



Association of European Businesses

**ANNUAL REPORT 2011**

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**Dear AEB Members,**

It is with great pleasure that the members of the Board, Council of National Representation, Auditing Commission, and Chairpersons of our committees present to you the Annual Report of the Association of European Businesses (AEB) for 2011.

The year 2011 was marked with many achievements for the Association, both internally and with regard to activities carried out on behalf of its member companies. The AEB has certainly become the strongest foreign business association in Russia, with a 16 year track record of effective lobbying and networking. This year, the AEB saw an increase in membership, and more particularly, of its sponsors. Increased sponsorship within the AEB is a welcome sign not only for the Association but for business in Russia: we believe it also to be an indication of an overall improvement in the country's economic situation. The AEB is now proud to represent the interests of over 630 members and 57 sponsors, which is the historical peak.

The backbone of our association is our committees. In 2011, the number of the AEB committees, subcommittees and working groups increased; now they are over 40 in number. This is also a strong sign that our member companies trust us to represent their business interest in virtually all the economic sectors in Russia. Currently, the AEB is the only business association that represents almost all the industrial sectors through its committees. Committees and working groups created in 2011 include the committee for Small and Medium-size Enterprises and the Biotechnology working group. Also, the Crop-Protection subcommittee was restructured to assume the committee status. The

opening of an AEB North-Western Regional committee office in St. Petersburg in 2010, alongside the creation of four regional subcommittees in that area had an extremely positive impact on the AEB's presence in the North-Western district. The AEB now supports over 150 companies with representative offices, branches or production plants in this region. As a result of increased activities among AEB member companies in the Southern region of Russia. The Association also made a decision in 2011, to create a regional subcommittee in Rostov-on-Don.

With an amplified focus on the Russian regions, several business missions were organised to Stavropol, Krasnodar and Voronezh – to name but a few. Also, the creation of a North-Western Regional committee, four subcommittees and a steering group, based in Saint Petersburg has led to an increase in the number and quality of the events being held in what is fondly referred to as Russia's northern capital. Last year, events held in Saint Petersburg included the European and Russian Business and Second Northern Dimension Forums. Both events were extremely successful. The AEB also had the honor of representing the voice of the European businesses at the Trade Counselors meetings in Saint Petersburg.

In 2011, we continued our work on improving the services made available to our members. Trainings are now a constant when it comes to AEB activities. The AEB Loyalty programme continued providing member-companies with very lucrative discounts in several sectors, including the hotels and restaurants. The Association also diversified its range of

our statistics to now include the car, commercial vehicles, construction equipment, and crop protection sectors.

In all, the year 2011 was successful in terms of lobbying for the Association. In February of 2011, the Association, through prompt and effective lobbying effected a change to the amendments to the new Federal Law on Migration with regard to the registration procedure for foreign nationals living in Russia. The AEB raised its concerns in a letter to the RF President, Dmitry Medvedev and participated in the preparation of new amendments to facilitate the migration registration procedure and make it less troublesome for expatriates. Subsequently, the initial amendments, which came into force on February 15<sup>th</sup>, 2011, were revised, with changes being effected on March 23<sup>rd</sup>, 2011.

The AEB was also successful in preventing the inclusion of restrictions on trans-border data transfer in the Federal Law "On the National Payment System" (the NPS Law). The restrictions on the trans-border data transfer would have forced banks and other international financial institutions to alter or completely overhaul their current operational models, as processing or data storage for regional centres is often located outside of Russia. The law could have also pushed back the development of electronic payments in Russia.

In March, 2011, the AEB Board once again visited Brussels and met with representatives of the

European Commission and European Parliament. We are also pleased to announce that in April, 2011 we established a Belgian non-for-profit organisation – "Association Internationale Sans But Lucratif" (AISBL), which will help us lobby the interests of our members in Brussels in the future. The AEB is also an active Member of the European Business Organisations Worldwide Network, which comprises of organisations carrying out activities similar to those at the AEB, in other non-EU countries. In November 2011, the AEB CEO, Dr. Frank Schauff was elected Vice-Chairman of this worldwide network. We are also very active within the EU-Russia Industrialists Roundtable, where we actively contribute to the work of this organisation. This has led to the AEB's participation in various workshops on the Partnership for Modernisation, organised both in Russia and Brussels. The results of these workshops were then recommended to the European and Russian leaders at the last EU-Russia Summit on 15 December 2011.

As the next pages will show, the year 2011 was extremely successful. We hope that this annual report will show all our members that the AEB is in fact doing its uttermost best in representing interests of its member companies; and this is a tradition we most definitely intend to continue in the years to come.

**Yours sincerely,**

Reiner Hartmann  
Chairman of the Executive Board

Frank Schauff  
Chief Executive Officer

Association of European Businesses

## AEB OPEN MEETINGS 2011 JANUARY–DECEMBER 2011

1. Briefing by Chris Weafer, Chief Strategist, UralSib Capital  
*Russia: Invest and Modernise or Stagnate.*  
Date: 15.02.2011
2. Briefing by Valery Yazev, Vice-Chairman, RF State Duma  
*“Legal problems in the EU-Russia Cooperation in the Gas Sphere”.*  
Date: 14.03.2011
3. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the RF  
*World Bank’s Russia Economic Report # 24.*  
Date: 31.03.2011
4. AEB Conference. Russia and European Investors: What’s New?
  - *Foreign Investors and the Russian Market – Current Trends*
  - *Moscow – International Financial Center: What We have and What We Need*
  - *Russian Economy: External factors and Internal Reserves*Date: 31.05.2011
5. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the RF  
*World Bank’s Russia Economic Report # 25.*  
Date: 09.06.2011
6. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the RF  
*World Bank’s Russia Economic Report # 26.*  
Date: 15.09.2011
7. Briefing by Odd Per Brekk, Senior Resident Representative in the RF, International Monetary Fund  
*Growth or Stagnation? Post-Election Economic Policy Scenarios for Russia.*  
Date: 21.09.2011
8. Briefing by Sergey Sinkevich, Vice-President, Moscow Interbank Currency Exchange  
*“MICEX – Opportunities for Foreign Investors”.*  
Date: 28.09.2011
9. Briefing by Igor Bunin, General Director, Center for Political Technologies  
*Pre-Electoral Landscape in Russia.*  
Date: 05.10.2011

10. Briefing by Alexey Venediktov, Editor-in-Chief, Echo of Moscow  
*Mass Media and Elections: Forth Power or...?*  
Date: 10.10.2011
11. Briefing by Igor Yurgens, Chairman of the Board, Institute of the Contemporary Development  
*Pre-Electoral period: What is High on the Agenda?*  
Date: 26.10.2011
12. Briefing by Mikhail Fedotov, Chairman of the President’s Council for Development of Civil Society and Human Rights  
*Public control as one of Russia’s Modernization Tools.*  
Date: 01.11.2011
13. Briefing by Vladimir Yakunin, President, Russian Railways  
Date: 10.11.2011

## EURORECEPTIONS

Moscow	
Norway	22 <sup>nd</sup> March, 2011
France	18 <sup>th</sup> May, 2011
Latvia	31 <sup>st</sup> May, 2011
Austria	6 <sup>th</sup> October, 2011
Finland	8 <sup>th</sup> December, 2011

**OPEN EVENTS: JANUARY–DECEMBER 2011**

**Briefing by Chris Weafer, Chief Strategist, UralSib Capital**  
Russia: Invest and Modernise or Stagnate. Date: 15.02.2011



**Briefing by Valery Yazev, Vice-Chairman, RF State Duma**  
“Legal problems in the EU-Russia Cooperation in the Gas Sphere”. Date: 14.03.2011



## OPEN EVENTS: JANUARY–DECEMBER 2011

### AEB Conference. Russia and European Investors: What's New?

Date: 31.05.2011



### Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the RF

World Bank's Russia Economic Report # 25. Date: 09.06.2011



**OPEN EVENTS: JANUARY–DECEMBER 2011**

**Briefing by Odd Per Brekk, Senior Resident Representative in the RF, International Monetary Fund**  
Growth or Stagnation? Post-Election Economic Policy Scenarios for Russia. Date: 21.09.2011



**Briefing by Sergey Sinkevich, Vice-President, Moscow Interbank Currency Exchange**  
"MICEX – Opportunities for Foreign Investors". Date: 28.09.2011





## OPEN EVENTS: JANUARY–DECEMBER 2011

**Briefing by Igor Bunin, General Director, Center for Political Technologies**  
Pre-Electoral Landscape in Russia. Date: 05.10.2011



**Briefing by Alexey Venediktov, Editor-in-Chief, Echo of Moscow**  
Mass Media and Elections: Forth Power or...? Date: 10.10.2011



**Briefing by Igor Yurgens, Chairman of the Board, Institute of the Contemporary Development**  
Pre-Electoral period: What is High on the Agenda? Date: 26.10.2011



**OPEN EVENTS: JANUARY–DECEMBER 2011**

**Briefing by Mikhail Fedotov, Chairman of the President's Council for Development of Civil Society and Human Rights. Public control as one of Russia's Modernization Tools. Date: 01.11.2011**



**Briefing by Vladimir Yakunin, President, Russian Railways. Date: 10.11.2011**



## EURORECEPTIONS: JANUARY–DECEMBER 2011

### MOSCOW EURORECEPTIONS

Norway 22<sup>nd</sup> March, 2011



### MOSCOW EURORECEPTIONS

France 18<sup>th</sup> May, 2011



**EURORECEPTIONS: JANUARY–DECEMBER 2011**

**MOSCOW EURORECEPTIONS**

Latvia 31<sup>st</sup> May, 2011



**MOSCOW EURORECEPTIONS**

Austria 6<sup>th</sup> October, 2011



## MOSCOW EURORECEPTIONS

Finland 8<sup>th</sup> December, 2011



## PR, COMMUNICATIONS & PUBLICATIONS

### COMMUNICATIONS & PUBLICATIONS

#### WEBSITE:

- The Russian version of the AEB website <http://ru.aebrus.ru> was launched.
- Over 60% of the web pages, including the AEB Member Notice Board (<http://aebrus.ru/services/memberboard/>) were updated and redesigned to increase the usability of the AEB website
- A web page for the AEB training was launched <http://aebrus.ru/aebrtrainings/> in addition to the AEB training website
- The web structure was modified for the benefit of the AEB members and other users
- A new online photo module was developed, which allows to upload speakers' pictures at the event page

#### PR:

- In 2011, **35 press releases** were prepared by the Communications Department (including 12 press releases, dedicated to the sales of cars and LCVs in Russia)
- A number of the AEB has mentions in media reached **597 in 2011/beginning of 2012**, including the major Russian media groups (Vedomosti, Kommersant, Vesti TV channel, Rossiyskaya gazeta, Russia Today, RBC) and major overseas media sources (The Financial Times, BBC, Handelsblatt and many other).
- **Major AEB press-clippings** are available at [http://www.aebrus.ru/media/aeb\\_press/](http://www.aebrus.ru/media/aeb_press/).
- **Two events for media** were organised in 2011. The **annual press-conference of the Automobile Manufacturers Committee** attracted **100 journalists** and **72 representatives** of the AEB member companies, 172 people in total. This is a record growth compared with 2011 (141 participants, including 78 journalists and 63 companies) and the **AEB Annual Press Party**, held in January 2011 at the Golden Apple hotel.
- A number of the AEB general events and briefings for members generated substantial media coverage (briefing by Vladimir Yakunin, President of Russian Railways, attracted over 30 journalists).

- An Anti-Counterfeiting PR campaign in the Russian Federation was launched by the AEB.
- A new format for the regular monthly AEB newsletter was developed
- Available at [http://www.aebrus.ru/application/views/FCKEditor/files/FCKEDITOR/aeb\\_newsletter\\_december\\_2011\\_13\\_01\\_2012\\_16\\_38\\_36.pdf](http://www.aebrus.ru/application/views/FCKEditor/files/FCKEDITOR/aeb_newsletter_december_2011_13_01_2012_16_38_36.pdf)

#### **PUBLICATIONS:**

Publications manager – Nina Anigbogu (Nina.Anigbogu@aebrus.ru)

- The AEB continued to release its **Position Paper** twice a year. The AEB Position Paper is also available in **CDs** as an electronic publication in addition to the printed version.
- The AEB continued to publish its **Business Quarterly magazine** with a circulation of **16,000 copies**, due to a growing demand.
- The AEB continued to publish its annual guide **How to Invest in Russia**. A German version of the publication was once again released in cooperation with the OWC Publishing house in Germany.
- **Step by Step: Living in Russia** with a circulation of 6 000 copies is now an established information source for the European business community in Russia.
- The AEB continued to publish the annual **Membership Directory**. In 2011, the information of over 500 member companies was featured AEB Membership Directory.
- The **Real Estate Monitor** was sent out on a quarterly basis to the AEB members by e-mail.



## AGRIBUSINESS COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To promote the activities of the European food sector and related industries in the RF;</li> <li>➤ To provide the members with updated information, from competent sources, on a wide range of issues of prime importance to the industry.</li> </ul>	
<b>CHAIRMAN</b>	Andrei Rogov, John Deere	
<b>AEB MEMBER COMPANIES</b>	AGCO Machinery LLC; Amazone; BASF; Bayer ZAO; Bonduelle-Kuban; Cargill Enterprises Inc.; CLAAS; CNH Services SRL; Danone; Dow AgroSciences Vmbh; DuPont Science & Technologies LLC; Ferrero; JCB Sales Limited; John Deere; Kverneland Group; Merloni Progetti SpA; Lantmannen Unibake Russia; Nestle; Sirena; SGS Vostok Limited, ZAO; Syngenta OOO; Uhrenholt; Zentis Russland	
<b>NUMBER OF COMMITTEE MEETINGS</b>	10	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Participation in the “Green Week”, Berlin, Germany	20-22.01.2011
	➤ Agribusiness Committee meeting with the Head of Rosagroleasing, Mr. Nazarov	06.04.2011
	➤ Committee meeting with the participation of Rossel'khozbank	03.06.2011
	➤ Committee meeting with representatives of leading Russian agricultural associations, media, producers (Grain Union, Rossel'mash, Krest'anskiye Vedomosti, etc.)	25.11.2011
	➤ Committee meeting with the Deputy Minister, Mr. Shestakov	22.12.2011

In the course of 2011, the committee continued considering at its meetings various issues related to agribusiness companies' activities on the Russian market. Special attention was paid to the issue of localisation of agribusiness machinery and “Made in Russia” status of foreign producers assembling their products at their plants in Russia. Russia's expected accession to WTO, customs duties increase, loans to the farmers for the purchase of foreign machinery were other topics on the agenda.

The committee actively worked on forming and maintaining a close collaboration with the Russian government Agencies, Ministries, state supported Banks, professional associations present on the agricultural market. Working meetings were organised, at which the Deputy Minister of Agriculture, Mr. Shestakov, Head of Rosagroleasing, Mr. Nazarov, Director of Department of Targeted Programs, Rossel'khozbank, Mr. Shangaliev were present. A special meeting was also held, where various issues with regard to the agricultural sector in Russia were discussed. Present at this meeting were representatives of the several professional associations within the Russian Federation (RF).

In 2011, the committee actively participated in the work of the International Agribusiness club, where the Minister of Agriculture, E. Skrynnik and the Governor of the Voronezh region, Mr. Gordeev were invited as guest speakers. The committee members also attended agricultural conferences such as “Melnitsa – 2011”; “The Modernisation of Russia's Food Industry for Food Safety.”

The committee submitted its comments on the veterinary control within the Customs Union to the RF Government, which were accepted and viewed positively by the Ministries of Economic Development and Agriculture.

**AIRLINE COMMITTEE**

<b>AIM</b>	To represent and lobby the interests of the member airlines before the Government bodies on all levels and the public in general.
<b>CHAIRMAN</b>	Leonid Tarasov, General Manager, Delta Air Lines
<b>DEPUTY CHAIRMAN</b>	Martin Sprongl, General Manager, Qatar Airways
<b>AEB MEMBER COMPANIES</b>	Air France; Alitalia; Austrian Airlines; Delta Air Lines, Inc.; Emirates; Iberia; Finnair; KLM; Korean Air; Lufthansa; SAS; Swiss International Air Lines; Qatar Airlines
<b>NUMBER OF COMMITTEE MEETINGS</b>	4

The airline committee is an industry committee, which deals with a number of sensitive issues relevant to the foreign national carriers operating on the Russian market, within the framework of the Russian legislation and in accordance with international rules. The issues considered during the year included air service agreements, related tax legislation, customs and VAT questions, over-flight rights, support for BSP and e-ticketing, development of a working relationship with three Moscow airports: Domodedovo, Sheremetyevo and Vnukovo.

In October 2011, Vnukovo Airport gave a presentation at the Airline committee meeting, the airport was represented by the Operations Director, Mikhail Greydin and General Director of Vnukovo Cargo, Valery Shturmin. The presentation was followed by a site visit to Vnukovo Cargo Terminal, which was a joint project of the Airlines and Customs and Transport committees.

On the 7th of December, 2011, InfoWatch company arranged a presentation on an airlines-specific product, which helps companies monitor the passengers' feedback on the services provided by airlines.

Regular Airline committee meetings and internal discussions were also held:

- 23.04.2011
- 23.06.2011
- 21.09.2011
- 07.12.2011

**AUTOMOBILE MANUFACTURERS COMMITTEE (AMC)**

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To unite and represent the common interests of its members – automobile importers of global automobile producers, which guide business activities in the Russian Federation (producing in and/or importing).</li> <li>➤ To create conditions for development of civilized automotive market; set and observe common and fair business rules for automotive companies officially operating in Russia and leverage inter-company co-operation and constructive partnership.</li> <li>➤ The AMC concentrates on the most important and urgent issues of the automotive business which affect its members, developing appropriate responses, lobbying to ensure that member interests are represented and dealing with the Russian governmental authorities, public institutions, local and international automotive associations and the mass media.</li> </ul>
<b>CHAIRMAN</b>	David Thomas, President, Volvo Cars, LLC
<b>DEPUTY CHAIRMAN</b>	Joerg Schreiber, Mazda Motor Rus, LLC (acting)



<p><b>AEB MEMBER COMPANIES</b></p>	<p>BMW Rusland Trading OOO; Chrysler Russia ZAO; Ford Sollers Holding; GAZ Group LLC; General Motors CIS LLC; Honda Motor RUS LLC; Honda R&amp;D Europe; Hyundai Motor CIS OOO; Jaguar Land Rover LLC; Kia Motors Rus LLC; Mazda Motor Rus LLC; Mercedes-Benz Rus ZAO; Mercury Auto / Ferrari Maserati; Mitsubishi / Rolf Import OOO; Nissan Manufacturing Rus OOO; Peugeot Citroën Mitsubishi Rus OOO; Peugeot Citroën Rus OOO (Peugeot /Citroën); Peugeot Citroën Mitsubishi Rus OOO; Porsche Rusland OOO; Renault Russia; Sollers OAO; Subaru Motor LLC; SUZUKI MOTOR RUS LLC; Toyota Motor OOO; Volkswagen Group Rus OOO (Audi Russia / Škoda Auto Russia / Volkswagen Russia / Volkswagen NFZ); Volvo Cars LLC New members 2011: Peugeot Citroën Mitsubishi Rus OOO, Honda R&amp;D Europe (UK) Members as legal entities: 25 members Number of brands represented: 43</p>											
<p><b>NUMBER OF COMMITTEE MEETINGS</b></p>	<p>Board meetings: 6 Meetings of the working groups: 30 Meeting with the Ministry of Industry: 2 Meetings with the European Commission: 1 Video conferences with Brussels on market access (EC, ACEA, etc.): 1</p>											
<p><b>AEB OPEN EVENTS ORGANISED</b></p>	<table border="1"> <thead> <tr> <th data-bbox="491 887 1197 936">Event Title</th> <th data-bbox="1204 887 1436 936">Event Date</th> </tr> </thead> <tbody> <tr> <td data-bbox="491 947 1197 981">➤ AMC press-conference, "REVIEW 2010".</td> <td data-bbox="1204 947 1436 981">January 13<sup>th</sup>, 2011</td> </tr> <tr> <td data-bbox="491 992 1197 1025">➤ Era GLONASS project (joint event)</td> <td data-bbox="1204 992 1436 1025">March 2<sup>nd</sup>, 2011</td> </tr> <tr> <td data-bbox="491 1037 1197 1104">➤ Round table organized jointly with Goltsblat BLP on legal issues in automotive industry.</td> <td data-bbox="1204 1037 1436 1104">June 17<sup>th</sup>, 2011</td> </tr> <tr> <td data-bbox="491 1115 1197 1169">➤ Round table organized jointly with Navteq on automotive navigation systems in Russia.</td> <td data-bbox="1204 1115 1436 1169">October 20<sup>th</sup>, 2011</td> </tr> </tbody> </table>	Event Title	Event Date	➤ AMC press-conference, "REVIEW 2010".	January 13 <sup>th</sup> , 2011	➤ Era GLONASS project (joint event)	March 2 <sup>nd</sup> , 2011	➤ Round table organized jointly with Goltsblat BLP on legal issues in automotive industry.	June 17 <sup>th</sup> , 2011	➤ Round table organized jointly with Navteq on automotive navigation systems in Russia.	October 20 <sup>th</sup> , 2011	
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The year 2011, was the **14<sup>th</sup> year of AMC operations** within the AEB and the Committee got 2 new members.

**Open events** of the AMC included:

AMC press conference. Present were the CEOs of automotive companies. This provided the media with an opportunity to interact with the heads of the automotive companies, with regard to very important issues related to the automotive industry;

3 round tables were organized for the car companies' representatives jointly with Goltsblat BLP, Navteq and NIS Glonass.

In 2011, for the 6<sup>th</sup> year, the AMC ran the **on-line sales data exchange system** for its members (the most up-to-date source on the car and LCV sales statistics in Russia).

Throughout the year, the AMC continued lobbying against **changes in customs tariffs on new cars**.

Other issues on the 2011 agenda, with the actions and developments to follow up in 2012 were:

- **Homologation norms** and their conformity to the European levels (apart from regular meetings of the working group, a presentation was made to the EC officials in October 2010; the group is in constant contact with the appropriate local authorities sharing the views and position of the international car companies in terms of certification); this discussion was intensified due to the introduction of the new Technical Regulation on Vehicles Safety which was enforced in 2010
- **ELV legislation** (results of the study conducted in 2008/2009 presented; further lobbying steps to be taken); 2010 focus: monitoring and participating in discussion of the scrappage incentive project of the RF Government (representative of the AMC is part of the inter ministerial group); legislation developments to be followed up
- **PR** representatives of the AMC companies met quarterly to discuss and coordinate press activities on the national level, as well as jointly coordinate the media monitoring project with the external provider
- **Following up FAS initiatives on spare parts and dealer contracts**
- Preparations for the **MIAS 2012** (Moscow International Automobile Salon)

External contacts and communication:

Throughout the year, the AMC produced monthly press-releases on car sales statistics (starting from 2009 on all cars sold in Russia, not just foreign cars) that are widely used by all automotive and business media in

Russia and outside the country. Press coverage of issues addressed by the AMC and its activities in general, further increased in 2011.

Throughout the year 2011, the Committee focused on strengthening its contacts with the national and international automotive associations: OAR (Association of Russian Automakers), ROAD (Russian Dealer Association), VDA (German Association of the Automotive Industry), JAMA Europe (Japan Automobile Manufacturers Association), Turkish Automotive Exporters Union, ACEA (European Automobile Manufacturers Association), CCFA (Le Comit des Constructeurs Fran ais d'Automobiles), OICA (International Organization of Motor Vehicle Manufacturers), as well as with the local authorities and industry officials.

Apart from being in close contact with the Ministry of Industry and Trade the Committee had several meetings focused on briefing EC representatives on the industry's developments within the country.

AMC representatives spoke at several conferences and one external press-conference on behalf of the Committee in 2011.

## AUTOMOTIVE COMPONENTS COMMITTEE

<b>AIM</b>	To unite and lobby for the joint interests of the AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and Original Equipment Manufacturers (OEMs), supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.	
<b>CHAIRMAN</b>	Ivan Bonchev, Director, CIS Automotive Head, Transaction, M&A, Ernst & Young (CIS) B.V.	
<b>AEB MEMBER COMPANIES</b>	AGC Glass Europe; Air Liquide OOO; AkzoNobel N.V.; Atlas Copco ZAO; BASF; Continental Tires RUS LLC; Deloitte; JV JSC "Delphi Samara"; Dow AgroSciences VmbH; Dow Corning; DSM Group; DuPont Science and Technologies; Eberspaecher Exhaust Systems RUS LLC; Ernst & Young; Federal-Mogul Powertrain Vostok; Gestamp-Severstal-Kaluga; GKN Automotive International GmbH; Goodyear Russia; Henkel Russia; Johnson Controls International; Johnson Controls Autobatterie RUS; Johnson Matthey PLC; Magna; Michelin; Nokian Tyres Ltd; Obninskorgsintez; Pirelli Tyre Russia; PwC; Russian Automotive Components Limited; Saint-Gobain CIS; Sandvik LLC; ThyssenKrupp AG Representative Office RF; YOKOHAMA RUSSIA LLC; ZF Friedrichshafen AG	
<b>NUMBER OF COMMITTEE MEETINGS</b>	12, including 9 of Tire Producers Working Group	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	2 <sup>nd</sup> International Forum "Automotive Industry and Autocomponents Market in Russia", organized by the committee in cooperation with ITE Expo and Messe Frankfurt RUS in the framework of the international exhibition "Automechanika Moscow powered by MIMS 2011". Main topics: ➤ The Latest Trends in the Russian Automotive Industry; ➤ Supplier Market Development in Russia; ➤ The Russian Regions: Investment Opportunities; ➤ Automotive Component Industry: Legal Framework; ➤ Standardisation and Logistics in Automotive Supply Chains; ➤ Russia's Integration into the World's Automotive Industry; ➤ The Russian Aftersales Market.	August 24 <sup>th</sup> and 25 <sup>th</sup> , 2011

The committee held several meetings with invited speakers from OEMs:

**July 6<sup>th</sup>**

Meeting with Salih Karli, Purchasing Director of Renault-Nissan Purchasing Organisation.

**November 10<sup>th</sup>**

Meeting with Frank Haase, Procurement Director of Volkswagen.

The committee worked closely with the Delegation of the European Union to Russia and participated in the meeting of the Market Access working group of the European Commission held on September 14<sup>th</sup>.

The committee members participated on privileged terms in an international exhibition “Automechanika Moscow powered by MIMS 2011”, which was held from August 24<sup>th</sup> to 27<sup>th</sup>, 2011.

The Tire Producers working group, which operates under the umbrella of the Automotive Components committee unites six members: Continental, Goodyear, Michelin, Nokian Tyres, Pirelli and Yokohama. In September 2011 Thierry Chiche, Michelin General Director for Russia and CIS, was elected Chairman of the working group. This year, the group worked on different specific issues related to the tire industry and cross – industrial aspects, including technical regulations for tires in the Russian Federation and in the Customs Union and End of Life Tire (ELT). The working group proceeded with the registration of the European Directives in Rosstandard and their subsequent inclusion in the list of documents that can be used on a voluntary basis to certify tires in accordance with the Russian Technical Regulation “On Safety of Wheeled Vehicles”. Other important issues of the 2011 agenda included customs duties and recycling. The group arranged meetings on recycling with the Ministry of Economic Development on August 25<sup>th</sup> and with the President’s Administration on September 1<sup>st</sup>, 2011.

## BANKING COMMITTEE

<b>AIM</b>	The Banking committee is made up of international banks and other financial institutions who combine their efforts in order to effectively represent their interests, while working on the Russian market. The committee aims: <ul style="list-style-type: none"> <li>➤ to provide a level playing field between local and foreign operators;</li> <li>➤ to provide direct technical policy advice to European and Russian government officials.</li> </ul>	
<b>CHAIRMAN</b>	Joerg Bongartz, Chairman of the Board, Deutsche Bank Ltd.	
<b>AEB MEMBER COMPANIES</b>	Bank Credit Suisse; Bank WestLB Vostok; BNP PARIBAS BANK; BNP Paribas Vostok; Center-Invest Bank; Credit Agricole Corporate & Investment Bank; Cetelem; Citibank; Credit Europe Bank; Danske Bank; Deutsche Bank; European Bank for Reconstruction and Development (EBRD); Hellenic Bank; HSBC Bank (RR); ING Commercial Banking; MasterCard; Mercedes-Benz Bank; Natixis Bank; Nordea Bank; OTP Bank; Raiffeisenbank; RN Finance Rus; Rosbank; Royal Bank of Scotland; Skandinaviska Enskilda Banken (SEB); Svenska Handelsbanken; Swedbank; UBS Bank; UniCredit Bank; Yapi Kredi Bank Moscow; SWIFT; Visa	
<b>NUMBER OF COMMITTEE MEETINGS</b>	3	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ MGIMO-AEB GLOBE FORUM	30-31.03.2011
	➤ AEB HR Conference	17.05.2011
	➤ Participation in the AEB Flagship Conference	31.05.2011

In 2011 the committee continued its cooperation with the Central Bank of Russia in the area of the development of a Direct Debit System and Retail Payments. The working group on Payments organised several meetings with the Central Bank of Russia on the subject.

Among the committee’s initiatives were those regarding personal data protection and Anti-money laundering (AML) compliance, the latter being a joint project with Foreign Investment Advisory Council (FIAC) .

The committee also organised a meeting with the Deputy Minister of Economic Development Andrey Klepach.

A group of most senior representatives of the committee member banks met regularly on a monthly basis to discuss important developments and define initiatives of the Banking committee.

In the first half of 2011, queries to the relevant state authorities, with suggestions on the amendments to the Draft Law on the National Payment System were sent. The committee members attended hearings at State Duma regarding the Draft Law. The committee's suggestions were taken into account in the final version of the law.

In March 2011, the committee's Chairman took part in an AEB Board Mission to Brussels, where he was opportune to meet with decision makers from the EU Commission and EU Parliament, as well as high level representatives of EUROCHAMBRES and BUSINESSEUROPE.

Committee members participated in an Open Lecture held at the MGIMO university.

## COMMERCIAL VEHICLES COMMITTEE

<b>AIM</b>	To support the joint interests of committee members and increase the power of its members above the sum of their individual powers, lobbying for active involvement in all decision making processes affecting commercial vehicles industry, promoting free trade and supporting a fair and reliable business environment, contributing to the prosperous and sustainable growth of the Russian economy.	
<b>ACTING CHAIRMAN</b>	Andrey Chursin, Sales Director, Scania-Rus LLC	
<b>AEB MEMBER COMPANIES</b>	CNH-KAMAZ Commerce; Ford Motor Company ZAO; Gaz Group; Hino Motors; Hyundai ComTrans Rus Ltd.; Iveco Russia LLC; MAN Truck & Bus AG; Mercedes-Benz Russia; Mercedes-Benz Trucks Vostok; Nissan Motor Rus OOO; Peugeot Citroen Rus; Renault Russia; Renault Trucks Vostok; Scania Rus LLC; Sollers OAO; Volkswagen Group Rus OOO; Volvo Vostok ZAO	
<b>NUMBER OF COMMITTEE MEETINGS</b>	7	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	Annual AEB Commercial Vehicles Committee Press Conference: "Foreign Commercial Vehicles Sales in Russia in 2010" The event involved: ➤ Presentation of the AEB Commercial Vehicles committee; ➤ Presentation of Foreign Commercial Vehicles sales in Russia in 2010. Speakers: ➤ Boris Billich, CEO of Mercedes-Benz Trucks Vostok ➤ Andrey Chursin, Sales Director of Scania-Rus LLC; ➤ Frank Schauff, Chief Executive Officer, AEB.	21.02.2011

The Commercial Vehicles committee (CVC) was founded at the end of 2008 as a spin-off of the Automobile Manufacturers committee (AMC) in order to focus on specific needs of the commercial vehicles manufacturers in the Russian Federation. In 2011, Gaz Group joined the committee.

In 2011, the CVC had seven meetings: three regular committee meetings, two meetings of the Marketing, one meeting of the Statistics and one meeting of the Government Relations working groups.

Statistics remains one of the committee's priorities. In 2011, the committee continued to exchange statistical data on sales of commercial vehicles from 6t to over 16t, including buses, to end users and body manufacturers. Also, the committee continued exchanging forecasts on sales and publishing press releases on a quarterly basis, based on the data from the CVC statistics program and on the data on light commercial vehicles (from 2.8t to 6t), contributed by the AMC.

Exhibitions are another key area. In 2011, the CVC participated in the 11th International Specialized Exhibition COMTRANS 2011 that took place from 13 to 17 September in Moscow.

In February 2011, the AEB signed a memorandum of understanding with the Association of Russian Auto-makers (OAR) on cooperation in different spheres, which strengthened and enlarged the committee contacts with Russian producers of commercial vehicles.

In 2011, the committee also monitored changes to the technical regulations “On Safety of Wheeled Vehicles”, “On Requirements to the Motor and Aircraft Petrol, Diesel and Marine Fuel, Jet Engine and Residual Oil”, and “Recycling Safety Requirements for Road Vehicles”.

## CONSTRUCTION EQUIPMENT COMMITTEE

<b>AIM</b>	The AEB Construction Equipment committee serves as a platform for foreign manufacturers of construction equipment to discuss common issues and opportunities and acts, where appropriate, as a representative of its member companies on common industry concerns. The committee works to promote safety, good business practice and sustainability.	
<b>CHAIRMAN</b>	David Hill, General Director, JCB Russia	
<b>DEPUTY CHAIRMAN</b>	Andrey Komov, Sales & Marketing Director, Volvo Vostok	
<b>AEB MEMBER COMPANIES</b>	Caterpillar Eurasia LLC; CNH; Hitachi Construction Machinery Eurasia Sales LLC; JCB Russia OOO; John Deere Agricultural Holdings, Inc.; Komatsu CIS; Liebherr-Russland; Volvo Vostok ZAO	
<b>NUMBER OF COMMITTEE MEETINGS</b>	4	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ “Presentation of the AEB Construction Equipment Committee” in the framework of the 12 <sup>th</sup> International Specialised Show “Construction Equipment & Technologies 2011” (CTT 2011)	01.06.2011

The Construction Equipment committee (CEC) was established in February 2008 to unite and represent the interests of the CE industry players in Russia.

Statistics remains one of the priorities for the committee. Significant interest in joining the programme was shown by GAZ Group, ChTZ, Atlas Copco, Hidromek and others. Currently, reported products are: backhoe loaders, skid steer loaders, crawler loaders, wheel loaders, crawler tractors, crawler excavators, wheel excavators, rigid frame haulers, articulated haulers, motor graders, pipe layers, paving machines. There are plans to add more product groups such as telescopic handlers and cranes.

The Localisation working group continued cooperation with the Ministry of Economic Development of the Russian Federation on the elaboration of common rules regarding localisation for the construction equipment industry.

The committee also held discussions with the ministries and the regulating bodies of the Russian Federation with regard to the technical regulation of the Russian Federation “On Safety of Machinery and Equipment” that came into force on the 27<sup>th</sup> of September, 2010.

The CEC cooperates with other national CE industry associations. In 2009, the AEB CEC became a member of the Committee for European Construction Equipment (CECE) and in 2011, it participated in the 2011 CECE-CEMA Summit in Brussels held on the 11<sup>th</sup> and 12<sup>th</sup> of October.

**CONSTRUCTION INDUSTRY AND BUILDING MATERIAL SUPPLIERS**

<b>AIM</b>	The committee's mission is to: <ul style="list-style-type: none"> <li>➤ Provide a platform for the exchange of information on the relevant topics between the committee members;</li> <li>➤ Coordinate activities of the member companies in response to changes in the legislation and standards;</li> <li>➤ Represent the committee members in public bodies and agencies;</li> <li>➤ Prepare and hold "open-access" events on relevant topics;</li> <li>➤ Establish a "central rollout point" in the AEB for the public bodies and agencies in case of queries related to the European industry, or other motives.</li> </ul>
<b>CHAIRMAN</b>	Gerd Lenga, Chief Commissioner, KNAUF Group CIS
<b>DEPUTY CHAIRMAN</b>	Anna Avramenko, Head of PR Department, Holcim (Rus)
<b>AEB MEMBER COMPANIES</b>	Arkema; Bayer; BASF; Daikin Europe; DuPont Science and Technologies LLC; Freudenberg Group; Heidelberg Cement; Henkel; Holcim (Rus); KNAUF; Legrand; Lindab Buildings; Lindner; Roca; Rockwool Russia; Ruukki; Saint-Gobain Construction Products Rus; Solvay S.A.; Wienerberger Kirpitsch LLC.
<b>NUMBER OF COMMITTEE MEETINGS</b>	9

The committee was established based on the decision made by the AEB Board in December 2010, with the aim of representing the interests of European construction companies and building material producers, in light of the new trends on the Russian market. The construction sector is a dynamic and fast developing industry whose importance can not be ignored. In line with that, the RF Government recently launched several initiatives to stimulate the growth of the residential property market and building material production in Russia. The integration processes within EurAzEC and the harmonisation of technical norms and standards between the EU and Russia provide new opportunities and challenges for construction market players.

In 2011, the committee's efforts concentrated on building a common position on the following issues:

- infrastructural and resource availability;
- unfair competition and counterfeit;
- development of technical regulation and standardization;
- instruction in modern construction technologies;
- environmental sustainability and energy efficiency in construction;
- self-regulation in construction and others.

To address these issues, the committee, among other things, prepared a number of requests to the Russian governmental bodies. During the meeting with Mr. Ilya Ponomarev, Deputy Minister of Regional Development of Russia, held in September 2011, the committee passed on the position of the European building material producers operating in Russia on the most burning issues. The committee is likewise committed to providing the Ministry with expert opinions on all matters related to improving of economic and regulatory environment for the construction industry in Russia.

**CROP PROTECTION COMMITTEE (CPC)**

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To promote innovative Crop Protection technologies and products on the Russian pesticide market;</li> <li>➤ To monitor information in the fields of agriculture and Crop Protection industry and on legal developments;</li> <li>➤ To create an efficient platform for the CPC members to exchange information and discuss key issues;</li> <li>➤ To elaborate a joint CPC position and to present it to the authorities and the Crop Protection industry;</li> </ul>
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<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To develop permanent and regular Government Relations to lobby CPC interests;</li> <li>➤ To encourage a constructive cooperation with the appropriate professional associations and unions on the basis of common interests.</li> </ul>
<b>CHAIRMAN</b>	Ulrich Vollmer, Country Manager, Bayer Crop Science
<b>DEPUTY CHAIRMAN</b>	Alexander Merzlyakov, Country Manager Russia, DuPont Science and Technologies
<b>AEB MEMBER COMPANIES</b>	BASF, Bayer CropScience, Dow AgroSciences, DuPont Science and Technologies, MARUS, Syngenta
<b>NUMBER OF COMMITTEE MEETINGS</b>	6

#### Internal Changes:

- The Crop Protection Sub-Committee (CPS) was made a **committee (CPC)** in accordance with the decision taken by the AEB Executive Board, dated 14<sup>th</sup> of September, 2011;
- On the 1<sup>st</sup> of October, 2011 – the company **Makhteshim-Agan (MARUS in Russia) joined the committee;**
- **The number of CPC working groups** increased. Now, the committee has two more working groups, making a sum total of five working groups at the moment:
  - Registration and Data Protection;
  - Anti-Counterfeiting Activity;
  - Container Management Scheme;
  - Market Information System;
  - Customs Union Issues.

Like in previous years, in 2011, the CPC continued to concentrate its main efforts on developing and maintaining a constructive dialogue with the Russian Federation government and regulatory authorities on the following key issues:

#### Lobbying

##### 1.1. Influence on Forthcoming Laws.

- The CPC's **main proposals regarding the one window approach** to state registration of pesticides and on Data Protection (this was to a considerable degree initiated and supported by the European Crop Protection Association – ECPA) were supported and implemented in the Draft Law – **“Amendments to Federal Law 109 “Safe Handling of Pesticides and Agrochemicals”** dated July 19<sup>th</sup>, 1997”.
- The unified approach of several AEB committees including the CPC in regard to the **Draft Law “On Industrial and Consumer Waste”** stating the necessity of supplying the law with bylaws regulating waste management in different industries was taken into consideration by the Ministry of Natural Resources and Environment. This was as a result of several meetings with various authorities – Ministry of Economic Development, President's Administration, etc. These meetings were organized by a kind of informal AEB working group made up representatives of several AEB committees.

##### 1.2. Promotion of CPC Interests.

- An initiative on **increasing import duties for imported pesticides** was undertaken by the Russian Union of Crop Protection manufacturers for the third time (first in 2009 and second in 2010) in February, 2011. It was blocked by the CPC due to regular communications with the representatives of the Ministry of Economic Development (Department for Development and Governance of Foreign Economic Relations) and the official application on behalf of AEB to the Government Sub-Commission on Customs Tariff and Non-Tariff Regulation and Protective Measures in Foreign Trade (chaired by the Deputy Prime Minister V. Zubkov).
- **The Customs Union's new regulations** have some contradictions regarding the documents needed for pesticides' import into the Customs Union. The official application for clarification was sent to the Federal Supervision Service for Consumer Rights and Human Welfare (Rospotrebnadzor). Now the company-CPC members have **the official document from Rospotrebnadzor** stating that pesticides do not need an additional registration certificate (issued by Rospotrebnadzor) to be imported into the Customs Union.

**Projects**

- **The AEB-ECPA Anti-Counterfeiting Communications Campaign/Project** (supported financially by ECPA) aimed at building up consumer awareness on the danger of constantly increasing the volume of counterfeit and falsified pesticides started in September, 2011. The first result of this three year campaign was seen at the end of 2011 – a video film based on the European model, which covers situation with counterfeit and falsified pesticides on the Russian CPP market that might be used for different purposes (trainings, seminars and promo actions). It was prepared in close collaboration with the Federal Customs Services.
- **An agreement was reached to launch a Pilot Project on pesticide container waste management** in the Voronezh region. Support from the Voronezh government was gained in October and the project is being carried out in close collaboration with the ECPA.

**ENERGY COMMITTEE**

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To support the EU-RF cooperation in the energy sector, in particular, through the activities undertaken by the EU-RF Energy Dialogue and the EU-RF Industrialists' Round Table;</li> <li>➤ To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest;</li> <li>➤ To maintain relations with the parties directly involved in the Russian energy sector.</li> </ul>
<b>CHAIRMAN</b>	Reiner Hartmann, Head of Representative Office, E.ON Ruhrgas AG
<b>DEPUTY CHAIRMEN</b>	Juergen Moepert, Head of the Representation, Wintershall Holding GmbH, Andrey Mukhin, Senior Economic Advisor, Head of Tax Practice, Statoil ASA Russia
<b>AEB MEMBER COMPANIES</b>	AREVA; BP; Electricite de France; Enel Russia; Eni S.p.A; E.ON Russia; Fortum; Gasunie; GDF SUEZ; MOL Plc; Statoil ASA Russia; Shell E & P Services (RF) B.V.; Total E&P Russie; VNG – Verbundnetz Gas AG; Wintershall Holding GmbH
<b>NUMBER OF COMMITTEE MEETINGS</b>	12



AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	The participation in open sessions is exclusively on invitation	
	➤ Open session: Legal Update: E&P Legislation in 2010, by N. Kozyrenko, Partner, CMS Russia	04.02.2011
	➤ Open session: Preparation of the International Convention on Energy Security, by T. Shtilkind, RF Ministry of Energy	11.03.2011
	➤ Briefing by V. Yazev, Vice-Chairman, RF State Duma, Legal Problems in the EU-Russia Cooperation in the Gas Sphere	14.03.2011
	➤ Open session: Inter-regional Exchange of Oil and Gas Sector: Today and Tomorrow, by V. Baranov, President	14.04.2011
	➤ Open session: The Stability as Issue in Risk Assessment for Investment Projects in Oil & Gas Sector in Russia, by M. Subbotin, Director, SRP-Expertiza	27.05.2011
	➤ Open session: Russia's Oil and Gas Strategy: An Independent View, by M. Krutikhin, Partner, RusEnergy	27.10.2011
	➤ Round Table "Russian Energy Sector & European Investors"	07.12.2011

The AEB Energy committee stands as an interface on business opportunities and issues of concern to European energy companies operating in the Russian Federation. Therefore, the committee sustains and develops its links to relevant state authorities in Russia, such as the State Duma, Ministry of Energy, Ministry of Finance and Ministry of Economic Development. The committee also acts as an interface between the European energy business and Russian companies, such as Gazprom.

The committee is an important contributor to the EU-Russia Energy Dialogue process, representing the European energy business in the Thematic Group on Energy Strategies, Scenarios and Forecasts, the Thematic Group on Energy Market Developments and the Expert Group on Gas. The AEB Energy committee sustains its traditional cooperation with other bilateral and multilateral entities in Russia, such as the EU – Russia Industrialists Roundtable (IRT), European Business Congress (EBC), Petroleum Advisory Forum (PAF), Foreign Investment Advisory Council (FIAC), promoting active interaction on business-to-business and business-to-government levels. The AEB Energy committee supports the AEB's position as an official partner of the annual Russian Petroleum and Gas Congress (RPGC) in Moscow through participation in its Program Committee, delegating its members as chairmen and speakers to RPGC. The committee's activities are focused on energy policy strategic issues, investment climate, energy market conditions, and environmental protection issues, including global climate changes.

One of the important sources of information and influence tools for the committee is its regular Position Paper, which is a highly professional status document reflecting the views and approaches of the European companies towards the obstacles to making business in Russia and proposing real solutions. The Position Paper is widely distributed among petroleum and energy sector stakeholders both in Russia and abroad, including EU headquarters in Brussels.

The committee advocates that EU – Russia relations on energy matters should be based on stability in strategic perspective, mutual advantage and delivery of commitments. Such relations must include a balanced and transparent approach to the security and diversity of energy supply and demand, commercial attractiveness and reciprocity.

On March 16<sup>th</sup>, 2011 the committee held its now traditional CEOs breakfast.

On April 7<sup>th</sup>, 2011 the Energy committee participated in the Moscow International Energy Forum "Russian TEK in XXI" having organised within it, an international conference titled, "Foreign Investments in the Russian Fuel and Energy Sector: Status and Prospects".

Committee members participated in several major events:

- the Second Northern Dimension Forum (February 2011, Saint-Petersburg);
- the Conference "EU-Russia ED: Gas Aspect", May 2011, Berlin);
- the Saint-Petersburg Economic Forum (June 2011);

- the 9<sup>th</sup> Russian Petroleum & Gas Congress 2011 (June 2011, Program Committee & Participation in Gas Day);
- the 9<sup>th</sup> International Forum “Gas of Russia – 2011” (November 2011).

## HEALTH & PHARMACEUTICALS COMMITTEE

<b>AIM</b>	To consolidate, coordinate and protect the interests of AEB Member companies working in the health and pharmaceuticals industry.	
<b>CHAIRMAN</b>	Sergey Smirnov, General Manager, Novo Nordisk A/S	
<b>DEPUTY CHAIRMAN</b>	Yury Litvishchenko, General Manager, Chiesi	
<b>AEB MEMBER COMPANIES</b>	Alcon; AstraZeneca Pharmaceuticlas LLC.; Bayer ZAO; Binder; Boehringer Ingelheim; BOIRON; Chiesi Pharmaceuticals LLC; DSM Group; EGIS; Esparma GmbH; Fic Medical; Merck; Novartis Pharma; Novo Nordisk A/S; Nycomed; Orion Pharma LLC; Sanofi; SERVIER; Teva; Zentiva Pharma LLC.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	11	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Round table 'Medicine and Pharmaceuticals' within the framework of the Second Northern Dimension Forum. St. Petersburg	02.03.2011
	➤ Meeting of the AEB Pharma Committee Representatives with DG SANGO Deputy Director General Martin Seychell	29.04.2011
	➤ Round table – 'Pharmaceutical Business Harmonisation with International Standards' within the framework of the Second Russian-European Business Forum: Successful Together. St. Petersburg	23.09.2011
	➤ Round Table “Recent developments in the legislation on healthcare in the Russian Federation: New opportunities for Russian and foreign businesses”	27.09.2011
	➤ Meeting with the EU Commissioner John Dalli, responsible for Health and Consumer Policy and CEOs from the AEB health and pharmaceuticals companies.	10.10.2011

The Health & Pharmaceuticals Committee:

- Maintained the existing working relationships with the executive and legislative state bodies of the RF: State Duma and Council of Federation of the Federal Assembly, Ministry of Health and Social Development, Ministry of Industry and Trade, Federal Service of Surveillance in the Health Field (Roszdravnadzor), Federal Antimonopoly Service, Federal Intellectual Property Service (Rospatent) and other ministries and governmental agencies of the Russian Federation.
- Promoted a constructive dialogue between the Russian and foreign professional pharmaceutical associations (Association of Russian Pharmaceutical Manufacturers, Union of Professional Pharmaceutical Organisations).
- Ensured effective lobbying of members' interests in the RF and integrated them into the EU framework.
- Encouraged partnership between Russian and foreign companies.
- Enhanced cooperation with the Russian authorities to improve the medicines supply system.
- Encouraged improving the intellectual property rights protection and effective counteracting to counterfeited and out-of-date medicines.
- Contributed to building legislative environment which is enabling for economically effective medicines of proper quality as well as innovative medicines.

- Contributed to the development of a partnership between the European countries and the RF in the healthcare and pharmaceutical industry areas in close cooperation with the European Union Delegation to Russia and the European Commission Directorate-General for Health and Consumers.
- Encouraged the dissemination of the European advanced experience and best practices in the healthcare and pharmaceutical industry areas.

## HOME APPLIANCES COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To discuss issues that are of interest to Members;</li> <li>➤ To establish working relationship with authorities;</li> <li>➤ To get up to date information on changes in local legislation that are relevant to Members.</li> </ul>	
<b>CHAIRMAN</b>	Hans-Kersten Hrubesch, BSH Bytowaja technika	
<b>AEB MEMBER COMPANIES</b>	Ariston Thermo Rus; BSH Bosch-Siemens-Hausger te GmbH; Brother; Candy Hoover Group S.r.l.; Daikin Europe N.V.; OOO Delonghi; OOO Electrolux Rus; Groupe SEB Vostok; OOO Liebherr-Russland; Mitsubishi Electric Europe B.V.; Philips OOO; Procter & Gamble (Braun); Whirlpool CIS Ltd.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	5	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Round Table: "Discussion of amendments to Industrial and Consumer Waste Law"	18.05.2011
	➤ Round table of Home Appliances Committee and Russian Energy Agency "Energy Efficiency Labeling in Russia"	07.07.2011

The committee organised two Round table discussions. The amendments to Consumer and Industrial Waste Law was one the major concerns for the committee. The committee prepared and sent five relevant Inquiries in connection to the Draft Law and had two meeting with the Russian Government bodies.

In December 2011, alongside the AEB Retail trade committee, the Home Appliances committee actively participated in the release of the Winter AEB Business Quarterly magazine.

## INSURANCE & PENSIONS COMMITTEE

<b>AIM</b>	To provide a level-playing field between local and foreign operators in insurance and pensions sectors and direct technical policy advice to European as well as Russian government officials.
<b>CHAIRMAN</b>	Alexander Lorenz, Chairman of the Council, Raiffeisen Pension Fund
<b>DEPUTY CHAIRMAN</b>	Vladimir Sukhinin, Chief Operating Officer, LLC "Insurance Company CARDIF"
<b>AEB MEMBER COMPANIES</b>	ACE Insurance Company CJSC; Allianz Insurance JSC; Aviva Insurance Company; Cardif Insurance Company; Chartis Insurance Company; CMS, Russia; Coface; General Reinsurance AG; Marsh insurance brokers, ZAO; MetLife Alico; Munich Life Reinsurance company; Norton Rose (Central Europe) LLP; Oranta; PwC; Raiffeisen Non-State Pension Fund; Rosgosstrakh; Rosno; Russian Reinsurance Company; Russian Standard Insurance; SCOR Reinsurance; Societe Generale Life Insurance; Towers Watson; VSK; Zurich Insurance Company

<b>NUMBER OF COMMITTEE MEETINGS</b>	9	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Round table “Non-life insurance providers in Russia”	26.04.2011
	➤ Business meeting “Insurance and mergers & acquisitions”	27.10.2011
	➤ AEB Annual Pension Conference	02.11.2011

In 2011, the committee actively participated in the work on several legal acts regulating the insurance sector. In particular, the committee’s representatives were part of the Federal Antimonopoly Service (FAS) working group on insurance intermediaries. They also commented on draft orders of the Ministry of Finance, as well as on the draft federal law on amendments to the Federal law on consumer rights’ protection with regard to the protection of the rights of consumers of financial services rendered by insurers and several draft laws amending the Federal law on the organisation of insurance activities.

The committee continued to dialogue with the Ministry of Finance, which usually reacts positively to proposals made by the committee. Interaction with the Federal Antimonopoly Service has also become more intense as FAS plays an active role in the regulation of insurance intermediaries and bancassurance.

One of the most burning issues addressed by the committee was the new regulation that requires Russia-based insurance companies to increase their statutory capital by a factor of 4 by 1<sup>st</sup> Jan 2012, which was in contradiction with the 25% limitation for the share of foreign insurers in the total capitalisation of the Russian insurance market. The committee made a series of public statements and set several official letters to the government organisations, explaining the reason behind the need to increase the quota to 50%. In the end, the issue was resolved on Russia’s accession to the WTO. One of Russia’s commitments as a WTO member would be to finally increase the quota, as well as provide other opportunities for foreign insurers’ with regard to access to the Russian market, a gesture highly appreciated by the Committee.

The committee kept and developed contacts and held regular meetings, with various professional insurance associations such as the Guild of Actuaries of Russia, The All-Russia Insurance Association and the National Union of Liability Insurers. The latter was established in 2010 in order to create a framework for the implementation of the Federal law on mandatory general third party liability insurance for corporates that came into force on January 1, 2012.

## IT & TELECOM COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To promote the interests of AEB member companies in Telecom &amp; IT through governmental liaison and information exchange;</li> <li>➤ To assist AEB members on changes, best practices, legal and regulatory issues in IT and Telecom.</li> </ul>
<b>CHAIRMAN</b>	Natalia Schneider, Corporate Affairs Director, Telenor
<b>DEPUTY CHAIRMAN</b>	Mamuka Markhulya, Head of Legal & Regulatory, Tele2 Russia
<b>AEB MEMBER COMPANIES</b>	1C:BIT; ALPE consulting; Antal Russia; Antor Business Solutions; Basware OYJ; Beiten Burkhardt; Brother; CMS, Russia; Detecon Consulting; Egorov Puginsky Afanasiev & Partners; Google Russia; IBS; Itella Information; Linxdatacenter; Luxoft; Noerr; Nokia-Siemens; Panalpina World Transport ZAO; PwC; Pepeliaev Group; Russia Consulting; Sony Ericsson; Telenor Group; Tele 2 Russia International Cellular B.V.
<b>NUMBER OF COMMITTEE MEETINGS</b>	7

AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Round Table, “Skolkovo – Road to Innovations”	15.03.2011
	➤ Round Table, “Information Technologies for Pioneers”	02.06.2011
	➤ Practical Seminar “1C & SAP Solutions for Corporate Customers – Experience in Russia”	29.09.2011
	➤ Round Table “HR Solutions for the IT Industry”, jointly with the AEB HR Committee	19.10.2011
	➤ Briefing by Natalya Kasperskaya, CEO, InfoWatch	23.11.2011

In five well attended public discussions the IT & Telecom Committee, which one of the most active within the AEB in organising open events for the AEB members, covered a wide range of topics. The committee tries to maintain a constant pulse with regard to the new phenomena emerging not only strictly within the IT-Telecom industry, but touching the boundary sectors as well. This attracts to the committee events the diverse audience that insures deep and lively discussions.

## MACHINE BUILDING & ENGINEERING

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights;</li> <li>➤ To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies;</li> <li>➤ To render support to the Committee member-companies operating in Russia;</li> <li>➤ To monitor the development of the machine building market in Russia;</li> <li>➤ To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment;</li> <li>➤ To unite representative of different industries with stake in the Machine Building Sector.</li> </ul>	
<b>CHAIRMAN</b>	Philippe Pegorier, President, Alstom Russia	
<b>DEPUTY CHAIRMAN</b>	Ilya Oshkin, Business Development, Dow Corning GmbH	
<b>AEB MEMBER COMPANIES</b>	ABB; Air Liquide; Alstom Russia; BEITEN BURKHARDT; Caterpillar; Deloitte; Dow Corning; Eberspaecher Rus; EnergoFichtner; ImTech Rusland; John Deere; METSO; Mitsubishi Electric; PwC; Parker Hannifin; Radius Group; Royal Haskoning; SPb EC; Schneider Electric; SGS Vostok Limited; Siemens; Spectrum Group; Tebodin Eastern Europe; ThyssenKrupp AG; VegasLex	
<b>NUMBER OF COMMITTEE MEETINGS</b>	9	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Localisation in Russia:Suppliers, Medium Enterprises	09.06.2011
	➤ Engineering in Russia: What is it?	22.11.2011
	➤ The Legislative Basis for Modernization within the Machine Building Sector, organized jointly with the Council of Federation	29.11.2011

The AEB Machine Building and Engineering committee (MBE) is one of the more recent committees, created by the AEB in the last couple of years. In its activities, the Committee tries to keep a delicate balance between topics and issues common to representatives of other “neighbour” branches such as automobile construction, autocomponents, construction equipment, technical regulation and standardisation etc. The MBE Committee invites AEB members to join it, in order to increase the positive impact both on the AEB image and visibility.

## RETAIL TRADE COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To provide support to companies operating in the retail sector in Russia;</li> <li>➤ To ensure that information regarding current trends in Russia is exchanged among companies;</li> <li>➤ To arrange meetings with representatives of Russian authorities when needed;</li> <li>➤ To monitor the legislation changes regarding: <ul style="list-style-type: none"> <li>➤ Customs issues;</li> <li>➤ Tax issues;</li> <li>➤ Retail Market Statistics</li> </ul> </li> </ul>	
<b>CHAIRMAN</b>	Erwin Trinkl, Senior Vice-President, METRO GROUP	
<b>DEPUTY CHAIRMAN</b>	Thierry Leconte, Financial Director, Auchan	
<b>AEB MEMBER COMPANIES</b>	Auchan; ATAK; Decathlon Russia; IKEA; H&M Hennes & Mauritz LLC; L'Occitane Rus; Metro Group; OBI Russia; Stockmann, ZAO	
<b>NUMBER OF COMMITTEE MEETINGS</b>	6	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Committee meeting – Presentation of Legal Committee experts on Gift cards regulations	24.02.2011
	➤ Committee meeting – Tax Committee experts presentation on a draft law about breakage cost	12.04.2011
	➤ Committee meeting on factoring in Russia with participation and presentation from the UniCredit Bank	06.07.2011
	➤ Round Table: “Modernisation in Retail Trade” in the Framework of the Forum of Russian and European Businesses: Partners in Modernisation”	23.09.2011
	➤ Open Committee meeting – Regulations on working places for Retail Trade enterprises. Guest speaker: Mr. V. Korzh, Deputy Director of Department of the Ministry of Health and Social Development	18.11.2011

In 2011, the AEB Retail Trade committee focused on issues of great importance to retail trade, such as Trade law, a draft tax law on breakage costs; factoring in Russia and specific companies’ experience; packaging utilisation; Electronic Documentation Interchange (EDI); education and training, quality assurance, supply chain management; working places organisation regulations, and others.

Paying special attention to job safety and employers’ responsibilities, the Retail Trade committee submitted a request to the Ministry of Health and Social Development in order to receive clarifications regarding working places organisation regulations. The clarifications were provided during a committee meeting, where Mr. V. Korzh, Deputy Director of Department of the Ministry of Health and Social Development was present.

To communicate its opinion on different issues to a broader audience, the Retail Trade and Home Appliances committees contributed to the Winter 2011 issue of the AEB Business Quarterly, where an overview of

## ENERGY EFFICIENCY COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To increase Energy Efficiency (EE) business opportunities for AEB members; thereby contributing to a sustainable EE development in Russia;</li> <li>➤ To formulate and promote the AEB position on EE in Russia;</li> <li>➤ To inform and educate AEB members about EE developments in Russia.</li> </ul>	
<b>CHAIRMAN</b>	Jeroen Ketting, Managing Director, Lighthouse Group	
<b>DEPUTY CHAIRMEN</b>	Ekaterina Kravetskaya, Senior Project Manager, Gasunie; Serge Vignerie, Marketing Manager, Legrand Group Russia & CIS; Xavier Perret, General Delegate, GDF SUEZ	
<b>AEB MEMBER COMPANIES</b>	ABB; AFNOR Rus; Baker & McKenzie; Bayer; BP; BSH Group; CMS Russia; Daikin Europe NV; Deloitte; DIBD OMIR; Ecoteam; Electricite de France; E.ON Russia; Ernst & Young (CIS)B.V.; ESCMO; Fenice Rus LLC; Gasunie; GDF SUEZ; Heidelberg Cement; IKEA; ImTech; Konsu Oy; Legrand; Lighthouse Group; METSO; Noerr; Philips; Saint-Gobain; Schneider Electric; Siemens; SGS Vostok Limited; Statoil ASA Russia; Total E&P Russie; United Technologies International Operations; Vitus Bering Management Ltd.; Wermuth Asset Management; Wintershall Holding GmbH	
<b>NUMBER OF COMMITTEE MEETINGS</b>	10	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Practical Solutions to Energy Efficiency in the Built Environment	28.06.2011
	➤ Energy Efficiency in the Industrial Sector: Practical Solutions	17.11.2011

The Energy Efficiency committee was established in 2009. From the very beginning, it had a great success – the companies from the industry, services and energy sectors, signed up. Representatives of the committee took an active part in drafting the new legislation on energy efficiency (EE) and energy saving. Throughout 2011, committee members received regular updates on the general situation in energy efficiency in Russia; technological EE capacities of AEB members and strategies for capitalising on the business opportunities in energy efficiency in Russia.

In 2011, the Energy Efficiency committee positioned itself as one of the authoritative bodies to which the AEB members can turn to get information on the general energy efficiency environment and business opportunities in Russia. The committee members actively participated in the various EE seminars and conferences and were often asked speak at these events. During the year, at committee meetings, the committee members kept each other informed of their activities in the EE field. The committee organised two open events on energy efficiency – in the built environment and in the industry, which were extremely successful.

On April 7<sup>th</sup>, 2011 the Energy Efficiency committee participated in the Moscow International Energy Forum – “Russian TEK in XXI” and organised within it, an international conference titled, “Energy Service Companies and Energy Performance Contracts as Investment Vehicles in the Energy Efficiency in Russia – Opportunities and Barriers”. In September 2011, the committee representatives spoke at the Second Forum of Russian and European Businesses – “Partners in modernization: new opportunities for doing business in Russia” held in Saint Petersburg.

On May 27<sup>th</sup>, 2011 the committee participated in the Round Table titled, “Energy Efficient Technologies and Alternative Energy sources” organised by the AEB South Regional committee in Krasnodar.

In 2011, the committee established and strengthened its working relations with the Russian Federation (RF) Ministry of Energy, Russian Energy Agency, Federal Energy Service Company (FESCO), RSPF Committee for Energy Policy and Energy Efficiency. The Committee Chairman Jeroen Ketting was appointed a member of the Council on Energy Audit under the RF Ministry of Energy.

## FINANCE &amp; INVESTMENTS COMMITTEE

<b>AIM</b>	The Finance and Investment committee's aim is to offer assistance to its member companies and take an active part in improving the investment climate in the Russian Federation for European businesses, through discussions and the development of recommendations, to address outstanding problems in the area of investment and finance.	
<b>CHAIRMAN</b>	Christian Ziegler, Managing Director for Kazakhstan, TMF	
<b>DEPUTY CHAIRMEN</b>	Mikhail Aleksandrov, Partner, The Private Counsel Vladimir Ismailov, CFO, Moscow school of management Skolkovo	
<b>AEB MEMBER COMPANIES</b>	3 Step IT; Bene AG; ABB; AGC Flat Glass Europe; Baker Botts; Banque Societe Generale Vostok; BDO; Beiten Burkhardt; BNP Baribas; Brainpower; Brother; Capital Legal Services; Chadbourne and Parke; Citibank Russia; CMS, Russia; Cornerstone; Credit Agricole Corporate & Investment Bank; Debevoise & Plimpton; De Lage Landen Leasing; Deloitte; Drum Risk Management; DuPont Science & Technologies; Ernst & Young; European Bank for reconstruction and Development; Goltsblat BLP; Gruppo SISI; Hannes Snellman; HSBC; IKB Leasing; ING Lease; Intertrust; Gide Loyrette Nouel; ICAR; Investment Company Russ-invest; KPMG; Magisters; Mannheimer Swartling; Merloni Progetti; Messe Frankfurt; Moscow School of Management SKOLKOVO; Noerr; N.V. Nederlandse Gasunie; OOO Most Service; Padva & Epshtein; PBN; Pepeliaev Group; PSA Peugeot Citroen; PwC; Raiffeisen Leasing; RH Partners; Rodniki industrial park; Rödl & Partner; Sponda Russia Oy Ltd; Staffwell; Standard & Poor's; The Private Counsel; TMF Russia; Vegas Lex; Vinson & Elkins L.L.P.; Volvo Financial Services Vostok; ZAO Chrysler Rus; ZAO Schneider Electric; Zurich IC	
<b>NUMBER OF COMMITTEE MEETINGS</b>	25	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ M&A trends in the Russian agribusiness sector	17.02.2011
	➤ Presentation of the AEB 2011 "How to Invest in Russia" guide	14.04.2011
	➤ Presentation of the results of the AEB Survey "Strategies and Prospects of AEB member companies in Russia"	22.06.2011
	➤ Public-private partnership in Russia: recent trends and scenarios for the future	12.10.2011

To cover specific areas of focus, two working groups (WG) were operating within the committee:

- Leasing WG (Evelina Nesterova, Chief Legal Counsel, De Lage Landen Leasing);
- Mergers & Acquisitions (M&A) WG (Andrey Shpak, Partner, Goltsblat BLP).

One of the most important FIC projects for 2011 was the fourth Annual Survey – Strategies and Prospects of European Companies in Russia (Investment climate in Russia). The Survey has become a highly valuable source of first-hand information that gives an overview of the investment potential and opportunities in Russia and highlights the key challenges that are faced by AEB member companies, as well as the strategies adopted while doing business in Russia. This Survey helps to maintain productive relations with the Russian authorities and facilitates the successful outcome of many other AEB lobbying activities aimed at representing and defending the interests of its member companies. The results of the survey were presented to representatives of AEB companies on June 22<sup>nd</sup>, 2011.

On October 12<sup>th</sup>, 2011, the committee held an open event on recent trends and perspectives of public-private partnership (PPP) in Russia, which offered an exclusive platform for the exchange of opinions on general



legislative, economic and political environment for public-private partnership in post-crisis Russia. High-profile speakers representing EBRD, Citibank, VTB Capital, as well as industrial companies and consultancy and law firms provided case study analysis of success factors of PPP projects implementation and specified economic and social sectors, with high potential in terms of PPPs. Special attention was given to discussion of PPP projects in transport and road infrastructure covered, among others, by guest speakers from GK Avtodor and Kapsch TrafficCom. The governmental bodies were represented by Mr. Sergey Belyakov, Director of Department for the Investment Policy and the Development of Public-Private Partnership of the Ministry of Economic Development, and Ms. Svetlana Gorushkina, Deputy Minister of Culture of the Moscow Region Government.

The Leasing working group focused on developing proposals to the Ministry of Finance on specifying the criteria of a leasing contract and explaining the necessity to provide leasing companies with tax incentives such as accelerated depreciation. The working group's agenda also included comparative analyses of the concept of lease in Russian and in European countries and discussion of court practices regarding unjust enrichment based on the problem of identification of redemption fee return to lessee.

**Publications/Informational Materials:**

The fourth issue of the Annual Investment Guide – “How to invest in Russia” was again released in 2011, with up-to-date information for companies with plans of investing in Russia.

The AEB M&A e-Newsletter, prepared by the M&A WG in cooperation with Mergermarket, with the latest information on changes and trends in the M&A Russian market was released in April and November 2011.

**HUMAN RESOURCES COMMITTEE**

<b>AIM</b>	The committee was established to provide a platform for discussion, exchange of information and lobbying initiatives for human resource decision makers in Russia.	
<b>CHAIRMAN</b>	Olga Bantsekina, Chief Representative, Coleman Services UK	
<b>DEPUTY CHAIRMAN</b>	Olga Gadetskaya, HR Director, Henkel	
<b>AEB MEMBER COMPANIES</b>	Antal Russia; CBSD; Coleman Services; Ernst and Young (CIS) B.V.; Ecopsy Consulting; Elan Languages; Exect Group; Hay Group; Hays, Henkel; HSBC; Human Capital Solutions; IN2Matrix, LLC; IntermarkSavvils; Kelly Services; KPMG; Manpower; Michael Page, Mayfair Properties; PWC; RH Partners, SHL; Troika Relocations; Salans	
<b>NUMBER OF COMMITTEE MEETINGS</b>	5 HR Core Group meetings, plus subcommittees meetings	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Legal initiative on the ban of outstaffing and press conference	07.02.2011
	➤ Business Breakfast: Why it is important to invest in mid management development.	10.02.2011
	➤ Advice of experienced lawyers. Labour Law meeting	25.04.2011
	➤ AEB HR Conference “Employer banding – a key to success.”	19.05.2011
	➤ HR Round Table at the “Partners in Modernization: New Opportunities for Doing Business in Russia”, St Petersburg	23.09.2011
➤ Recruiter’s Day.	11.10.2011	

<b>AEB OPEN EVENTS ORGANISED</b>	➤ Sixth Meeting with the Labour Inspection.	13.10.2011
	➤ HR Issues in IT (jointly with IT and Telecom Committee).	19.10.2011
	➤ Salary Survey Overview.	20.20.2011
	➤ AEB Relocation conference: Bringing expats to Russia.	25.10.2010

In the course of 2011, the HR committee arranged a number of very well attended events. This included two major annual conferences. The May 19<sup>th</sup> conference has become a tradition and was arranged for the eighth time in 2011.

The number of participants in 2011 was close to 220 people, which made the conference one of the largest HR forums not just in Moscow, but Russia as a whole. Another conference – “Bringing expats to Russia”, which deals with various aspect of relocating expatriates to the Russian Federation, attracted over 100 people. The HR committee also arranged a Round Table at the AEB Business Forum In St Petersburg “Partners in Modernisation: New Opportunities for Doing Business in Russia”.

In 2011, the HR committee was closely involved in various lobbying activities on the government level and arranged a number of meetings with the Ministry of Healthcare and Social Development, Ministry of Economic Development, State Duma and Strategy 2020 Working groups. The committee set up a working group on the content of the Law on outstaffing and provisions for introduction in the Labour Code.

Currently, the committee is split into four subcommittees:

- Compensation and Benefits subcommittee (chaired by Ruxandra Stoian, Partner, PricewaterhouseCoopers);
- Recruitment subcommittee (chaired by Michael Germershausen, General Director, Antal Russia);
- Assessment, Training and Development subcommittee (chaired by Derk Jan Koole, Hay Group);
- Relocation subcommittee (chaired by David Gilmartin, General Director, Troika Relocations);

In 2011, the relocation subcommittee, released the 2<sup>nd</sup> edition of its highly successful booklet – “Step by Step: Living in Russia”, which is devoted to relocation issues.

In 2011, the HR committee initiated a new publication – the AEB Guide to HR Related Services, which includes HR-related service providers, who are AEB members and helps to better understand the situation on the Russian market.

In Spring 2011, the HR committee was actively involved in the release of the Spring 2011 AEB Business Quarterly, which came out just in time for the AEB HR Conference in May 19, 2011. Three out of four subcommittees provided contributions to the magazine.

According to the feedback received from participants of the AEB HR events, the quality and diversity of events makes the AEB HR committee one of the best HR fora on the market.

## LEGAL COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To provide legal support services (informational briefings and seminars, legislation updates) to AEB members.</li> <li>➤ To participate in the Russian legislation proceedings in the interest of the AEB members.</li> <li>➤ To promote the exchange of companies' practical experience related to the different legal aspects; legislation development in the RF and EU countries.</li> <li>➤ To provide a forum for the exchange of information, analysis, and views between AEB members on new developments in Russian law and legal practice.</li> <li>➤ To prepare recommendations to the Russian legislation, i.e. motivate implementation and application of existing international standards.</li> <li>➤ To participate in the Russian legislation procedure presenting the international experiences and lobbying the AEB members' interests and hold open discussions, share AEB members' practices with the Russian Authorities.</li> </ul>
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<b>CHAIRMAN</b>	Alex Stoljarskij, Attorney, BEITEN BURKHARDT Evgeny Arieovich, Partner, Baker & McKenzie	
<b>AEB MEMBER COMPANIES</b>	Akzo Nobel N.V.; Alinga Consulting Group; Allen & Overy Legal Services; Alrud; Alstom; AstraZeneca Pharmaceuticals LLC; Aviva Pension Fund, Aviva Insurance Company; Baker & McKenzie CIS Ltd.; Baker Botts L.L.P.; Banque Societe General Vostok; BASF; BBH Legal LLC; BearingPoint OOO; BEITEN BURKHARDT; BOIRON; BMW Russland Trading OOO; BP Russia; Clifford Chance; CMS Russia; Deloitte; Dewey & LeBoeuf LLP; DLA Piper; DuPont Science & Technologies; East Office of Finnish Industries; Ecoteam; Egorov, Puginsky, Afanasiev & Partners (EPA&P); EkoNiva-Technika Holding OOO; Ernst & Young; Ferrero Russia, CJSC; FORTUM OYJ; GideLoyrette Nouel; Goltsblat BLP; Grant Thornton ZAO; HSBC Bank OOO; Herbert Smith CIS LLP; Incor Alliance; In2Matrix, LLC; Kia Motors Rus, LLC; KPMG; Lansky, Ganzger und Partner; Law Firm "Padva & Epstein"; LegaLife Law Firm; Levant & Partners Law Firm; L'Oreal; Macleod Dixon LLP; Mannheimer Swartling; Mazars; MOL Plc; Muranov, Chernyakov & Partners Law Firm; Noerr; Nokia-Siemens Networks; Novoye Vremya; Orrick (CIS) LLC; Pepeliaev Group, LLC; Philip Morris Kuban OAO; Porsche Russland; Procter & Gamble; PwC; Roedl & Partner; Salans; Sanofi; Secretan Troyanov Schaer; Shevryev & Partners; Schulze, Brutyan and Partners LLC; Siemens; Sirota & Mosgo; Smithbridge Advisory Services Ltd.; SNR Denton; SonyEricsson; Vegas-Lex; Vinson & Elkins L.L.P.; VISA International Service Association, Moscow Representative Office; Whirlpool CIS	
<b>NUMBER OF COMMITTEE MEETINGS</b>	10 – Legal Committee, 8 – IP sub-Committee 2 – Working Group on Civil Code changes	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Legal Conference: "Bankruptcy Procedures and Disputes Resolution"	01.02.2011
	➤ Briefing by Dr. Boris Simonov, The Director General of the Federal Service for Intellectual Property, Patents and Trademark	09.02.2011
	➤ IP sub-Committee and Taxation Committee Round Table on copyright dues	26.05.2011
	➤ The AEB Fifth annual Conference – "Intellectual Property Rights: recent trends, court practices, problems and solutions",	16.06.2011
	➤ Meeting with the Institute of comparative law by the Government of Russia	20.06.2011
	➤ Participation in a meeting devoted to parallel import liberalization chaired by First Deputy Prime-minister, Mr. I. Shuvalov	17.08.2011
	➤ A joint AEB Legal and Health and Pharmaceutical committees round table – "Recent developments in the legislation on Healthcare in the Russian Federation: new opportunities for Russian and foreign businesses"	27.09.2011
	➤ Participation in EU-Russia IPR Dialogue	11.10.2011

<b>AEB OPEN EVENTS ORGANISED</b>	➤ Open meeting of the IP sub-Committee with a representative of the National Domain Coordination Center, Mr. Sergey Kopylov	02.11.2011
	➤ Legal Committee Partners' meeting	13.12.2011
	➤ Open Legal Committee meeting on the Third Antimonopoly package. Guest speaker – Mr. Sergey Maximov, Deputy Director of the Legal Department of the Federal Antimonopoly Services	14.12.2011

The Legal Committee (LC) experts closely collaborated with the Russian Federation (RF) State Duma, the Federal Antimonopoly Service (FAS) and the RF Ministry of Economic Development in amending the FL-57 – “On procedures for implementation of foreign investment into business entities having strategic significance for national defense and state security”.

On October 13<sup>th</sup>, 2009, the AEB Legal Committee met with Andrey Tsyganov, Deputy Head of the Federal Antimonopoly Service in order to get an update on the FZ-57 and Federal Law № 135 – “On the competition protection” implementation results. The interview was published in the AEB Business Quarterly Legal issue, in which the Committee actively participated.

In the year 2010, the Legal Committee held 3 conferences:

- On June 1<sup>st</sup>, 2010, the IP Sub-Committee held its annual IP conference, which talked about recent trends in the RF IP legislation development and discussed court practice. The conference was well attended.
- On October 12<sup>th</sup>, 2010, the LC held a legal conference: “Recent Trends in RF Corporate Legislation: Problems and Solutions”. The event was supported by Pepelyaev Group. It focused on changes and recent development trends of the RF corporate law that are of vital importance to companies' operation. It dwelt upon key aspects of transfer of shares in LLC, pledge of participation interest, shareholders agreements, notary functions and others. The conference highlighted basic aspects, which help companies avoid mistakes that may lead to their Management bearing civil and criminal responsibilities. Mr. Abramov, Ministry of Economic Development informed the participants about novelties in the corporate legislation and answered questions raised by the attendees. Experience in the practical application of the changes was further shared by representatives of the Federal Notary Chamber and law firms. The conference was well attended.
- The Legal conference: “Investment Climate in Russia: State Support and Business Opportunities” was held on December 1<sup>st</sup>, 2010, and supported by CMS, Vegas Lex and RussInvest. The conference focused on the legal aspects of investments in Russia. The audience was given an overview of the status and trends of development of the legislation that supports investments into the Russian economy. Representatives of the business community shared their experience with regard to investing in Russia. Leading legal firms covered different aspects of the general investment regimes and gave advice on how to escape possible mistakes. A special session was devoted to Public Private Partnership (PPP).

## MIGRATION COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To monitor immigration legislation developments in the Russian Federation;</li> <li>➤ To promote the exchange of companies' practical experience related to the immigration issues in the Russian Federation (RF) and the European Union (EU) countries;</li> <li>➤ To promote information exchange regarding different international practices/policies and their relevance to Russia;</li> <li>➤ To build a strong relationship with various immigration and labour authorities to lobby immigration related issues and hold open discussions and share information with AEB companies-members;</li> <li>➤ To identify the most problematic issues in immigration area that AEB member companies face; address these issues through further discussions with the authorities and resolve them;</li> </ul>
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<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To keep the AEB member companies updated on all immigration related activities so as to avoid possible. immigration related risks and promote effective business planning;</li> <li>➤ To organise meetings/round tables/joint events, involving the participation of the Russian state immigration and labor authorities.</li> </ul>	
<b>CHAIRMAN</b>	Ludmila Shiryayeva, Executive Director, Human Capital, Ernst & Young	
<b>DEPUTY CHAIRMEN</b>	Alexey Filipenkov, Partner, Visa Delight Liudmila Trukhmanova, Head of Expatriate Services, IKEA	
<b>AEB MEMBER COMPANIES</b>	Air France; Alinga Consulting and Audit; Alitalia; Allen & Overy Legal Services; Baker & McKenzie CIS Ltd.; Bauer Technologie; Bayer AG; BEITEN BURKHARDT; BP; Consulting and Visa Service; Continental Tires RUS LLC; CMS, Russia; Danone; Deloitte; DLA Piper; DuPont Science & Technologies; Ernst & Young; Gide Loyrette Nouel; Goltsblat BLP; IKEA; Korean Airlines; KPMG; LegaLife; Mercedes-Benz Russia; Move One Relocations; NOERR; Orrick; Pepeliaev Group; PwC; Salans; Scania Rus LLC; Secretan Troyanov-Schaer; Siemens OOO; Smithbridge Advisory Services; Stockmann ZAO; Telenor; Turner and Townsend; Visa Delight; Volvo Vostok, ZAO; Unicredit Bank.	
<b>NUMBER OF COMMITTEE MEETINGS</b>	5	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Presentation of the State Registration Chamber	21.06.2011
	➤ Open session: meeting with Ekaterina Egorova, Deputy Director of the Federal Migration Service	06.09.2011
	➤ Open session: meeting with representatives of the Ministry of Health and Social Development and the Ministry of Economic Development on quota and other migration issues	11.10.2011

One of the most burning issues addressed by the committee in 2011 was a dramatic change to the rules of migration registration of foreign citizens. On February 15, 2011, the Federal law No 385 came into force and obliged foreigners to register at their place of residence. On the initiative of the committee the AEB raised its concerns in the letter to the RF President Dmitry Medvedev and participated in the discussion at the RF Ministry of Economic Development and further drafting the changes to the law to facilitate the migration registration procedure and make it less troublesome for expatriates. In record short time, on March 23, 2011, the RF President Dmitry Medvedev signed a new Federal law adopted by the RF State Duma, which amended migration registration rules for foreign nationals. Currently, the new procedure provides for the possibility to carry out migration registration of foreign citizens by their employers at the place of work and expands the registration period from three to seven working days.

In 2011, the Committee continued to maintain an active dialogue with the Federal Migration Service (the FMS) in order to monitor and refine the practical interaction of the FMS and companies employing highly qualified specialists in the process of work permits and visas application. On September 6, 2011, the Committee held a meeting with Ms. Ekaterina Egorova, Deputy Director of FMS, Mr. Oleg Artamonov, Head of Public Relations Department of the FMS, Mr. Alexander Aksenov, Head of Visa and Registration Department of FMS, and Mr. Sergey Temryakov, Deputy Head of Labor Migration Department of the FMS, who briefed the AEB members on peculiarities of work and residency permit application procedures for highly qualified specialists and their family members, migration registration related issues, etc. The participants also exchanged their views on peculiarities of legal status of expatriates entering Russia under the Agreement between the Government of the Russian Federation and the Government of the French Republic on temporary labor migration.

Also, the committee continued to hold discussions on the quota system and applicability of new rules for highly qualified specialists with the Ministry of Health and Social Development and the Ministry of the Economic Development. On October 11, 2011, the AEB Migration Committee held a joint meeting with representatives of the Ministry of Health and Social Development and the Ministry of the Economic Development on practical is-

sues related to foreign labor quotas in 2011 and 2012, including correction of quotas, quota-free professions, quota application procedure, etc.

The Migration committee, likewise, continued to act alongside the HR Committee, on the draft law on the regulation of outstaffing and secondment in Russia. Representatives of the committee contributed to the development of amendments to the text of draft law and participated in a series of discussions of the legal act in the RF State Duma and Federal Ministries.

In 2011, the committee successfully continued to cooperate with the Federal Migration Service on “one window approach” of work permit applications, which was established in 2008.

## PR AND COMMUNICATIONS COMMITTEE

<b>AIM</b>	To establish a platform for Communications and PR experts from European and Russian businesses and experienced consultancy representatives to discuss and exchange information and advice on the best PR & Communications practices in Russia.	
<b>CHAIRMAN</b>	Igor Reichlin, Managing Partner, “Reichlin & Partners” LLC	
<b>DEPUTY CHAIRMAN</b>	Catherine Trotin, Public Relations Manager, Mazars	
<b>AEB MEMBER COMPANIES</b>	ABB; Antal Russia; Banque Société Generale Vostok; Bank WestLB Vostok; BNP Paribas; Buman Media; BSH Group; Caterpillar Eurasia LLC; Cetelem; Chartis Insurance Company CJSC; Cosmopolis Hotels-Amnievskaya Hotel; Creditreform Rus; Cushman & Wakefield; Deloitte; Deutsche Bank Ltd.; DuPont Science & Technologies; English International School, EIS (NEI “Magister”); Esmerk; Eurocopter Vostok; ExpoGlobal Group; FE Communications; Ferrero; Fleishman-Hillard Vanguard LLC; Gide Loyrette Nouel; GOLTSBLAT BLP; Grayling Eurasia OOO; HAYS; Hilton Moscow Leningradskaya Hotel; Intercontinental Moscow Tverskaya hotel; ING Commercial Banking; International Road Transport Union, Permanent Delegation to Eurasia; IPF Bank (International Personal Finance plc); John Deere Agricultural Holdings, Inc.; KPMG; Levant & Partners Law Firm; Mannheimer Swartling Russland Advokataktiebolag; Manpower CIS LLC; Marriott Hotels of Moscow; Mazars; MetLife Alico; Metro Group; Muranov, Chernyakov & Partners Law Firm; Nestlé Rossiya; Norton Rose (Central Europe) LLP; Novo Nordisk; PBN Company Ltd.; PwC; Radisson Royal Hotel; Radisson Blu Hotel; REICHLIN & PARTNERS, LLC; Ruperti Project Services International Ltd.; Sanofi; Siemens OOO; Staffwell; Swissotel; Total E&P Russie; The Private Counsel; Zurich Insurance Company	
<b>NUMBER OF COMMITTEE MEETINGS</b>	10	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ “Talking to your employees” – Open Event	23.03.2011
	➤ Crisis communications – A business game. Paid Event	08.06.2011
	➤ GR Round-table “European businesses and Russian State: how to build a successful communication?” – Open Event	18.11.2011

The AEB PR and Communications committee started its activities in 2008. Since then, the committee has become a valid discussion platform for European businesses and experienced consultancy representatives to discuss and exchange information and advice on the best PR and Communications practices in Russia.

The committee started its activities in a global economic crisis environment that created serious challenges for business across many industries. Therefore, one of the primary goals was contributing to the effective man-

agement of AEB member-enterprises' reputational risk, by providing advice and information regarding crisis communication techniques.

Beginning with summer 2011, the AEB PR & Communications committee's meetings became focused around key topics, selected in advance by committee members. The committee has already held meetings devoted to corporate social responsibility, social media, stakeholder relations, charity activities, and corporate image management.

## REAL ESTATE COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To facilitate the exchange of information regarding real estate and development issues in Russia;</li> <li>➤ To influence existing procedures in order to increase the attractiveness of foreign and domestic investment;</li> <li>➤ To establish a "bridge" between the AEB, the Moscow Government, Russian Federation (RF) State Duma and other relevant governmental bodies.</li> </ul>	
<b>CHAIRMAN</b>	Christophe Vicic, Chief Operating Officer, Jones Lang LaSalle	
<b>AEB MEMBER COMPANIES</b>	ALPE Consulting; Alrud; AstraZeneca; BEITEN BURKHARDT Rechtsanwalts-gesellschaft mbH; BENE RUS LLC; Blackwood Real Estate; BNPParibas; Capital Legal Services; CBRE; CMS, Russia; Cushman & Wakefield; Daikin Europe N.V. Representative Office; Debevoise and Plimpton; Decathlon Russia; Deloitte; Delta General Contracts Limited; Desso BV; DLA Piper; DuPont Science & Technologies; EC Harris Rus; Ernst&Young; Herbert Smith CIS LLP; Four Squares; Gide Loyrette Nouel; Goltsblat BLP; GRUPPO SISI; ICAR Transportation Company; IntermarkSavills; Itella Information; Jones Lang LaSalle; Kienbaum Executive Consultants; Kinnarps; KPMG; Legrand; Lindab; Lindner; Mannheimer Swartling Russland Advokataktiebolag; Mayfair Properties; Merloni Progetti SpA; Move One Relocations; Noerr; Nokia-Siemens Networks; Pepeliaev Group; Porsche; Praedium Oncor International; PricewaterhouseCoopers; Radius Group; Raiffeisen Evolution Project Development; Renault; Rödl & Partner; The Private Counsel; Salans; Sercons; Spectrum Group; Sponda Russia Oy Ltd; STEP; Sunbury Heights Project Management; Swissotel; Terrakultur Russia; TMF Russia; Troika Relocations Ltd; Turner&Townsend; WSP Finland Ltd; YIT Construction Ltd Finland	
<b>NUMBER OF COMMITTEE MEETINGS</b>	21	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Open Event: "How to set up a manufacturing plant in Russia"	07.04.2011

In 2011, the structure of the committee was as follows:

- Finance and Investment Working Group (F&I WG) headed by Olga Arkhangelskaya, Ernst & Young;
- Industry Sub-sectors Working Group headed by Tim Millard, Cushman & Wakefield;
- Project Management and Ancillary Services Working Group (new, created in 2011) headed by Victor Verma, YIT.

In line with requests from the Ministry of Economic Development, the AEB Real Estate committee sent two proposals on the Russian legislation in the field of construction.

The Autumn 2011 AEB Business Quarterly titled "Beyond Borders – Russia's Real Estate", was released in September 2011.

Throughout the year, the committee continued to publish its electronic magazine – "The Real Estate Monitor", on a quarterly basis.

## SHES COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To contribute to the creation of state policy in the health and safety, environment and security sectors, creating transparent and clear rules, which should stimulate the development of the market and guarantee equal access to it for all participants;</li> <li>➤ To assist European companies in Russia in adapting their businesses by minimising operational and investment risks, administration barriers in conditions of modern Russia, to contribute to the mitigation of these risks;</li> <li>➤ To promote sustained, effective environmental, health and security standards and practices within the companies, operating in Russia;</li> <li>➤ To advocate the committee's position on HSES regulations and legislation;</li> <li>➤ To promote the adoption of a clear system of regulations and non-overlapping roles and responsibilities on the part of the relevant authorities;</li> <li>➤ To promote performance-based regulations, which provide standards and guidelines for achieving desired HSE results as opposed to prescriptive 'how to' regulations;</li> <li>➤ To promote the practice of consulting and engaging industry representatives in legislative and regulatory process since it is industry that has the responsibility for implementing these proposals;</li> <li>➤ To improve industry security (licensing, registration, identification, unsafe industrial objects' insurance and etc.);</li> <li>➤ To promote international in-house management systems of labour protection and safety (ISO, OHSAS), exchange the experience and interact with the Russian Authorities (RostechNadzor, Rospotrebnadzor) on these issues;</li> <li>➤ To monitor legal developments in the Russian market in the fields of safety, health, environment and security;</li> <li>➤ To promote information exchange on various international practices/policies and their relevance to Russia;</li> <li>➤ To advise the AEB members on counter-terrorism measures, anti-counterfeiting operations and anti-fraud measures in the conditions of modern Russia;</li> <li>➤ To gather, encourage and participate in the development of the body of knowledge relevant to the profession</li> </ul>
<b>CHAIRMAN</b>	Oleg Babinov, Risk Advisory Group
<b>DEPUTY CHAIRMAN</b>	Mikhail Balev, MIG Security Services Valery Kucherov, ERM Eurasia
<b>AEB MEMBER COMPANIES</b>	Baker & McKenzie CIS Ltd.; BASF; BEITEN BURKHARDT; BP Russia; CCS-Corporate Counselling Services Sarl; DHL; DuPont Science & Technologies LLC; ECOTEAM LLC; E.ON Ruhrgas AG; Enel OGK 5; ERM Eurasia Limited; International SOS Ltd.; IKEA; MIG Security Services; Nokia-Siemens Networks; Oskord Security Group; Pepeliaev Group, LLC; Risk Advisory Group Plc.; Shell; Schneider Electric; SGS Vostok Limited, ZAO; Statoil ASA; TNT Express Worldwide (CIS) Ltd.; Toyota Motor, OOO; TUV International RUS Ltd.; Upravlenie Delami – M
<b>NUMBER OF COMMITTEE MEETINGS</b>	10



AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Open Committee meeting: "Safety on Job. Human error may be inevitable but it doesn't need to be catastrophic." Presentation by Kenneth Burges, M. Ed., LPC, CEAP, Senior Behavior al Healthcare Consultant, Chestnut Global Partners, Bloomington / Chicago, Illinois	25.03.2011
	➤ Conference: "Practical Steps to Build Effective Fraud Resilience Programme"	17.05.2011
	➤ Open Committee meeting devoted to Integrated Management Systems	27.05.2011
	➤ Open Committee meeting: "Psychological Factors in Health and Safety Behavior"	06.09.2011

In 2011, the SHES committee continued the expansion of its activities by paying more attention to the factors adding to the improvement of the work environment and job safety. Two special open committee meetings were organised to bring to the attention of the AEB member-companies the importance of the human factor in the job process.

The committee considers fraud as one of the major threats for the development of a modern economy. Thus, a one day conference – "Practical Steps to Build an Effective Fraud Resilience Programme", sponsored by a security company based in St-Petersburg **ANS – Alfa Nord Security** was organised by the committee. This meeting gave the floor to non-governmental and business organisations to share their experience with all those present and talk about best practices. Among others, the agenda's topics covered fraud resilience organisation and programme; preventing and combating fraud as part of the corporate culture in companies, in procurement and marketing. A special session was devoted to techniques of the third party due diligence investigations and training issues, and enhancing awareness of employees about fraud resilience. Participants included representatives of the American Society for Industrial Security (ASIS) and the Association of Certified Fraud Examiners (ACFE).

Integrated Management Systems (IMS) is a key for improving performance of any organisation. Experts in this sphere such as TÜV International Rus and ERM Eurasia talked about their experience in the development and integration of IMS.

## SMALL AND MEDIUM-SIZED ENTERPRISES (SME) COMMITTEE

<b>AIM</b>	➤ The aim of the AEB SME committee is to represent the interests of European SMEs in Russia, facilitating exchange of information and helping to improve business environment for their activities.	
<b>CHAIRMAN</b>	Orlin Efremov, General Director, Manutan Russia	
<b>DEPUTY CHAIRMAN</b>	Alex Medlock, General Director, TMF Russia	
<b>AEB MEMBER COMPANIES</b>	3 Step IT; Alinga Consulting; Alpe Consulting; Antal; Bene Office Furniture; Businessland Services; Bank Center-invest; Citibank ZAO; CMS, Russia; Exect Partners; FE Communications; Finance Consult; Gruppo SISI; ILTS; Konsu M, ZAO; Manutan; Novotel Moscow Center; Publicity PR agency; PwC; RH Partners; Rodniki industrial park; Russia Consulting; Russian Connection; Secretan Troyanov Schaer; SNR Denton; Tablogix; TMF Russia; Troika Relocations; VSK	
<b>NUMBER OF COMMITTEE MEETINGS</b>	11	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ SMEs doing business in Russia: how to succeed?	08.12.2011

Following a decision made by the AEB Board in January 2011, the AEB SME was created. This was based on the initiative of a group of AEB members who felt it wise to bring in more resources and efforts to protect and promote the interests of European small and medium sized businesses in Russia. This decision and subsequent steps taken were also in line with the EU policies of internationalisation of European SMEs.

In 2011, the committee focused on identifying SME specific issues and proposing solutions for their resolution through conducting of the SME survey, creating of a Linked-In group, launching the SME helpdesk, establishing contacts with other AEB committees, preparing the first Position Paper and organising an open event on how SMEs can succeed operating in Russia.

## TAXATION COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To monitor tax legislation developments, subordinate acts and court practices;</li> <li>➤ To inform AEB Members on important changes to the tax legislation and tax reforms;</li> <li>➤ To cooperate with the relevant authorities on tax issues, in particular, with the RF Ministry of Finance, the State Duma and other authorities;</li> <li>➤ To present the AEB's position on tax matters before the Russian Government and the State Duma.</li> <li>➤ To organize regular meetings, open events and conferences for AEB members.</li> </ul>	
<b>CHAIRMAN</b>	Dr.Alina Lavrentieva, Partner, PricewaterhouseCoopers	
<b>DEPUTY CHAIRMAN</b>	Vadim Zaripov, Head of Analytical Department, Pepeliaev Group LLC; Tatiana Kirgetova, Senior Lawyer, Head of Tax Practice, Gide Loyrette Nouel	
<b>AEB MEMBER COMPANIES</b>	Agrana Fruit Moscow Region; Akzo Nobel N.V.; Alderley NefteGaz; Alinga Consulting Group; Alex Terp LLC; Alrud; AstraZeneca Ltd.; Baker Botts L.L.P.; Baker & McKenzie CIS Ltd.; Bauke van der Meer; BBH Legal; BEITEN BURKHARDT; Boehringer Ingelheim Pharma GmbH; Boiron; BMW Russland Trading OOO; British American Tobacco Russia; Clifford Chance; CMS; Continental Tires RUS; Deloitte; Denton Wilde Sapte; Dewey & LeBoeuf; DLA Piper; DuPont Science & Technologies; Ernst & Young (CIS) B.V.; Ferrero; Gide Loyrette Nouel; GOLTSBLAT BLP; Grant Thornton Trid ZAO; Gruppo SISI; ICAR Transportation Company; IKEA; Intercomp Global Services; KempHoogstad CIS B.V.; KPMG; Law Firm "Padva & Epshtein"; Levant & Partners Law Firm; Magisters; Mazars; Messe Frankfurt Rus O.O.O; Metro Cash&Carry; Noerr Stiefenhofer Lutz; OBI Russia; Pavia & Ansaldo; Pepeliaev Group LLC; PricewaterhouseCoopers; Procter & Gamble; Rödl & Partner; Russia Consulting; Sanofi Aventis; Salans; Shell; Smithbridge Advisory Services Ltd.; Zentis Russland	
<b>NUMBER OF COMMITTEE MEETINGS</b>	7	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Business meeting "Trade Law and taxation issues in the retail & consumer industry"	27.04.2011
	➤ Business meeting "Development of Tax Legislation and Enforcement Practices – First Half of 2011"	29.06. 2011
	➤ Briefing by Sergey Shatalov, Deputy Finance Minister "New Transfer Pricing Law: quo vadis?"	18.11.2011
	➤ Business Meeting "Development of the Russian Tax System in 2011 and prospects for 2012 – 2013"	15.12. 2011

In 2011, the committee held four successful and well attended open events.

The Taxation committee also worked on further developing good, long-term business relations with different Russian Ministries and Government authorities.

In line with requests from AEB Member companies, the AEB Taxation committee forwarded several official inquiries, requests and comments on certain issues to the relevant government authorities:

1. Comments on the draft law on amendments to Article 21 of the Tax Code of the Russian Federation (RF) (submitted to the respective Russian Ministries, the State Duma of the RF, Administration of the President of the RF, the Government Executive Office).
2. An inquiry about taxation of Unit Investment Trusts (an official clarification from the Russian Federation Ministry of Finance was received)
3. An inquiry about leasehold improvements (an official clarification, which was in favour of the committee's stand point on this issue, from the RF Ministry of Finance received)
4. An inquiry about tax registration of foreign organisations (an official clarification, which was in favour of the committee's stand point on this issue, from the RF Ministry of Finance received)
5. An inquiry on the increase in social contributions in 2012 (submitted to the Ministry of Economic Development, Presidential Administration, State Duma)
6. Comments to the RF Government draft resolution on VAT invoices (submitted to the Ministry of Finance, RF Government, Federal Tax Service)
7. Proposals on accounting for the loss/shortage of goods in trading companies (submitted to the RF Government)

## TRANSPORT AND CUSTOMS COMMITTEE

<b>AIM</b>	<ul style="list-style-type: none"> <li>➤ To lobby on the concerns of member companies through dialogue with the Federal Customs Service and other governmental bodies of the Russian Federation and to promote the application of industry standards in accordance with the best international business practices and trade facilitation principles;</li> <li>➤ To provide AEB members with quality information on developments in customs regulations and facilitate focused business networking.</li> </ul>	
<b>CHAIRMAN</b>	Dmitry Cheltsov, Gallery	
<b>DEPUTY CHAIRMEN</b>	Wilhelmina Shavshina, Legal Director, Head of Foreign Trade regulation practice, DLA Piper; Pavel Gromov, Head of Legal Department, TNT Express; Dmitry Larionov, Senior Officer, Permanent Delegation to Eurasia, International Road Union	
<b>AEB MEMBER COMPANIES</b>	DHL Express; Deloitte; DLA Piper; Electrolux, Ernst and Young; Itella; Ferrero; IKEA; International Road Union; ILTS; National Container Company; National Customs Broker; Nestle; PWC; PCGN; Pepelyaev Group LLC; Targo Group; TNT Express; Toyota; Zentis	
<b>NUMBER OF COMMITTEE MEETINGS</b>	10	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	<ul style="list-style-type: none"> <li>➤ Meetings Special meeting of Customs and Transport Committee in St Petesburg within the Framework of the AEB Business Forum.</li> </ul>	22.09.2011
	<ul style="list-style-type: none"> <li>➤ Round Table on Customs and Transport issues during the AEB Business Forum Partnership for Modernization in St Petersburg</li> </ul>	23.09. 2011

**AEB OPEN EVENTS  
ORGANISED**

- State Duma meetings:  
Close cooperation with the Expert Council at the State Duma's Committee for Budget and Tax, meetings and correspondence to discuss the latest changes and further development in the Russian customs legislation
- Regular basis  
2011

**The committee's achievements in 2011**

- The committee participated in the preparation of the draft law "On Customs regulation in the Russian Federation" and Customs Legislation of the Customs Union;
- The committee took part in the meetings on the draft law "On customs regulation" with the participation of E.S. Nabiullina, Minister of Economic Development of the Russian Federation at the Ministry of Economic Development and other business associations;
- Alongside other foreign business associations, throughout 2011, the committee met with the Federal Customs Service (FCS). These meetings were moderated by Konstantin Chaika, Deputy Head of the FCS;
- State Duma meetings: the committee worked closely with the Expert Council at the State Duma's Committee for Budget and Tax at meetings and all official correspondence aimed at discussing the latest changes and further development in the Russian customs legislation
- The committee member visited the Port of St Petersburg, First Container Terminal on September 22nd, 2011;
- The committee member visited the Vnukovo Cargo Terminal site on October 27<sup>th</sup>, 2011;
- The committee's Editorial Board held several meetings to prepare the AEB Position Paper on transport and customs, which came out in April and December, 2011.

In 2011, most of the committee's activities were in the form of internal discussions of sensitive issues in the customs clearance and transportation spheres that AEB member companies face in Russia.

In 2011, the committee prepared letters to the Russian authorities regarding the new form of transport waybill, seasonal restrictions on axis load for heavy duty trucks and trailers, as well as currency control issues. A positive response resulting in respective regulatory amendments was received on the issue of currency control.

Recently, the committee provided information on the amendments on criteria of inclusion/exclusion of legal entities from the register of customs representatives (customs brokers).

Two site visits were arranged during the year – to the Port of St Petersburg and to Vnukovo Cargo Terminal. The visits proved interesting for the members, the programme will be continued in 2012.

In October, Frank Schauff, CEO of the AEB, participated as one of the key speakers at the Customs Officer Day Conference, organised by the Federal Customs Service. The speech was an overview of the situation on the market and was based on the Position Paper, prepared by the committee. The speech was highly appreciated by the participants of the conference.

In 2011, the committee started working at the AEB Customs Conference, which has become an outstanding annual event, attended by important persons both from the private sector and the Russian government. The conference will take place on February 9<sup>th</sup>, 2012

## NORTH-WESTERN REGIONAL COMMITTEE

<b>AIM</b>	To offer Committee's members the services and information equal to the AEB in Moscow.	
<b>CHAIRMAN</b>	Manfred Janoschka, Janoschka & Partner, St. Petersburg	
<b>DEPUTY CHAIRMAN</b>	Olga Litvinova, Partner, DLA Piper	
<b>AEB MEMBER COMPANIES</b>	Ancor; Baker & McKenzie CIS Ltd.; BDO/Acsour; Beiten Burkhardt; BLG Logistics Automobile; Brainpower; BSH Bytowije Pribory; Calderys; Coleman Services; Danske Bank; Deloitte; DLA Piper; Ernst & Young; ExWeCO; FAREXPO; General Motors; Gide Loyrette Nouel; Hannes Snellman; Imtech Russland AG; Intercomp Global Services; Johnson Controls; Jones Lang LaSalle; Kelly Services; Kinnarps; Konecranes; Konsu; KPMG; Kuusakoski/Petromax; Liden & Denz Language Center; Mannheimer Swartling; Manpower; NCC; Pepeliaev Group; Philips; ROCA; Russia Consulting; Russian Connection; Salans; Scania Rus LLC; SGS; Siemens; Sterkh; St.Petersburg Electrotechnical Company; Swedbank; Tebodin Eastern Europe B.V; Trianon Grupp; YIT	
<b>NUMBER OF COMMITTEE MEETINGS</b>	18	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Winter reception	17.02.2011
	➤ Manufacturing Environment in St.Petersburg and Leningrad Region	17.05.2011
	➤ Forum of Russian and European Businesses 2011- Partners in Modernization: New opportunities for doing business in Russia	23.09.2011

The AEB North-Western Regional committee strives to offer its members the services and information equal to the AEB in Moscow.

One hundred and twenty companies are represented by the committee in the North- Western Region.

In May and June 2011, the North-Western Regional committee established four sub-committees (HR & Migration; Manufacturing & Trade; Legal & Taxation; Customs, Transport & Logistics), with regular monthly meetings.

Several issues were brought up by the committee before regional authorities:

- Bureaucracy as a limitation to foreign investment in the Region;
- Transfer of the customs check-points to the Borders of the Russian Federation;
- Reasonableness of the tariffs for heat, water and power supply and connection to infrastructure;
- Lack of working force, especially 'blue collars' and absence of educational base for professional training.

Contacts with the Government of St. Petersburg, the Leningrad Region, Plenipotentiary Representative of the President of the Russian Federation and the Regional Department of the Federal Antimonopoly Service have been established and fostered.

AEB representatives received an invitation from the Government of St. Petersburg to join the Investment Council.

General Consulates in St.Petersburg and the European Union Delegation to the Russian Federation consider the AEB North-Western Regional committee as an adviser and reliable partner for the European companies in the North-Western Region.

## SOUTH REGIONAL COMMITTEE

<b>AIM</b>	Support of favorable investment and business environment in the region for AEB members activity	
<b>CHAIRMAN</b>	Oleg Zharko, Bank Center-Invest	
<b>DEPUTY CHAIRMEN</b>	Ralf Bendisch, CLAAS, LLC; Igor Brener, Cargill Yug LLC; Lubov Popova, KNAUF MARKETING KRASNODAR; Vasilii Vysokov, Bank Center-Invest	
<b>AEB MEMBER COMPANIES</b>	Advocates Bureau Yug; Alico; Ancor; Astron Buildings; Austrian Airlines; Bank Center-Invest; BONDUELLE Kuban; Branch of Closed Joint Stock Company "UniCredit Bank" in Krasnodar; Cargill Yug LLC; DPD; Ernst &Young LLC; Krasnodar Branch; European Bank for Reconstruction and Development; JSC Swedbank; "KNAUF MARKETING KRASNODAR"; "KrasnodarEXPO" Ltd; Legrand, LLC "CLAAS"; MEGA Adygea-Kuban; Nestle Kuban LLC; OTP Bank; Philip MorrisKuban; Provimi Ltd; PwC; Rosbank Societe Generale Group; Siemens Representative office in SFD&N-CFD; South Affiliate of ZAO "Raiffeisenbank" South regional center; Tebodin Eastern Europe B V; Vegas Lex; Verallia (Stavropol region); Volnaya Kuban LLC	
<b>NUMBER OF COMMITTEE MEETINGS</b>	5	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ AEB SRC Christmas reception	14.01.2011
	➤ AEB Presentation on the eve of the Europe Day in Rostov-on-Don "Infrastructure development in the region"	20.05.2011
	➤ Round table "Energy-saving technologies and alternative energy sources "	27.05.2011
	➤ Round table "Perspectives of the complex implementation of the advanced European agro technologies in the agro industrial sector"	09.06.2011
	➤ AEB SRC Summer reception	09.06.2011
	➤ Round table "Energy efficient city Taganrog"	08.09.2011
	➤ HR conference " Actual HR practices in personnel motivation and talent management as a way to sustained business development"	21.10.2011
	➤ V Regional Forum of the Largest enterprises of the South federal district: "Projections for the South of Russia: where will new leaders come from?"	11.11.2011
	➤ Conference "Corporate social partnership as a factor of sustained economic development of business and territory"	09.12.2011
	<b>Supported Events:</b>	
	➤ Conference "Opportunities of Mergers and Acquisitions "	29.03.2011
	➤ Round table "Unjustified tax benefit-2011"	14.04.2011
➤ Conference on IPO financing for southern Russian companies	14.04.2011	
➤ Legal Forum of the South of Russia	29.09.2011	

The committee was created to ensure that investors are able to utilise the investment opportunities in the region to their fullest potential. In 2011, the committee ensured that member companies were able to interact effectively and productively with regional and local authorities. A series of joint events were also organised, which received wide media support. The committee's activities in 2011 were aimed at setting an example with regard to international standards of business, effective networking, information sharing and best practices promotion.

The number of committee members increased in 2011. Currently, the committee unites 31 companies: leading foreign investors and international banks that have affiliates operating in the Krasnodar, Stavropol, Rostov-on-Don regions and Adygei republic.

In 2011, the Rostov Territorial subcommittee of the AEB South Regional committee was created.

The committee took part in forming of updated Advisory Board on foreign investments under the Governor of Krasnodar region.

The chairman of the AEB South Regional committee became a member of a newly formed Council on improving the investment climate in the regions, under the authorised Representative of the President of the Russian Federation in the South Federal district.

**BIOTECHNOLOGY WORKING GROUP**

<b>AIM</b>	➤ To cooperate with all biotechnology companies and to create a favorable environment for biotechnology in the Russian Federation (RF).
<b>CHAIRMAN</b>	Liekel Faber, Faber Global Consultancy B.V. (FGC)
<b>AEB MEMBER COMPANIES</b>	Afnor Rus; Bayer Crop Science; Binder; DSM Group; DuPont Science & Technologies; EGIS; Faber Global Consultancy B.V. (FGC); Finpro; International Science & Technology Center; Merck; Novo Nordisk; Pioneer; Sanofi-Aventis
<b>NUMBER OF COMMITTEE MEETINGS</b>	5

Regular working group meetings were held on:

- 22<sup>nd</sup> March, 2011
- 19<sup>th</sup> May, 2011
- 29<sup>th</sup> June, 2011
- 14<sup>th</sup> September, 2011
- 15<sup>th</sup> November, 2011

**HOTELS & TOURISM WORKING GROUP**

<b>AIM</b>	➤ To consolidate, coordinate and protect the interests of AEB Member companies working in the hotel & tourism industries	
<b>CHAIRMAN</b>	Gerhard Mitrovits, General Manager, Hotel Baltschug Kempinski Moscow	
<b>AEB MEMBER COMPANIES</b>	Ararat Park Hyatt Moscow; Baltschug Kempinski Hotel Moscow; Cosmopolis Hotels-Amnievskaya Hotel; Holiday Inn Lesnaya & Suschevsky; Inercontinental Hotel; Lotte Hotel; Marriott Grand Hotel; Moscow Marriott Royal Aurora Hotel; Moscow Marriott Tverskaya Hotel; Novotel Moscow Center; Radisson Royal Hotel; Renaissance Moscow Hotel; Savoy Hotel; Sheraton Palace Hotel; Swissôtel Krasnye Holmy Moscow; TUI AG	
<b>NUMBER OF COMMITTEE MEETINGS</b>	9	
<b>AEB OPEN EVENTS ORGANISED</b>	<b>Event Title</b>	<b>Event Date</b>
	➤ Hospitality workshop, jointly with British embassy devoted to Sochi Olympic Games 2014	07.12.2011

The specifics of this working group are business lunches attended only by hotels General Managers. During these meetings several important issues were tackled and discussion plan was established as follows;

- The issue of Conference centres as a business for Moscow and subsequently Russia;
- Mice market presentations at trade shows;
- Cooperation between the hotels and tourism sectors;
- A stronger alliance amongst 5 star hotels to promote Moscow



**TECHNICAL REGULATION AND STANDARDISATION TASK FORCE (TRS TF)**

<b>AIM</b>	➤ To identify and act on the major problems identified in the field of technical regulation and standardisation. To act as a specific link with European Commission representatives in charge of the EU-Russia Regulatory Dialogue.
<b>CHAIRMAN</b>	Vladimir Ovcharov, Product Certification Department Manager, SGS Vostok Limited
<b>AEB MEMBER COMPANIES</b>	ABB; Advocate bureau Vegas Lex; AFNOR Rus; AGC Glass Europe; ALD Automotive; Bayer ZAO; Bonduelle-Kuban; Branan; BSH Group; Caterpillar Eurasia LLC; Continental Tires RUS LLC; Daikin Europe N.V. Representative Office; Danone Industria OOO; DLA Piper; DuPont Science and Technologies; Ferrero; Groupe SEB Vostok; Haskoning, Consultants, Architects and Engineers; Hitachi Construction Machinery Eurasia Sales LLC; Honda Motor RUS LLC; IKEA; Imperial Tobacco Sales and Marketing; JETRO; John Deere Agricultural Holdings Inc.; Komatsu CIS; Legrand; Lindab Buildings LLC; Mead Johnson Nutrition; Mercedes-Benz Russia; Michelin; Navteq Russia & CIS; Nestle Rossiya; Noerr; Nokia-Siemens Networks; OBI Russia; PBN Company Ltd.; Philips OOO; Porsche Russland; Procter & Gamble; Renault Trucks Vostok; Rockwool; Roquette; Schneider Electric; SECRETAN TROYANOV SCHAER S.A.; Sercons; SonyEricsson; SGS Vostok Limited ZAO; St. Petersburg Electrotechnical Company; ThyssenKrupp Elevator; Turner & Townsend OOO; Volvo Cars LLC; WSP Group
<b>NUMBER OF COMMITTEE MEETINGS</b>	5

The Technical Regulation and Standardisation Task Force (TRS TF) was founded in 2006, upon the initiative of the AEB members who were interested in technical regulation and standardisation procedures. The Task Force works in close cooperation with the Committee for technical regulation, standardisation and conformity assessment of the Russian Union of Industrialists and Entrepreneurs (RSPP) and with the support of the Delegation of the European Union to Russia and DG Enterprise and Industry of the European Commission.

In 2011, the Task Force members participated actively in the activities of the EU funded TACIS project – “Approximation of EU and RF Technical Regulations, Standardisation and Certification Systems” in working groups: Conformity assessment & accreditation; Energy efficiency; General product safety; Implementation of technical regulations. The Ministry of Industry and Trade of the Russian Federation is an official counterpart on the Russian side.

The TRS TF members participated in conferences and seminars organised by the RSPP and were involved in expert groups work on the development of new technical requirements. The AEB experts were engaged in submitting their comments to the technical regulations developed in the framework of the technical regulation reform in Russia and at the EurAsEC and/or the Customs Union level.

In 2011, the EU-Russia Industrialists’ Roundtable (IRT) launched Task Force 8 – Technical Regulations (TF8). AEB experts participated in meetings of the new Task Force from 11th -13th October in Munich and on 15th December in Brussels.

**Association of European Businesses and its subsidiary**  
**Statement of financial position as at 31<sup>st</sup> December, 2011**

		31 December 2011 (in EUR'000)	31 December 2010 (in EUR'000)
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Intangible assets	5	2	2
Property and equipment	6	271	89
Deferred tax assets	13	8	19
<b>Total non-current assets</b>		<b>281</b>	<b>110</b>
<b>Current Assets</b>			
Trade and other receivables including:	7	303	316
Trade receivable		73	126
Advances paid		180	166
Other debtors		50	24
Cash and cash equivalents	8	1,701	1,799
Other assets		1	12
<b>Total current assets</b>		<b>2,005</b>	<b>2,127</b>
<b>Total assets</b>		<b>2,286</b>	<b>2,237</b>
<b>UNRESERVED FUND BALANCE AND LIABILITIES</b>			
<b>Unreserved Fund Balance</b>		<b>647</b>	<b>761</b>
<b>Current Liabilities</b>			
Prepaid memberships fees	11	1,316	1,314
Payroll and taxes payables	9	187	75
Trade and other payables	10	136	87
<b>Total current liabilities</b>		<b>1,639</b>	<b>1,476</b>
<b>Total unreserved fund balance and liabilities</b>		<b>2,286</b>	<b>2,237</b>

## Association of European Businesses and its subsidiary

Statement of revenues and expenditures for the year ended 31<sup>st</sup> December, 2011

	Notes	2011 (in EUR'000)	2010 (in EUR'000)
Membership fees	11	2,217	2,153
Events		480	521
Projects		159	178
Publications		151	141
Other revenues		82	89
<b>Total revenues</b>		<b>3,089</b>	<b>3,082</b>
<b>Expenditures, net</b>	12	<b>(3,105)</b>	<b>(2,704)</b>
<b>Excess of revenues over expenditures before tax</b>		<b>(16)</b>	<b>378</b>
Income tax expense	13	(73)	(17)
<b>Net excess of revenues over expenditures after tax</b>		<b>(89)</b>	<b>361</b>

## Association of European Businesses and its subsidiary

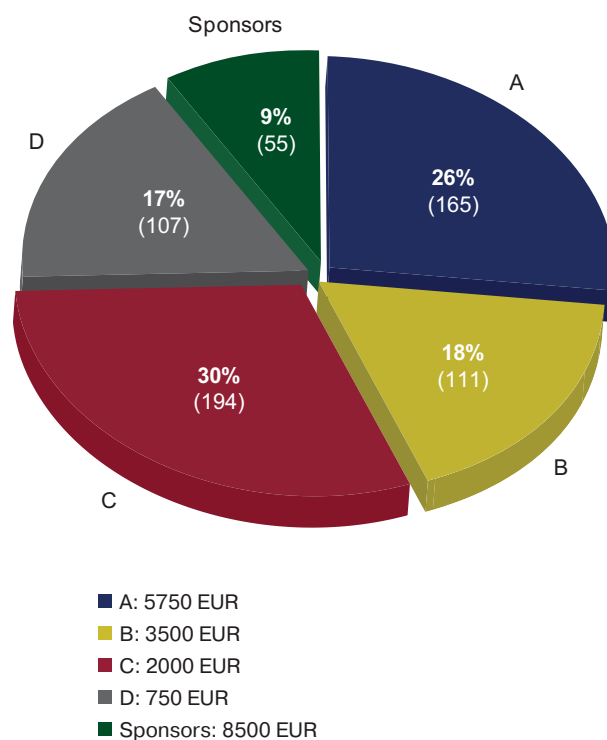
Statement of cash flow for the year ended 31<sup>st</sup> December, 2011

	Note	2011 (in EUR'000)	2010 (in EUR'000)
<b>Cash flows from operating activities</b>			
<b>Excess of revenues over expenditures before taxation</b>		<b>(16)</b>	<b>378</b>
Adjustment for:			
Depreciation and amortization charge		41	50
		<b>25</b>	<b>428</b>
Decrease / (increase) in inventories		11	(7)
Decrease / (increase) in trade receivables		53	(69)
Decrease / (increase) in advances paid and other debtors		(40)	(45)
Increase / (decrease) in prepaid membership fees		2	183
Increase / (decrease) in advances received		18	(11)
Increase / (decrease) in payables and accruals		128	58
<b>Cash generated from operations</b>		<b>172</b>	<b>109</b>
Income tax paid		(42)	(43)
<b>Net cash from operating activities</b>		<b>155</b>	<b>494</b>
<b>Cash flows from investing activities</b>			
Acquis Son affixed assts, net		(225)	(58)
Acquis Son of intangible asset		(3)	-
<b>Net cash used in investing activities</b>		<b>(228)</b>	<b>(58)</b>
Foreign currency translation difference		(25)	1
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>(98)</b>	<b>437</b>
Balance of cash at the beginning of the period	8	1,799	1,362
Balance of cash at the end of the period	8	1,701	1,799

## MEMBERS BY COUNTRY

Austria	20
Belgium	15
Canada	1
Cyprus	11
Czech Republic	4
Denmark	20
Estonia	2
Finland	41
France	70
Germany	105
Hungary	6
Iceland	1
Ireland	3
Israel	2
Italy	19
Japan	9
Lithuania	2
Luxembourg	2
Netherlands	35
Norway	4
Poland	2
Qatar	1
Republic of Korea	3
Russia	78
Spain	5
Sweden	23
Switzerland	25
Turkey	5
UK	85
United Arab Emirates	1
USA	32
<b>Total</b>	<b>632</b>

## MEMBERS BY CATEGORY



CATEGORY	ANNUAL FEE, euro	LEVEL OF PARTICIPATION
SPONSORSHIP	8 500	12 Assigned Members
CATEGORY A	5 750	8 Assigned Members
CATEGORY B	3 500	5 Assigned Members
CATEGORY C	2 000	3 Assigned Members
CATEGORY D	750	2 Assigned Members
INDIVIDUAL Member	750	1 Assigned Member

## ABOUT THE AEB

Founded in 1995, the AEB is an independent non-commercial association with a membership of companies from across the European Union and the Russian Federation. Our members range from large multi-national corporations to small and medium enterprises (SME's) and are united by their commitment to forging stronger economic ties between the European Union and the Russian Federation, as well as improving the business environment here in Russia.

## AEB MISSION

The Association of European Businesses represents and promotes the interests of European companies conducting business in and with the Russian Federation. The AEB promotes economic integration and partnership between the Russian Federation, European Nations and the European Union.

## POLICY

The AEB is a significant voice in policy making in the Russian Federation and is a forum for dialogue between international businesses and the Russian Government, which participates in lobbying on behalf of its members. For over a decade, the AEB's lobbying initiatives have included a wide range of issues of importance to all sectoral and industrial areas covered by the Committees. Furthermore, the AEB participates in the dialogue with European and Russian administrative bodies, to promote AEB Member interests.

### These organizations include:

- EU Delegation to the Russian Federation (RF);
- RF Duma's Committees;
- RF Ministry of Economic Development;
- RF Ministry of Industry and Trade;
- RF Ministry of Finance;
- RF Ministry of Energy;
- RF Ministry of Communications and Mass Media;
- Federal Migration Service;
- Federal Customs Service;
- Federal Anti-Monopoly Service;
- Central Bank of Russia;
- EU-Russia Industrialists' Round Table;
- Foreign Investments Advisory Council;
- Russian Union of Industrialists and Entrepreneurs;
- RF Chamber of Commerce and Industry;
- Foreign Investment Council (FIAC);
- European Bank for Reconstruction and Development (EBRD);
- Organisation for Security and Cooperation in Europe (OSCE);
- International Finance Corporation (IFC);
- International Monetary Fund (IMF).

## MEMBERSHIP BENEFITS

### AEB Member companies receive numerous benefits, including:

- Lobbying: cooperating with Russian authorities to solve business issues and effective interaction with lawmakers;
- Cooperation with the EU delegation;
- Access to quality information on current issues through business briefings, round tables and publications, including the biannual Position Paper and the AEB Business Quarterly magazine;
- Marketing opportunities at AEB events and in AEB publications;
- Business networking through Committee meetings and social events.

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