | 27.01% | 50.67% |
| LMPBDY | Lead | 2,129.50 | 1.98% | 6.48% | -3.07% | -11.34% | 1.43% |

Futures

| Bloomberg code | Commodity | Value | Daily change, % | Weekly change, % | Monthly change, % | YTD change, % | Change of 52 week, % |
|----------------|-------------|-----------|-----------------|------------------|-------------------|---------------|----------------------|
| CO1 | Brent | 76.93 | 0.76% | 2.55% | -6.95% | -1.28% | 13.70% |
| CL1 | WTI | 75.02 | 1.50% | 2.26% | -9.12% | -5.47% | 10.24% |
| HO1 | Heating Oil | 206.23 | 1.04% | 2.64% | -6.26% | -2.67% | 17.81% |
| PG1 | Gasoline | 192.16 | 1.72% | 0.69% | -12.40% | -6.40% | 6.25% |
| NG1 | Natural Gas | 3.75 | -0.29% | -1.73% | -19.14% | -32.68% | 38.16% |
| GC1 | Gold | 1,252.10 | 0.43% | 1.35% | 5.64% | 14.22% | 28.14% |
| SI1 | Silver | 19.64 | 1.44% | 3.46% | 6.60% | 16.74% | 28.02% |
| PL1 | Platinum | 1,551.50 | 1.03% | 0.75% | -2.24% | 6.27% | 26.13% |
| PA1 | Palladium | 523.45 | 0.98% | 4.17% | 3.36% | 28.03% | 81.69% |
| LY1 | Aluminium | 2,270.00 | 2.32% | 4.22% | 2.17% | 17.34% | 33.04% |
| LP1 | Copper | 7,625.75 | 0.36% | 4.49% | 2.97% | 3.73% | 23.68% |
| LN1 | Nickel | 21,603.00 | 2.84% | 5.86% | -0.05% | 16.98% | 19.32% |
| LX1 | Zinc | 2,148.50 | 1.91% | 6.03% | 4.21% | -15.24% | 18.85% |
| LT1 | Tin | 21,430.00 | -0.23% | 0.19% | 8.11% | 26.86% | 50.60% |
| LL1 | Lead | 2,132.50 | 1.91% | 6.36% | -3.13% | -11.48% | 1.35% |
| API21MON | Steam Coal | 91.75 | 0.66% | 0.71% | -3.93% | 10.21% | 36.94% |
| CCKPTAIY Index | Coking Coal | 1,660.00 | 0.00% | 1.22% | 5.06% | -2.35% | -1.19% |
| MBFOFO01 Index | Iron Ore | 152.00 | 0.00% | -3.18% | 7.80% | 36.32% | 73.71% |
| SB1 | Sugar | 20.81 | 1.56% | 7.99% | 11.94% | -22.78% | -12.12% |
| CC1 | Cocoa | 2,691.00 | -0.59% | -0.70% | -12.00% | -18.18% | -5.15% |
| KC1 | Coffee | 183.20 | 1.50% | 7.80% | 9.93% | 34.76% | 52.16% |
| C 1 | Corn | 433.00 | 0.17% | 3.96% | 11.17% | 4.46% | 38.23% |
| W 1 | Wheat | 680.75 | 0.78% | 3.69% | 0.11% | 25.72% | 48.96% |
| S 1 | Soybean | 1,007.50 | 0.30% | -0.54% | -4.37% | -3.10% | -0.17% |
| CT1 | Cotton | 90.87 | 0.82% | 1.83% | 7.53% | 20.20% | 59.73% |

MONEY MARKET
FOREX

| Bloomberg code | Currency | Value | Daily change, % | Weekly change, % | Monthly change, % | YTD change, % | Change of 52 week, % |
|----------------|---|---------|-----------------|------------------|-------------------|---------------|----------------------|
| RUB Curncy | Dollar USD (rubles per \$1) | 30.79 | 0.24% | 0.14% | 3.63% | 2.50% | -3.69% |
| EURRUB Curncy | Euro (rubles per 1 euro) | 39.38 | 0.16% | 0.82% | 0.16% | -8.56% | -13.72% |
| RUBBASK Curncy | Basket \$0.55/0.45€ (rubles) | 34.65 | 0.20% | 0.48% | 1.82% | -3.63% | -8.84% |
| EUR Curncy | Euro (\$ per 1 euro) | 1.279 | -0.02% | 0.72% | -3.29% | -10.73% | -10.45% |
| GBP Curncy | British Pound Sterling (\$ per 1 pound) | 1.545 | -0.03% | -0.55% | -3.04% | -4.35% | -5.13% |
| JPY Curncy | Japanese Yen (yen per \$1) | 84.19 | -0.32% | -0.57% | -1.85% | -9.61% | -8.63% |
| CHF Curncy | Swiss Franc (francs per \$1) | 1.017 | 0.11% | -0.75% | -1.99% | -1.67% | -3.90% |
| CNY Curncy | Chinese Yuan (yuan per \$1) | 6.812 | 0.04% | 0.24% | 0.58% | -0.22% | -0.27% |
| BRL Curncy | Brazilian Real (reals per \$1) | 1.745 | 0.17% | -0.89% | -0.85% | 0.17% | -7.54% |
| MXN Curncy | Mexican Peso (pesos per \$1) | 13.09 | 0.04% | 0.76% | 3.93% | 0.04% | -4.16% |
| TRY Curncy | Turkish Lira (liras per \$1) | 1.516 | 0.01% | -0.34% | 1.46% | 1.51% | 0.45% |
| INR Curncy | Indian Rupee (rupee per \$1) | 46.81 | 0.00% | -0.09% | 1.43% | 0.61% | -4.41% |
| KRW Curncy | S.Korean Won (won per \$1) | 1,183.3 | 0.33% | -0.85% | 0.99% | 2.18% | -5.32% |

Interest rates

| Bloomberg code | Indicator | Rate, % | Daily change, p.p. | Weekly change, p.p. | Monthly change, p.p. | YTD change, p.p. | Change of 52 week, p.p. |
|----------------|--------------------|---------|--------------------|---------------------|----------------------|------------------|-------------------------|
| US000/N Index | LIBOR Overnight | 0.226 | 0.000 | 0.002 | -0.014 | 0.058 | -0.004 |
| US0001M Index | LIBOR 1Month | 0.258 | 0.000 | -0.003 | -0.042 | 0.027 | 0.003 |
| US0003M Index | LIBOR 3Months | 0.296 | 0.000 | -0.004 | -0.139 | 0.045 | -0.034 |
| EUR001M Index | EURIBOR 1Month | 0.619 | 0.000 | -0.009 | -0.029 | 0.166 | 0.140 |
| EUR003M Index | EURIBOR 3Months | 0.886 | 0.000 | -0.003 | -0.013 | 0.186 | 0.073 |
| MOSKON Index | MosPrime Overnight | 2.710 | 0.000 | -0.060 | -0.030 | -1.740 | -3.770 |
| MOSK1W Index | MosPrime 1Week | 3.000 | 0.000 | -0.010 | 0.000 | -1.600 | -4.630 |
| MOSK2W Index | MosPrime 2Weeks | 3.080 | 0.000 | -0.020 | -0.030 | -1.870 | -4.990 |
| MOSKP1 Index | MosPrime 1Month | 3.280 | 0.000 | -0.010 | -0.040 | -3.040 | -5.980 |
| MOSKP3 Index | MosPrime 3Months | 3.740 | 0.000 | 0.000 | -0.070 | -3.310 | -7.400 |

NDF RUR

| Bloomberg code | Maturity | Rate, % | Daily change, p.p. | Weekly change, p.p. | Monthly change, p.p. | YTD change, p.p. | Change of 52 week, p.p. |
|----------------|----------|---------|--------------------|---------------------|----------------------|------------------|-------------------------|
| RRNI1M Curncy | 1 Month | 2.71 | 0.12 | 1.56 | -0.37 | -3.03 | -5.11 |
| RRNI3M Curncy | 3 Months | 3.12 | 0.03 | 0.18 | -0.02 | -4.40 | -6.27 |
| RRNI6M Curncy | 6 Months | 3.51 | -0.05 | 0.09 | -0.04 | -2.54 | -7.34 |
| RRNI12M Curncy | 1 Year | 4.24 | 0.00 | 0.02 | 0.10 | -2.22 | -7.00 |

Source: Bloomberg, TKB Capital estimates

MACROECONOMICS: STATISTICS & EVENTS CALENDAR

| Date | Time | Indicator | Period | Survey | Actual | Prior | Revised |
|---|---|---|--|---------|---------|---------|---------|
| 30.08.2010 MONDAY |  | UK 3:01 Hometrack Housing Survey (MoM) | AUG | -- | -0.30% | -0.10% | -- |
| |  | UK 3:01 Hometrack Housing Survey (YoY) | AUG | -- | 1.50% | 2.00% | -- |
| |  | EC 13:00 Business Climate Indicator | AUG | 0.70 | 0.61 | 0.66 | 0.63 |
| |  | EC 13:00 Euro-Zone Industrial Confidence | AUG | -4 | -4 | -4 | -- |
| |  | EC 13:00 Euro-Zone Consumer Confidence | AUG | -12 | -11 | -12 | -- |
| |  | EC 13:00 Euro-Zone Economic Confidence | AUG | 101.6 | 101.8 | 101.3 | 101.1 |
| |  | EC 13:00 Euro-Zone Services Confidence | AUG | 6 | 7 | 6 | -- |
| |  | US 16:30 Personal Income | JUL | 0.30% | 0.20% | 0.00% | -- |
| |  | US 16:30 Personal Spending | JUL | 0.30% | 0.40% | 0.00% | -- |
| |  | US 16:30 PCE Deflator (YoY) | JUL | 1.50% | 1.50% | 1.40% | -- |
| |  | US 16:30 PCE Core (MoM) | JUL | 0.10% | 0.10% | 0.00% | -- |
| |  | US 16:30 PCE Core (YoY) | JUL | 1.40% | 1.40% | 1.40% | -- |
| |  | US 18:30 Dallas Fed Manf. Activity | AUG | -10.00% | -13.50% | -21.00% | -- |
| | 31.08.2010 THUESDAY |  | UK 3:01 GfK Consumer Confidence Survey | AUG | -24 | -18 | -22 |
|  | | UK 12:30 M4 Ex OFCs 3M Annualised | JUL | -- | 5.60% | 6.00% | 6.80% |
|  | | UK 12:30 Net Consumer Credit | JUL | 0.0B | 0.2B | -0.1B | -- |
|  | | UK 12:30 Net Lending Sec. on Dwellings | JUL | 0.7B | 0.1B | 0.7B | 0.5B |
|  | | UK 12:30 Mortgage Approvals | JUL | 46.5K | 48.7K | 47.6K | 48.6K |
|  | | UK 12:30 M4 Money Supply (MoM) | JUL | -- | 0.40% | 0.40% | -- |
|  | | UK 12:30 M4 Money Supply (YoY) | JUL | -- | 2.30% | 2.30% | -- |
|  | | EC 13:00 Euro-Zone CPI Estimate (YoY) | AUG | 1.60% | 1.60% | 1.70% | -- |
|  | | EC 13:00 Euro-Zone Unemployment Rate | JUL | 10.00% | 10.00% | 10.00% | -- |
|  | | US 17:00 S&P/CaseShiller Home Price Ind | JUN | -- | 147.97 | 146.43 | 146.47 |
|  | | US 17:00 S&P/CS 20 City MoM% SA | JUN | 0.20% | 0.28% | 0.47% | 0.53% |
|  | | US 17:00 S&P/CS Composite-20 YoY | JUN | 3.50% | 4.23% | 4.61% | 4.64% |
|  | | US 17:00 S&P/Case-Shiller US HPI | 2Q10 | -- | 138.0 | 131.8 | 132.2 |
|  | | US 17:00 S&P/Case-Shiller US HPI YOY% | 2Q10 | -- | 3.60% | 2.00% | 2.30% |
|  | | US 17:45 Chicago Purchasing Manager | AUG | 57.0 | 56.7 | 62.3 | -- |
|  | | US 18:00 Consumer Confidence | AUG | 50.7 | 53.5 | 50.4 | 51.0 |
|  | US 18:00 NAPM-Milwaukee | AUG | 60.3 | 59.0 | 66.0 | -- | |
| 01.09.2010 WEDNESDAY |  | US 1:00 ABC Consumer Confidence | AUG 29 | -44 | -45 | -44 | -- |
| |  | EC 12:00 PMI Manufacturing | AUG | 55.0 | 55.1 | 55.0 | -- |
| |  | UK 12:30 PMI Manufacturing | AUG | 57.0 | 54.3 | 57.3 | 56.9 |
| |  | US 15:00 MBA Mortgage Applications | AUG 27 | -- | 2.70% | 4.90% | -- |
| |  | US 15:30 Challenger Job Cuts YoY | AUG | -- | -54.50% | -57.20% | -- |
| |  | US 16:15 ADP Employment Change | AUG | 15K | -10K | 42K | 37K |
| |  | US 18:00 ISM Manufacturing | AUG | 52.8 | 56.3 | 55.5 | -- |
| |  | US 18:00 ISM Prices Paid Index | AUG | 55.5 | 61.5 | 57.5 | -- |
| |  | US 18:00 Construction Spending MoM | JUL | -0.50% | -1.00% | 0.10% | -0.80% |

MACROECONOMICS: STATISTICS & EVENTS CALENDAR

| Date | Time | Indicator | Period | Survey | Actual | Prior | Revised |
|---|---|---|--------|--------|---------|---------|---------|
| 02.09.2010 THURSDAY |  | US 1:00 Domestic Vehicle Sales | AUG | 8.85M | 8.66M | 9.11M | -- |
| |  | US 1:00 Total Vehicle Sales | AUG | 11.60M | 11.46M | 11.85M | 11.56M |
| |  | UK 10:00 Nat'wide House prices sa (MoM) | AUG | -0.30% | -0.90% | -0.50% | -- |
| |  | UK 10:00 Nat'wide House prices nsa(YoY) | AUG | 4.90% | 3.90% | 6.60% | -- |
| |  | UK 12:30 PMI Construction | AUG | 53.2 | 52.1 | 54.1 | -- |
| |  | EC 13:00 Euro-Zone Gross Fix Cap (QoQ) | 2Q P | -- | 1.80% | -1.20% | -0.40% |
| |  | EC 13:00 Euro-Zone Govt Expend (QoQ) | 2Q P | -- | 0.50% | 0.20% | -- |
| |  | EC 13:00 Euro-Zone Household Cons (QoQ) | 2Q P | 0.20% | 0.50% | -0.10% | 0.20% |
| |  | EC 13:00 Euro-Zone PPI (MoM) | JUL | 0.30% | 0.20% | 0.30% | -- |
| |  | EC 13:00 Euro-Zone PPI (YoY) | JUL | 4.00% | 4.00% | 3.00% | -- |
| |  | EC 13:00 Euro-Zone GDP s.a. (QoQ) | 2Q P | 1.00% | 1.00% | 1.00% | -- |
| |  | EC 13:00 Euro-Zone GDP s.a. (YoY) | 2Q P | 1.70% | 1.70% | 1.70% | -- |
| |  | EC 15:45 ECB Announces Interest Rates | SEP 2 | 1.00% | 1.00% | 1.00% | -- |
| |  | US 16:30 Nonfarm Productivity | 2Q F | -1.90% | -1.80% | -0.90% | -- |
| |  | US 16:30 Unit Labor Costs | 2Q F | 1.20% | 1.10% | 0.20% | -- |
| |  | US 16:30 Initial Jobless Claims | AUG 28 | 475K | 472K | 473K | 478K |
| |  | US 16:30 Continuing Claims | AUG 21 | 4450K | 4456K | 4456K | 4479K |
| |  | US 18:00 Factory Orders | JUL | 0.20% | 0.10% | -1.20% | -0.60% |
| |  | US 18:00 Pending Home Sales MoM | JUL | -1.00% | 5.20% | -2.60% | -2.80% |
| |  | US 18:00 Pending Home Sales YoY | JUL | -- | -20.10% | -20.10% | -20.30% |
|  | US 18:30 ICSC Chain Store Sales YoY | AUG | -- | 3.20% | 2.80% | -- | |
| 03.09.2010 FRIDAY |  | EC 12:00 PMI Services | AUG | 55.6 | -- | -- | -- |
| |  | EC 12:00 PMI Composite | AUG | 56.1 | -- | -- | -- |
| |  | UK 12:30 PMI Services | AUG | 52.9 | -- | 53.1 | -- |
| |  | UK 12:30 Official Reserves (Changes) | AUG | -- | -- | -\$24M | -- |
| |  | EC 13:00 Euro-Zone Retail Sales (YoY) | JUL | 0.60% | -- | 0.40% | 0.80% |
| |  | EC 13:00 Euro-Zone Retail Sales (MoM) | JUL | 0.20% | -- | 0.00% | 0.00% |
| |  | US 16:30 Change in Nonfarm Payrolls | AUG | -105K | -- | -131K | -- |
| |  | US 16:30 Change in Private Payrolls | AUG | 40K | -- | 71K | -- |
| |  | US 16:30 Change in Manufact. Payrolls | AUG | 10K | -- | 36K | -- |
| |  | US 16:30 Unemployment Rate | AUG | 9.60% | -- | 9.50% | -- |
| |  | US 16:30 Avg Hourly Earning MOM All Emp | AUG | 0.10% | -- | 0.20% | -- |
| |  | US 16:30 Avg Hourly Earning YOY All Emp | AUG | 1.60% | -- | 1.80% | -- |
| |  | US 16:30 Avg Weekly Hours All Employees | AUG | 34.2 | -- | 34.2 | -- |
| |  | US 18:00 ISM Non-Manf. Composite | AUG | 53.2 | -- | 54.3 | -- |

CORPORATE EVENTS CALENDAR

| Date | Company | Ticker | Sector | Event |
|------------------------|--------------------|---------|-------------------|---|
| last week of August | Gazprom | GAZP | Oil and gas | 3M10 results under IFRS |
| last week of August | Lukoil | LKOH | Oil and gas | 6M10 GAAP under US GAAP |
| August | Enel OGK-5 | OGKE | Utilities | Publication of 1H10 RUSGAAP financial statements |
| August | Enel OGK-5 | OGKE | Utilities | Publication of 2Q10 quarterly issuer's report |
| 31 August | OGK-2 | OGKB | Utilities | 1H10 results under IFRS |
| September, 2 | Evraz Group | EVR LI | Metals & Mining | 1H10 results under IFRS |
| September, 6 | Severstal | SVST LI | Metals & Mining | 6M results under IFRS |
| September, 6 | Sberbank | SBER | Banks | 6M results under IFRS |
| September, 6 | NLMK | NLMK | Metals & Mining | 6M results under US GAAP |
| last week of August | Eurasia Drilling | EDCL LI | Oil and gas | 6M11 results under US GAAP |
| September, 7 | Globaltrans | GLTR LI | Transport | 1H10 results under IFRS |
| September, 7 | MMK | MMK LI | Metals & Mining | 6M results under IFRS |
| early September | Bank st-Petersburg | STBK | Banks | 6M results under IFRS |
| early September | VTB | VTBR | Banks | 6M results under IFRS |
| 2nd week of September | | | Machinery | August car and LCV sales in Russia according to AEB |
| 2nd week of September | Pharmstandard | PHST | Consumer & Retail | 1H10 results under IFRS |
| mid-September | Bashneft | BANE | Oil and gas | 6M10 results under US GAAP of AFK Sistema (estimate of Bashneft's financials) |
| mid-September | Sollers | SVAV | Machinery | 6M10 results under IFRS |
| mid-September | Transneft | TRNF | Oil and gas | 6M10 results under IFRS |
| September | TNK-BP Holding | TNBP | Oil and gas | 6M10 results under US GAAP |
| last week of September | PIK Group | PIKK | Real Estate | 6M10 results under IFRS |
| 2nd week of October | | | Machinery | September car and LCV sales in Russia according to AEB |
| October, 11 | X5 Retail Group | FIVE | Consumer & Retail | Operating results for 3Q10 and 9M10 |
| mid-October | Novatek | NVTK | Oil and gas | 9M10 operating update |
| mid-October | Alliance Oil | AOIL SS | Oil and gas | 9M10 operating update |
| mid-October | Tatneft | TATN | Oil and gas | 9M10 operating update |
| First half of October | Power Machines | SILM | Machinery | 6M10 results under IFRS |
| mid-October | AVTOVAZ | AVAZ | Machinery | 6M10 results under IFRS |
| October, 19 | NLMK | NLMK | Metals & Mining | 9M operating update |
| end of October | Tatneft | TATN | Oil and gas | 6M10 results under US GAAP |
| last week of October | TNK-BP Holding | TNBP | Oil and gas | BP 9M10 results (estimate of TNK-BP net income) |
| last week of October | Lukoil | LKOH | Oil and gas | ConocoPhillips 9M10 results (estimate of Lukoil's net income) |
| 2nd half of November | KAMAZ | KMAZ | Machinery | 6M10 results under IFRS |
| 2nd half of November | GAZ Group | GAZA | Machinery | 6M10 results under IFRS |
| last week of October | TNK-BP Holding | TNBP | Oil and gas | TNK-BP 9M10 results (estimate of TNK-BP Holding's financials) |
| last week of October | Eurasia Drilling | EDCL LI | Oil and gas | 9M results under US GAAP |
| October | Gazprom | GAZP | Oil and gas | 6M10 results under IFRS |
| October | OGK-1 | OGKA | Utilities | 1H10 results under IFRS |
| November, 1 | OGK-2 | OGKB | Utilities | 9M10 results under RAS |
| November, 2 | FGC | FEES | Utilities | 9M10 results under RAS |

Source: TKB Capital estimates

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