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PRESS RELEASE

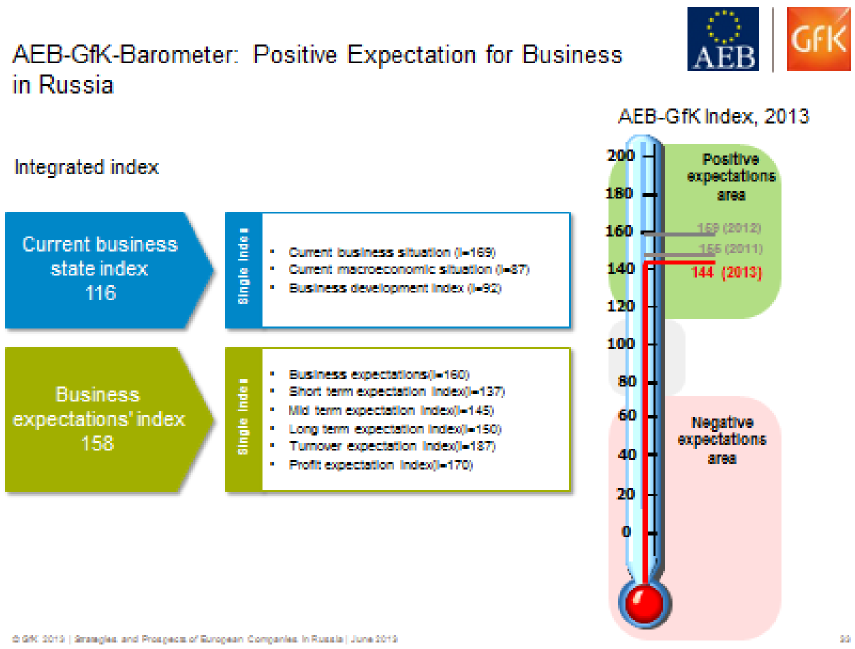
Results of AEB Annual Survey
"Strategies and Prospects of European companies in Russia"

The Association of European Businesses and the International Institute for Market and Social Research GfK-Rus announced the results of the AEB Annual Survey – "Strategies and Prospects of European companies in Russia".

Key conclusions

European companies in Russia hope for the better but prepare for the worst. *Due to the slowdown of the growth of the Russian economy and the influence of the crisis in Europe the top-managers of the companies operating in Russia are less positive towards the current state of their business in Russia and the future than in the previous year.*

The integrated AEB and GfK Rus Barometer Index, which consists of the Index of the current state of business and the Index of expectations, is 15 points lower than in 2012 and makes up 144 points out of 200. Nevertheless the integrated Index is still in the positive area, and the trend for the positive expectations for the future still remains with the Index of expectations (158 points) far above the Index of current state of business (116 points).



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The participants of the survey reveal that the development of their business in the first quarter of 2013 was worse than they had expected. This will result in a certain cutdown of the investments both on the level of their industries and the country. Against the background of these negative macroeconomic circumstances we register a drop in the short- and medium-term expectations (1-5 years) for the development of the Russian economy. Still, for the long-term period the top-managers of the AEB member companies operating in Russia expect a strong growth.

The companies are also optimistic about the turnover and the margin of their companies. Although fewer companies report in 2013 about the turnover increase in the previous year (78% against 87% in 2012) and despite of the negative beginning of the year, the companies expect the turnover and margin growth in the next 3 years.

It is notable how the estimations of Russia's accession to the WTO have been changing during the past year. Before Russia entered the World Trade Organization, most of the survey participants had estimated this prospect as a positive one for the Russian economy. A year later, after Russia had accessed the WTO, most of the companies (66%) did not register any influence of this fact on their business. At the same time, 50% of the companies reported that the European economic recession negatively impacted their business in Russia.

About the Survey

The Survey analyses the comfort level for European business in Russia, evaluating the country's investment climate. The AEB has been implementing this project annually since 2008. Since 2011 the Survey has been conducted in cooperation with the International Institute for Market and Social Research GfK-Rus. The fieldwork was conducted in March-April 2013 through online and paper interviews with the top-managers of the AEB member companies. The sample is 87 companies.

For several years, the Survey has been a highly valuable source of first-hand information that gives an overview of the Russian investment climate attractiveness and highlights the key challenges and strategies that impact AEB member companies while doing business in Russia.

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