



MESSAGE

FROM THE AEB BOARD AND THE AUDITING COMMISSION

**ON THE FINANCIAL ACTIVITIES OF THE ASSOCIATION OF EUROPEAN
BUSINESSES IN 2012**

Moscow, 9 April, 2013

To: Members of the Association of European Businesses

The year 2012 has been solid for the Association of European Businesses (“the Association” or “the AEB”) even with the effects of the financial crisis in the EU. Continuing to pursue its goal - to assist its members in the Russian business environment and to represent their common interests in Russia through organizing events, professional meetings and establishing government relations – the Association has once again demonstrated that it is an organization uniquely suited to the challenges of the 21st century. Innovative, dynamic, a catalyst for change – the AEB has consolidated its membership and build on its reputation. The AEB’s contacts with the Russian authorities, EU Commission and EU countries at the highest levels have been enforced. The Association’s input into new laws and regulations has been substantially improved.

The strong engagement of our members and partners is fundamental to the ongoing success of the AEB. Despite the economic crisis it was gratifying to see a more or less stable situation in regarding the membership development, which numbered 611 companies. In 2011 a total number of 630 companies had been members of the AEB. This is a reduction of 19 members in total or relative 3%. Given the economic situation in the Euro-Zone and the development of Foreign Direct Investments from Europe this result is still a strong achievement.

Total revenue based on the consolidated IFRS financial statements for the year 2012 amounted to EUR 3,3mln (3,09mln 2011) an increase of 223k Euro compared to 2011. However the expenditures increased only by 39k from 3.105 Euro in 2011 to 3.144k Euro in 2012.

During the year 2012 the AEB incurred a net excess of revenue over expenditures after tax in the amount of 56k Euro (2011 net excess of expenditures over revenue after tax in the amount of 89k Euro) in its IFRS consolidated financial statements for the year then ended.

As it was in 2011 during 2012 the AEB managed its commercial projects through its wholly owned subsidiary, the limited liability company “AEB Business LLC” founded in 2006.

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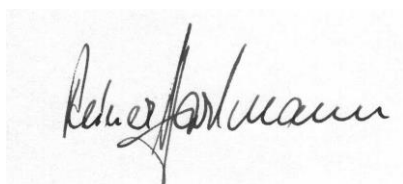
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The cash flow from operations increased by 26k Euro from 155k Euro in 2011 to 181k Euro in 2012 due to higher cash inflow from membership, events and projects.

The consolidated financial statements of the Association were prepared in accordance with International Financial Reporting Standards (“IFRS”). They were audited by an independent auditor – Alinga Consulting Group. The auditor has issued an unqualified opinion on the consolidated financial statements. This should give AEB members greater confidence and ensure better transparency as to the financial status of the Association.

This year we reinforced the importance of effective corporate governance of the AEB. During 2012 the AEB designed and implemented additional internal controls to reflect the business development of the organization. This implementation is in process but not completed yet. The AEB Board and the Auditing Commission will continue to play a vital role in the development of the AEB’s business and activities.

signed by



Reiner Hartmann
Chairman, Board

signed by



Marco Koschier
Chairman, Auditing Commission

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