



AEB Business Quarterly

Association of European Businesses

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Spring 2012

A NEW WIND IS BLOWING IN ENERGY EFFICIENCY

A look at Russia's Energy Efficiency sector

with AEB updates on:

Renewables in Russia: A way to go? • Promotion of energy efficient products •
ISO 50001 to draw energy management roadmap • Tax incentives for energy efficiency:
legal opportunities and practical application • AEB Networking ... and more

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Dear Readers,



According to the World Bank Group report on energy efficiency in Russia, achieving Russia's full energy efficiency potential would cost a total of \$320 billion to the economy and result in annual costs savings to investors and end users of about \$80 billion, paying back in just four years.

The energy intensity of Russia's economy is three times higher than that of the European member countries of the Organisation for Economic Co-operation and Development (OECD) and Japan. The climatic conditions are an important contributing factor, but major reasons also include the high share of energy intensive industries and a sizable number of outdated energy equipment. The energy saving potential is estimated at 45% of Russia's current energy consumption. The Energy Strategy through 2020, which was approved by the Government in 2003, considers the improvement of energy efficiency as a vital economic policy direction of the state and envisages a 50% reduction of the energy intensity by 2020 as compared to 2000.

Therefore, though relatively new to the Russian Federation, energy efficiency is an issue that can not be ignored, particularly, now that it is on its way to becoming a full fledged member of the World Trade Organisation. Increased competitiveness and oil and gas earnings; lower budget expenditures and a considerable reduction in the cost of environmental protection techniques are but a few of the advantages Russia stands to gain through the implementation of energy efficient practices. An energy efficient business environment also serves as a catalyst to the effective modernisation of Russia's economy, and hence, increased foreign investment.

This issue of the Business Quarterly provides readers with the expert opinions of leaders and in some cases, pioneers in the field of energy efficiency in Russia. Articles include those from representatives of government agencies such as the Federal Energy-Service Company and Russian Energy Agency, under the Russian Federation Ministry of Energy, and leading companies on the Russian market. In addition, you will, as usual, get a chance to acquaint yourselves with past events organised by the Association and its committees, as well as take a look at our proudly growing list of new members, all of whom it gives me great pleasure to welcome to the AEB.

A new year, a new Spring and of course, new beginnings – it is with these words that I welcome you to this edition of the Business Quarterly and wish you all the best in the months ahead.

Yours sincerely,

*Dr. Frank Schauff
Chief Executive Officer
The Association of European Businesses*

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A NEW WIND IS BLOWING IN ENERGY EFFICIENCY



Jeroen Ketting, Chairman, AEB Energy Efficiency committee;
Founder and Managing Director, Lighthouse Group

Amidst the effects of the global economic, political upheaval and overall uncertainty in Russia there has been one area that has shown steady and positive development in the last years; the area of Energy Efficiency (EE).

About 10 years ago, when I became active in EE in Russia, people would still look at me as if I were Don Quixote fighting windmills and chasing unattainable dreams. The EE community in Russia consisted of a handful of enthusiasts scattered across the country from Moscow, Yekaterinburg and Samara to Krasnodar and Cheboksary. Everyone knew each other and when speaking at the early EE conferences we were all preaching to the choir.

But things have changed significantly since then, and whereas EE at that time seemed to be a hopeless undertaking, now it has already developed into a small market with high potential for growth. At the same time the EE community has matured. We used to be a motley crew of enthusiasts, academics and thought leaders. Today the EE community also includes financial institutions, businessmen, engineers and consultants. What has also changed is that until recently, most EE projects were subsidised in one way or another. But that isn't the rule anymore. Nowadays, there are ample business opportunities for small, medium and large sized businesses offering EE solutions. Regional governments are welcoming invest-

ments to reduce the widespread energy deficits resulting from the increasing demand in the residential housing sector. Large businesses are preparing to deal with the consequences of Russia's WTO accession. They understand that sustainable competitiveness in the international arena goes hand in hand with Energy Efficiency. Small and medium sized enterprises are discovering that a penny saved is much more than just a penny earned. Cost savings affect the bottom line much more strongly than additional earnings. From regional governments to car manufacturers to your supermarket around the corner, business success is now directly linked with energy efficiency.

Nowadays, there are ample business opportunities for small, medium and large sized businesses offering EE solutions.

With energy tariffs in Russia rising and approaching European levels, and with energy demand increasing while energy supply stagnates there is a high potential in Russia for innovative EE products and businesses. Today in Russia one can capitalize on this business potential in EE with simple, proven and replicable technology that can be applied to a mass market and that can be implemented in a closed and controllable environment. Some examples are products that can be used in and around the built environment such as: insulation materials, energy efficient heating and cooling systems, EE lighting, intelligent control systems, smart meters and energy efficient appliances. Another safe bet would be technologies that can essentially be used in any industry, such as pumps, electric motors, compressed air systems and measurement and control systems. Also the service sector can benefit by tap-

ping into the ever increasing demand for advice on energy-efficiency methods, EE business models, improved production processes but also legal advice. When you want to go beyond the direct supply of goods or services by implementing a turnkey EE project then there are also many opportunities. As long as you can execute the project within a fully controlled environment, giving you the level of management control needed to measure, benchmark and verify all the relevant energy consumed and saved, you will see that even energy performance contracts (with part or all of the return on the investment in the project depending on the actual financial savings achieved) are becoming a reality. Projects on - and within - the boundaries, of industrial sites (e.g. any production plant) or commercial sites (e.g. logistics or retail centres) aiming at the replacement of compressors, pumps and heating and cooling systems and the installation of combined heat (cooling) and power systems become ever more attractive.

The most difficult period in EE is now behind us and a steady growth in the EE sector lies ahead of us. This edition of the AEB Business Quarterly shows you how to become part of the exciting new world of EE in Russia. It contains articles by the leading EE Agencies in Russia on energy service companies and international co-operation in EE. It also deals with energy management and with the legal aspects of EE in Russia. Other AEB Energy Efficiency Committee members share practical EE experience gained in industry, the built environment and with domestic appliances. And we also have a look into the future with articles on biogas and other renewable energy opportunities in Russia.

This Business Quarterly will help you sail the new wind in Energy Efficiency!

BQ

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LEGISLATIVE BASE AND CREATED INFRASTRUCTURE LEAD TO PRACTICAL IMPLEMENTATION OF THE PROGRAMME FOR ENERGY SAVING AND ENERGY EFFICIENCY ENHANCEMENT IN THE RUSSIAN FEDERATION



Timur Ivanov, Director General of the Russian Energy Agency of the Russian Federation Ministry of Energy

On 22nd of December 2011 Russian power engineers celebrated their professional holiday, and on the same day the Russian Energy Agency of the Ministry of Energy of the Russian Federation turned two years old. It seems to be proper time to sum up the performance results of our Agency which acts as the coordinator of the governmental programme “Energy saving and energy efficiency enhancement for the period up to 2020”.

Within this period we have made significant progress in fulfilment of the strategic task set by the programme – decrease energy intensity of Russian GDP by 40%.

It is worth mentioning the consolidation of efforts made by Russian authorities at all levels in order to create mechanisms for the implementation of regional and municipal programmes in the field of energy saving and energy efficiency enhancement.

In fact Russian legislative base of energy saving is currently under development. On 5th of September 2011 the Russian Government passed the Decree On the Approval of Rules for the Procurement of Subsidies from the Federal Budget to Regional Budgets for the Implementation of Regional Programmes in the Field of Energy Saving and Energy Efficiency Enhancement”. In 2011, fifty five regions of the Russian Federation which had developed the

best programmes were granted subsidies from the federal budget in the aggregate amount of RUR 5.27 bn. That money was used for certain events within the scope of regional energy saving programmes.

The aforementioned events include the development of renewable energy sources, solving tasks of energy efficiency enhancement in thermal power generation and arrangement of the disposal system for mercury containing light bulbs. The list of events is individual, and each Russian region acts according to its programme, but in conformity with the federal legislative requirements.

This principle relates to mechanisms for economic motivation of Russian consumers of energy efficient equipment. Different regions have various models of such motivation. For example, Moscow authorities consider the programme of providing subsidy assistance to individuals willing to buy compact, electric and hybrid cars. In other regions priority is placed on measures aimed at motivating citizens to transfer to the renewable and local fuel, and in regions with severe climate the programmes for heat retention in residential buildings are in the first place. When preparing regional programmes, representatives of regional authorities often base on proposals made by manufacturers and suppliers of energy efficient equipment, energy service and energy consulting companies.

Informational aspect of our activity is of great importance. In 2011 we launched the governmental information system for energy saving and energy efficiency (GIS EE) which represents the full information package in the field of energy efficiency. The system includes the legislative base, technologies, solutions, the best Russian and foreign practices, project cases and sample feasibility studies.

GIS EE is a tool, which enables to aggregate actual and on-the-spot information on the implementation of energy saving and energy efficiency programmes in the regions. Due to GIS EE, results of the first monitoring of the aforementioned regional programmes will be published in the first quarter of 2012; they will help assess the efficiency of programme measures and follow up their influence on the decrease dynamics of energy intensity of gross regional product.

The federal “hot line” (8-800-2000-261) was put into operation in April 2011; it is intended for any requests and inquiries in connection with energy saving. The line is operating 24/7. One cannot exaggerate the importance of this project aimed at increasing the awareness of Russian people of energy saving methods, including the selection of energy efficient equipment and technologies. The only difficulty is that we have to raise the demand for “hot line” services. We will continue working in this direction in 2012.

In 2011 we cooperated with the Ministry for Industry and Trade for the purposes of composing the Register of Energy Efficient Equipment. This Register includes the full list of equipment utilization of which is connected with the consumption of fuel and power resources – household facilities, technological equipment, electrical machinery and materials.

The major selection criteria are the information on energy consumption category in technical documentation and on the labels. Each element will contain OKP Code (all Russian product classifier) of the manufacturer (or the importer).

Apart from this list, the Register will include the classifier of energy con-

sumption categories stated in technical documentation and on energy efficiency labels with comments, instructions for equipment selection.

The Register is a subdivision of GIS EE. For the sake of convenience, the users will be able to choose equipment by manufacturers and trademarks, by name, OKP code, technical specifications and energy consumption category.

The Register will become the complete database of energy efficient equipment for individual consumers and companies. I hope that the Register will be available in full in autumn 2012.

An important aspect of our activity is the creation of network of regional demonstration, education and information centres, where the individuals, representatives of commercial and budget-funded organizations can obtain the necessary consultations, learn about energy saving technologies for industrial and household purposes. The first centre of this kind was opened in Krasnoyarsk – one of the biggest cities in Siberia – in winter 2011. In 2012, similar centres will be opened in several other regions of Russia.

Besides it, in the end of 2011, acting in cooperation with the Ministry for Education and Science of the Russian Federation, we started to develop 56 demonstration auditoria on energy efficiency in the leading universities of our country. In 2012, we intend to open 40 demo-auditoriums and in 2013 – the remaining 16.

Inter-academic demonstration auditoria will be created in the biggest Russian cities; with such a resource by 2015 about three million of students and teachers as well as engineering and technical staff in the field of education will be able to get complex understanding of energy saving methods and technologies. We assume that exhibitions of fully functional samples of the state-of-the-art equipment as well as training sessions conducted with the advanced training methods will facilitate the formation of “energy-efficient” behaviour model of visitors and develop the skills of reasonable energy and resource consumption.

Russian and foreign partners from the list of companies and organizations interested in demonstration of energy efficient production, materials and technologies are invited to this

project. As a result of such cooperation, demo-auditoria are to be filled with modern equipment, multimedia materials, information and reference production. This project will become an outstanding example of public-private

On 5th of September 2011 the Russian Government passed the Decree On the Approval of Rules for the Procurement of Subsidies from the Federal Budget to Regional Budgets for the Implementation of Regional Programmes in the Field of Energy Saving and Energy Efficiency Enhancement”.

partnership involving higher education institutions, regional administration, energy companies and manufacturers of energy efficient products – all those parties which are interested in Russian people developing the habit of reasonable consumption of non-renewable natural resources.

I would like to emphasize once again that the aforementioned projects are implemented not only at the expense of

the federal and regional budgets. Russian Energy Agency carries out serious work aimed at providing interaction between the government and business community. For instance, for the purposes of small and medium business development we have established the Energy Financial Agency (EFA) in cooperation with Vnesheconombank. This institution will ensure expert evaluation of energy service projects and act as the guarantor of their implementation at the account of loaned funds. Launch of EFA procedures is planned for the second quarter 2012. It is expected that it will provide financing for the projects with the minimum threshold of RUR 1 mln. Guarantees will be issued in the form of securities which may be used as the cover of credits issued by other banks.

We have a lot of things to do and we strongly hope that we will manage to set up a powerful community of experts, specialists and businessmen interested in large-scale introduction of energy efficient technologies in our country. We are always open for cooperation. BQ

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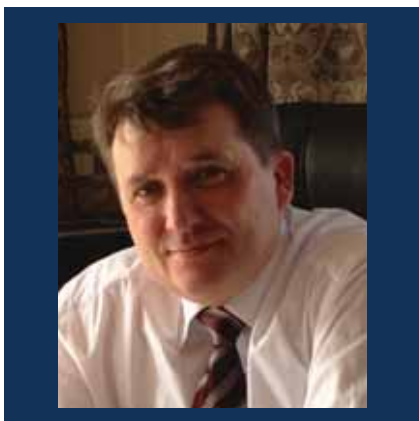
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ALL ABOUT THE FEDERAL STATE UNITARY ENTERPRISE "FEDERAL ENERGY SERVICES COMPANY" ("FESCO")

"CANNOT PEOPLE REALIZE HOW LARGE AN INCOME IS THRIFT?"

MARCUS TULLIUS CICEROA



Alexander Terekhov, Acting General Director, Federal State Unitary Enterprise "Federal Energy Services Company"

Given the difficulties currently being experienced by the market, combined with its low rate of development, the creation of a federal energy-service company represents the best possible solution to overcoming existing barriers and improving energy efficiency throughout Russia's public sector.

At present, the Federal State Unitary Enterprise "FESCO" is a robustly-developing company under the departmental auspices of the **Ministry of Energy** of the Russian Federation. "FESCO" is a company charged with supporting development of the energy services market, fostering the potential and current operations of regional, local and privately-held ESCOs, working within the sphere of the federal budget and for closed enterprises – first and foremost, the military-industrial complex – and easing access to project financing.

The **mission** of "FESCO" is to create the conditions necessary for dynamic development of the energy services market within the Russian Federation, implement projects within the federal public sector and industry-based energy service contracts for projects in renewable energy and bioenergy,

as well as support the development of scientific and technological capacities and facilitate the development of the domestic production of energy-saving products.

In terms of energy services, the **operational concept** for "FESCO" features four aspects: the technological solutions lying at the heart of energy-service contracts, energy audits, project financing for reconstruction, modernization and the integration of energy-saving technologies, and supplies. It is anticipated that "FESCO" will conduct technical assessments and project-quality monitoring activities aimed at the obtainment of loan guarantees.

The immediate plans of the new company include:

- the implementation of pilot projects involving the rendering of energy services for the purposes of their subsequent replication and roll-out by various energy-service companies;
- the creation of energy-service start-ups aimed at supporting small- and medium-sized businesses engaged in the rendering of energy services;
- the development of a bioenergy resource base and the creation of

Problems in the area of energy conservation and energy-efficiency improvements have become critical issues in today's Russia. Such problems include the excessive losses entailed in energy production and consumption, the failure of our production facilities to conform to modern advancements in science-and-technology, and our high rate of equipment failure. The lack of effective infrastructure on the market for energy-conservation services, the poor financial solvency of consumers, limited budget financing, and the shortfall in industry experts specially-trained in efficient and rational energy consumption only serve to exacerbate these problems.

At this stage, practical implementation of any program designed to increase energy conservation and efficiency is hindered by a number of barriers, specifically: the lack of financial and insurance products tailored specifically to energy-service contracts, the failure to implement energy-service agreements due to the gaps in the legislative framework, a lack of confidence in performance contracts, the deficit of regulatory and oversight agencies charged with monitoring compliance with legal requirements, and the failure to generate interest in the implementation of such measures.



bio-energy clusters in the Russian regions;

- the provision of informational-analytical and methodological support via the creation of an integrated informational system;
- the creation of a demonstration centre for energy efficient technologies and equipment;
- active participation in the creation of an international science and innovation centre – “EcoEcology” together with the federal government agency “RosEnergoAtom.” This centre will be formed on the basis of similar institutions within the RF Ministries of Energy and Agriculture, the Russian Academy of Agricultural Sciences, with the active participation of international companies and organisations.

Investments in energy savings truly mean economic savings. That’s why it’s so important to ensure that privately-held and public organizations alike – at all levels – have the opportunity to rely on the standardized organizational, financial and technological solutions offered by the real-world implementation of pilot projects. Then, millions of Russians will be able to reap the benefits associated with the implementation of energy-saving programs.

Today, a great number of well-proven foreign and domestic energy-efficient technologies and technical solutions are on offer for practical application in the field of energy conservation. Yet, given current conditions in terms of national economic performance, housing and public utilities, and social services, the practical implementation of investment projects conducted within the scope of the energy conservation programs under development in the regions is hampered by a multitude of organizational, financial and legal barriers, particularly since energy-saving activities require significant initial expenditures. That said, inferior project implementation is capable of undermining the very idea of energy conservation.

Having garnered significant experience in the implementation of energy-efficient projects, “FESCO” is well-positioned to systematize both the positive and negative aspects of project implementation and advise Russian municipi-

palities and constituent territories on the integration of road-tested standard solutions. At the same time, technological, investment and social risks decrease – as do the costs associated with project development and implementation. Of tremendous importance is the organization of comprehensive support by “FESCO” for projects of differing levels and formats.

FSUE “FESCO” strives to develop a mechanism for the support and replication of energy-saving programs and projects, specifically: the continuous selection and implementation of energy-conservation programs capable of being launched as pilot projects, project monitoring, project support and standardization, as well as support for the integration of such projects at the municipal and regional level.

With respect to securing financing for energy-saving projects, “FESCO” aims to achieve the following objectives:

The mission of “FESCO” is to create the conditions necessary for dynamic development of the energy services market within the Russian Federation, implement projects within the federal public sector and industry-based energy service contracts for projects in renewable energy and bioenergy, as well as support the development of scientific and technological capacities and facilitate the development of the domestic production of energy-saving products.

- Development of standard financing arrangements;
- Preparation and integration of standard forms of credit financing;
- Organization of forms of cooperation with small- and medium-sized regional ESCOs, including various options: rendering of technical, methodological and informational support, joint ventures, equity participation;
- Formulation of most-favorable terms for foreign investors;
- Formation of the stable pre-conditions necessary for development of the financial-instrument market for the energy-services industry.

Note that it is of fundamental importance not only to arrange for coordination of the energy-conservation measures implemented by all federal agencies, but also to consolidate the professional opinions of all professional market players.

Unifying energy-conservation efforts on the basis of this business structure will allow for the:

- Creation of a market instrument for the implementation of the “Energy Conservation and Energy-Efficiency Improvement Through 2020” Program adopted on December 27, 2010;
- Swift accumulation of staffing and technological potential for the implementation of pilot projects;
- Gathering of experience in the application of comprehensive and effective solutions to energy-saving tasks capable of being replicated for swift implementation across all economic sectors and integration into the marketplace;
- Development and implementation of mechanisms and instruments that increase access to financing, including, financing through the Energy finance centre;
- Formation of an integrated information space for energy-efficient technologies and products (GIS TEK, including the normative reference system (NRS));
- Maximum informational accessibility of the energy-efficient technologies of foreign and domestic producers and suppliers to all market participants;
- Control over the spending of funds earmarked to support energy-conservation projects.

Thus, “FESCO” must emerge as a key platform on which all market participants, including international organizations, can join forces.

Given its wealth of experience in the energy field, close contacts with hundreds of manufacturing plants, equipment suppliers, NGOs and associations throughout Russia and overseas, and workforce of highly-qualified specialists, “FESCO”, in close cooperation with FGA “REA”, international partners and regional entities, is surely poised to become the lynchpin for development of the market for energy-saving services in Russia. BQ

PARTNERING RUSSIAN ENERGY EFFICIENCY WITH WORLD BEST PRACTICE



Michael Viberg Pedersen, Director and Anna Chelnokova, Energy Efficiency Advisor, RuDanEnergo

- Imagine a 94% energy efficiency on consumed fuel input in a combined heat and power plant.
- Imagine being able to switch seamlessly between fuel sources.
- Imagine wind power constituting almost 30% of electricity consumption, and growing.
- This is already reality in Denmark. And now Russia is committed to dramatically decrease energy intensity through a range of measures.

The Russian Energy Agency is working hard to increase energy efficiency in the Russian Federation through joint activities with best practice partners at national, science and commercial levels. Denmark is a country with one of the strongest clean tech and energy efficiency sectors. The Danish government's ambition is to be completely independent of fossil fuels by 2050 and it is very successful in reducing its energy consumption and CO₂ emissions.

In September 2011, the Russian and Danish Energy Agencies signed a Memorandum of Understanding in the field of energy efficiency cooperation. One concrete activity within this area is the founding of RuDanEnergo

The Center was initiated by the Confederation of Danish Industry with support from the Danish Industry Foundation and leading Danish companies in the field of energy technology and energy efficiency. RuDanEnergo works with a wide range of decision makers from business, politics, finance and academia. Its goal is to facilitate and develop new initiatives between Russian and Danish stakeholders within energy efficiency and to create mutual understanding and innovative thinking between Russian and Danish actors by enhancing cross-sector/cross-border/cross-level encounters, by dismantling barriers for energy efficiency and supporting cleaner energy solutions. Members of RuDanEnergo include companies like BWE, Danfoss, Eagle Burgmann, Grundfos, FLS, Logstor, Ramboll and Vestas with proven world class energy technologies.

An area of Danish best practice experience in energy efficiency is district heating, where Danish combined heat and power plants are among the most efficient globally. More than 80% of district heating is co-produced with electricity. Denmark has developed and installed some of the world's most efficient power

plants like Avedøre 2, which is a multi-fuel fired plant that is capable of using several types of fuel: natural gas, oil, wood pellets and straw. Multi-fuel fired power plants are yet to be seen in Russia and are an interesting opportunity for providing power plant owners with a possibility to seamlessly control the type of fuel they use depending for example on market prices. Another Danish specialty is offshore wind turbine production. Denmark hosts the world's leading wind energy companies and has 40 years of accumulated wind knowledge. It should be noted that fossil fuels and renewables are interdependent in the Danish grid and allow Denmark to be more energy independent and environmentally friendly.

A key element of Danish success in achieving the high levels of energy efficiency is that purchasing decisions are based on principles of Best Available Technology (BAT). BAT is defined as the "most effective and advanced stage in the development of an activity and its methods of operation, which indicate the practical suitability of particular techniques for providing, in principle, the basis for emission limit values designed to prevent or eliminate or, where that is not practicable, generally to reduce an emission and its impact on the environment as a whole," where:

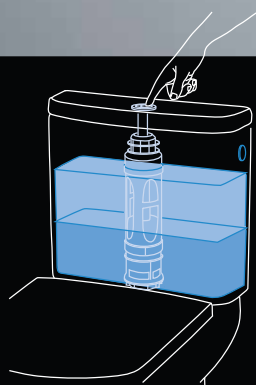
Before implementing such an approach throughout state systems, in order to lead to improved energy efficiency measures, it is necessary to review and change incentive structures from power producers through transmission and distribution to consumers in order to improve the economic feasibility for buyers.

Several BAT events are planned by the Russian and Danish Energy Agencies in partnership with RuDanEnergo throughout 2012 and onwards in order to contribute to Russia's progress towards increased energy efficiency and to partnering Russian energy efficiency with world best practice. **BQ**

B	'best' in relation to techniques, means the most effective in achieving a high general level of protection of the environment as a whole
A	'available techniques' means those techniques developed on a scale which allows implementation in the relevant class of activity under economically and technically viable conditions, taking into consideration the costs and advantages, whether or not the techniques are used or produced within the state, as long as they are reasonably accessible to the person carrying out the activity
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RENEWABLES IN RUSSIA: A WAY TO GO?



Patrick Willems, Program Manager, IFC Russia Renewable Energy

There is continuous discussion at various levels as to whether Russia with its huge oil and gas resources needs renewable energy. This discussion takes place inside and outside of Russia, between various national federal and regional players, with different aspirations ranging from modernizing the economy to protecting local energy providers from Western interference.

Energy in Russia is dominated by oil, coal and above all, gas. The nation has huge reserves, allowing it to supply its consumers with relatively cheap energy and wield the power that comes from being a key exporter to Eastern Europe and beyond. So why would Russia even consider to explore and exploit its renewable potential and what are issues that impede this to date?

Russia is the 4th largest emitter of GHGs in the world; its energy intensity is among the highest globally, while existing generation assets are nearing the end of their technical lifetime. In recent years there seems to be a growing awareness of the need for and related benefits of increasing energy efficiency and deploying a renewable energy sector.

According to the Government Order 1-r of January 2009 and the Energy Strategy of the Russian Federation, the country is to reach 4.5% of its electricity generated from renewable energy sources by 2020 (excluding hydro with installed capacity over 25MW). And it does have a sufficient potential. Russia's vast geography and topography provides favourable con-

ditions for the deployment renewable generation, including windswept steppes, areas of high insolation and forestation on top of rich geothermal wells. Yet to date this potential remains almost completely untapped. At the end of the same year 2009 a mere 13 MW of wind and negligible solar capacity was connected in a country with a total installed generation base of 220 GW. Large hydropower excluded, less than 1% of Russia's power is currently generated from renewable sources.

But where will the money come from? The choice here is not one of making major investment in renewables or of saving the money by maintaining the status quo. Russia will have to make substantial investments in its oil and gas sector anyway, if it wants to keep meeting growing domestic demand. In dollars and cents, IEA estimates that Russia's power sector will require US\$615 billion in investment through to 2035, including US\$360 billion in electricity generation.

One early win for Russia could come from the promotion of energy savings as a way of demonstrating the

economic benefits of cleaner, more efficient energy consumption. Indeed, efficiency measures can play a major role in boosting renewables' overall share of the energy mix. There is a huge energy efficiency potential in Russia, and if Russia manages to reduce its energy intensity, it will need much less energy overall.

But to get renewables off the ground, the basics must be in place, beginning with a legislative framework that supports their development. Supportive legislation will need to be underpinned by rigorous, specific guidelines as seen elsewhere. Most European countries for instance provide priority access to energy from renewable sources and further place an obligation on wholesalers to pass on electricity produced by renewables to the end consumer.

A decision on which way to go has yet to be made. A Federal law on Electricity (FZ-35) amended in 2007 introduced the legal basis for stimulating renewable energy (RE) by premiums on the wholesale market price; the same law was amended in December 2010, introducing the possibility of stimulating RE by payments for capac-



ity, parting from the previously introduced system of premiums. Another amendment of the same law adopted in December 2011 introduced both again.

There are other factors which prevent the development of a viable renewable energy market in Russia, such as the absence of a one stop-shop with decision making power; the reluctance to adopt new technologies (grid integration); the meagre appetite of local FIs to provide RE financing combined with insufficient support and training for developers (capacity building).

Despite these obstacles there are grounds for hope. Renewables can form part of a general policy designed to encourage modernisation and technical innovation in Russia's industrial complex. The credentials of renewable energy as a 'new industry' could be a significant booster for regional development in many Russian cities, now still dominated by monolithic outdated industries which often represent the sole source for employment.

Another factor to take into account is that Russia's national status as an

exporter of energy belies the fact that whole regions of the vast country are heavily reliant on 'imports' from other energy-rich regions, especially western Siberia. Given the uneven distribution of energy resources across Russia's territory, there are many regions where the cost of power supply is very high, either as a result of being at the end of long transmission lines, or in isolated grids. As an example, the central-Asian republic of Tyva, deep in the south of the Russian Federation on the border with Mongolia, spends more than half of its budget on fuel.

In such cases, even in the absence of any incentives, an appropriate programme geared around local renewables could quickly make an impact. Biomass deployment in north-western Russia, where the well-established pulp and paper industry ensures favourable conditions, is a good example. Regions remote from the power network rely on local petroleum-based generation systems, with fuel transported by road, rail or even by helicopter. Renewable generation could be price competitive

here, especially if subsidies for 'imported' fuel were removed.

It is also believed that wind has a tremendous opportunity to make an impact within ten years, especially for the 10% or so of Russians who are not yet connected to the grid. Where allied with state of the art transmission technology, the country's vast geography needs not be an obstacle to wind contributing to the Russian grid system as well.

To date, more and more, Russia's regions are looking at the possibility of developing local renewable energy sources to satisfy local energy demand and as a means to attract investments but also, in some cases, to solve environmental problems like agricultural waste.

Once a basic framework is in place, significant progress might be seen within the next two years at a regional level. There are viable projects, interested project developers, keen investors and equipment manufacturers, all eager to match the potential. A little push should suffice to get the ball rolling. BQ



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RENEWABLE ENERGY – A NEW REALITY



Aage V. Nielsen, Managing Director, Vitus Bering

- In year 2008 19% of final global energy consumption came from renewable energy and this share is increasing;
- Many countries have renewable energy promotion policies and programmes in order to reach set-up targets set for renewable energy – Many European countries have a target of 20-30% or more by year 2020.
- Most interesting is that a number of renewable energy technologies now are being or soon are becoming competitively priced due to falling production costs and/or new inventions improving cost effectiveness (e.g. solar photo voltaic panels, wind-turbines, second generation bio-fuels).

The need for public subsidies is therefore reducing and several renewable energy technologies are becoming commercially feasible without support for more and more applications. As a consequence the introduction of renewable energy capacity will accelerate.

Russia and renewable energy

A number of analyses and reports have documented Russia's big potential within almost all types of renewable energy.

Hydropower has for many years been a substantial industry. During the last years we have seen a number of initiatives within especially the bio-

mass, bio-fuel and production of solar photovoltaic panels sectors.

Companies, investors and a number of Oblast administrations are increasingly interested in energy efficiency and use of local renewable energy sources in order to increase their local value adding and to improve living standards for their population.

However, Russia would need to catch up on renewable energy promotion policies and programmes if companies and Oblast administrations are to succeed. Hopefully, the existing World Bank Russia Renewable Energy Programme together with improved awareness will contribute to adapt the necessary policies and regulations needed.

In the AEB Energy Efficiency Committee we have experienced a number of barriers to overcome including net-metering and difficult rules for feed-in tariffs to the grid.

The low hanging fruits of Russian renewable energy are at this moment:

- Many cities would benefit from waste sorting, recycling and burning the remains in CPH plants, which at the same time would reduce waste dumping and related threats to drinking water sources; .
- Use of waste within the wood and wood processing industries – in Northern Europe and around the Baltic Sea there exists a substantial

Sun, biomass, water and wind have been used as energy for many centuries, millenniums even.

But Since James Watt, fossil fuels (coal, oil and natural gas) and after the 2nd World War also nuclear power took over. With the big oil price increases in 1970s first Western Europe and Japan started to rediscover renewable energies.

With the additional price increases of fossil fuels since 2000 and the increasing concerns of global warming big consumers even including the USA, China and India are now also promoting renewable energies.

Renewable energy today includes a number of technologies: Hydro power, wind power, biomass and bio fuels, solar photo voltaic panels, geothermal power including heat pumps, and solar hot water/heating collectors. – Waste sorting, recycling (paper, metals, glass, plastics etc.) and burning the remains in CPH, Combined Power and Heat, plants are often for good reasons also considered renewable energies.

In many respects renewable energy is at a tipping point:

- Since 2008 renewable power capacity (wind and solar photo voltaic panels) has been more than half of all new installed capacity in the European Union and USA;.
- Since 2009 more money has been invested in renewable energy capacity than in fossil capacity worldwide; and
- More than half of installed renewable capacity has been in emerging and developing countries;



commercial market for wood pellets used in CPH Plants for district heating;

- The use of biomass and waste from agricultural production;
- Photovoltaic power, subject to net-metering and rules for feed-in tariffs as mentioned above.

It should be mentioned that development of a smart-grid system would facilitate the advance of photovoltaic power and wind-power in Russia.

Recently two 'Energy Active' houses of Danish design were constructed near Moscow in order to test and demonstrate how a zero-energy house design with a number of renewable energy features could work under Russian climate conditions. The housing sector represents a substantial potential opportunity and market for renewable energy technologies, but again depending on introducing net-metering and feed-in tariff system.

Perspectives for Renewable Energy

Renewable technologies are here today! With some of the technologies



now being or soon becoming competitive in price due to falling production costs and new inventions, we will see a still accelerating capacity of renewable energy installed the coming years. The main barriers are mostly lack of awareness about renewable energy, rules and regulations and conflicting economic interests between different sectors in the economy.

Thanks to research inventions within especially biotechnology, solid-state physics and chemistry all over

the world and thanks to the competitive pressure from smart efficient and cheap Chinese and Indian producers and manufacturers, renewable energy will succeed and prevail in the coming years.

We have only seen the very beginning of using the genetic code for new biomass and bio-fuel technologies not to speak about new materials copying features from for example insects and plants to be used for new energy efficient materials within construction, buildings, manufacturing and transport.

A number of important technologies can assist and contribute to this development like sensors, IT & telecoms (such as the so-called smart grid, and intelligent buildings), fuel cell technology, substantially more efficient use of fuel, and high capacity batteries.

A little further down the road, super conductor technology might succeed, which would make it possible to transport power over long distance from areas with wind and/or daylight and sunshine to consuming areas and areas in darkness of the night. **BQ**

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FROM BIOGAS IN RUSSIA TO GREEN GAS IN EUROPE: A BUSINESS MODEL FOR RUSSIAN GREEN GAS



Ekaterina Kravetskaya, CFO/Senior Project Manager,
Representation of N.V. Nederlandse Gasunie in Russia

there is room for substantial imports of green gas from the east.

Green gas has the clear advantage over other forms of renewable energy, such as wind power, that no large new investments are needed as it is able to make use of the existing well-developed gas transport infrastructure. The biomass can be converted at source and very efficiently transported, obviating the need for logistically complicated and huge biomass transport chains. The only issue is whether enough could be produced at a reasonable price. If we look at green gas not merely from an economic point of view, but also in terms of emotions, we observe that green gas is popular as a possible alternative, for instance, as fuel for transportation.

Russia has an enormous potential for biogas production with many hectares of fertile land that is suitable and used for agriculture. According to the Russian Energy Agency (REA), the estimated biogas production potential may reach 66 billion cubic meters per year if all existing annual agricultural waste was to be used for its production.



Currently, locally produced biogas is typically used for local production of electricity, sometimes combined with heat production. Considerable value may be added if biogas is upgraded to green gas and injected into the natural gas network. It may not be currently attractive to sell it on the Russian market given the lower production costs for conventional natural gas as compared to green gas. However, there may be good opportunities for Russia to enter the EU green gas market and increase its market share of the EU energy market by leveraging off the huge production potential of biogas in Russia.

Green gas is considered a premium fuel by consumers in the EU, and there is a separate market for green gas. The current premium which consumers in the Netherlands are ready to pay may be as high as 30%. The current production of green gas in the EU is highly subsidised, with subsidies in the Netherlands amounting to up to €500 per thousand cubic meters of natural gas equivalent. These subsidies are not sustainable, especially in the current economic climate. The import of Russian green gas at prices which are comparable to natural gas prices therefore be very welcome.

In the framework of a Dutch-Russian joint research project we have studied the economic feasibility of the energy value chain of production of biogas in Russia, purification, certification and injection into the gas transport system of Russia with a vision to market this gas in the Netherlands, and subsequently in other countries of EU. The analysis was done on the basis of a typical cattle farm in the Samara region capable of producing 5 million cubic metre of green gas per

The EU Climate and Energy Package, which includes the well-known 20-20-201 targets, sets ambitious goals in relation to CO₂ emissions reduction, energy efficiency and renewables. In this context biogas gains ever greater prominence as a clean and sustainable energy source which can help to “green” the energy supply mix.

“Biogas” is gas of biological origin with a methane content of about 55 percent, which is typically produced by digestion of organic material such as manure and vegetable biomass. When further cleaned and upgraded, biogas can be processed into bio methane, a high-quality methane fuel that is virtually indistinguishable from conventional natural gas and can be injected into the gas grid. Bio methane is also commonly referred to as “green gas”. There is a growing market for green gas in the EU, which becomes increasingly attractive to gas companies because of its rapid growth and the possibility to make use of the existing gas transport infrastructure. Given the somewhat limited potential for production of green gas within the EU itself compared to the total consumption of natural gas in the EU, it can be assumed that

¹ 20% reduction of CO₂ emissions, 20% of energy consumption from renewables, 20% increase in energy efficiency by 2020, as compared to 1990.

year. As it turns out, the production of green gas helps to solve the problem of agricultural waste streams such as manure, generating not only a renewable fuel, but also a high grade organic fertilizer and, importantly, additional income for farmers. The economic viability is supported by the higher price that may be achieved for certified green gas.

The second step in the project is to develop a business model to allow green gas produced in Russia to be marketed within the EU. The respective Memorandum of Understanding was signed in October 2011 between Gasunie, Gazprom, Samara Eurotechnika and BiogasenergoStroi for the development of green gas in Russia. This includes developing a system for certification of green gas in the Russian Federation, setting up an independent certifying body that will be recognized by European peers such as the Dutch certifying body Vertogas B.V. The main challenge will be to establish international recognition of green gas certificates, so that market parties will

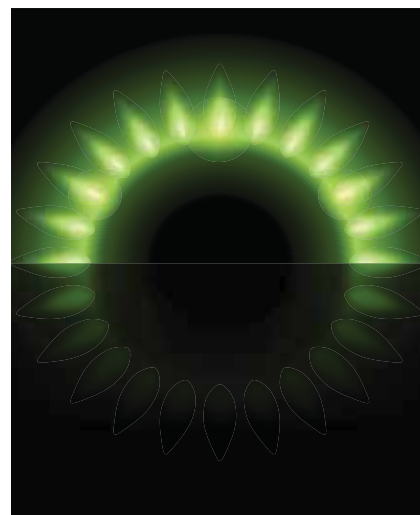
recognize the system and international trade can flourish. The active support of the governments of both the Russian Federation and the Netherlands will be essential mainly to align the technical and physical requirements and standards, stimulate investment into green gas production and establish conditions for the international certification of green gas.

If the business model to create a green gas flow from the Russian Fed-

Russia has an enormous potential for biogas production with many hectares of fertile land that is suitable and used for agriculture.

eration to the Netherlands proves to be feasible, Russia may become known not only as an important fossil fuel supplier, but an important supplier of renewable fuel to the market, making a contribution to the realization of Dutch and European climate goals.

As a European gas infrastructure company we believe that it is essential



to make the existing gas network an integral part of a sustainable energy system, where gas is not only able to play a vital role as a back up, flexible source of energy for renewables such as solar and wind power, but where gas is also able to green itself through the production and feed-in of green gas. International production and flows of green gas will increase both sustainability and security of supply in the European energy market. **BQ**



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PROMOTION OF ENERGY EFFICIENT PRODUCTS



Alexej Soldatow, Technical Regulation Manager, OOO BSH Bytowaja technika

in 2010 and effective since autumn 2011. Any home appliance being displayed in the showroom is the subject of energy labelling; energy efficiency characteristics must be communicated in web sites, in catalogues and product documentation. Similar regulation has been adopted in the Russian Federation since 1 January, 2011.

While energy labelling regulations identify energy efficiency champions and makes visible their advantages in the market, easy comparable and being protected from misleading communication of others, the Ecodesign regulation targets the minimum acceptable level of energy efficiency and performance. Ecodesign regulations set minimum requirements for products reflecting the actual technological level in each particular industry and thus protects the market from cheap and inefficient obsolete solutions.

By participating in relevant standardisation committees, business associations and public councils of authorities, manufactures gain control over the latest developments, identifying new trends and any potential for further improvement of their products. Voting for standards, commenting on drafts of regulations, and initiating positive acts manufacturers can lay the basis for the

successful promotion of their innovations at national and global scales.

Supporting policies

Some countries and regional authorities indirectly support manufacturers which promote energy efficient products. There is a variety of mechanisms aiming to bridge the gap between the costly super-efficient solutions of tomorrow and current technological levels. It might be tax reduction, subvention of the credit interest rate, special discounts, or a refund of a certain amount by purchase of a super-energy efficient product. Such programmes run in Switzerland, Slovenia, Austria, Luxembourg, Spain among others. The replacement of old washing machines and refrigerators by new ones with high energy efficiency classes is listed along with other measures in the Russian Federal programme "Energy saving and increases in energy efficiency by 2020" adopted by the resolution of Russian Government Nr. 2446-p of 27.12.2009.

Visualization of energy efficiency

For consumer goods it is recommended to visualise features, making it evident for potential clients no matter which media is concerned. Some manufacturers introduce their own labels, signs

It is well-known that energy efficient products are reputed to be modern, innovative and productive. But despite this, it is sometimes a very hard job to make them successful in the market. Certainly, energy efficient products are mostly created by using of high-end technologies; they can change perceptions of well-known features, functions and users' habits. The Latest innovations and technological solutions for which production has just begun often frighten some conservative users; their costs are initially excessive due to the pay-back curve of charges for patents and licence fees; and the newest solutions, materials and technologies are unknown to most of the market players. Should a manufacturer be wary of launching super energy efficient products? Definitely not.

Each market success is the result of effective promotion. Let's talk about the promotion specifics of energy efficient products.

Standardization and Technical Regulation

Energy efficient devices, such as home appliances are covered by several regulations. Energy labelling is a regulation enabling the customer to identify the most energy efficient products and compare different products of each and different manufacturers in an easy and transparent way. The European Union has a proven track record of energy labelling since 1995, the latest significant changes were introduced



Property of OOO BSH Bytowaja technika

emphasising outstanding energy efficiency characteristics. Manufacturers are free to decide which criteria, limits and environmental protection facts are most important for the assignment of such badges. For example, home appliances with the mark "Green Technology Inside" were manufactured using the newest technologies, delivering the best performance and low electricity and water consumption values of Bosch products. Criteria for the assignment of special labels might be revised by respected manufacturers faster than the relevant energy labelling regulation and therefore is an efficient mechanism for tracking innovation in a market sector. Such marks can be efficiently used as filters on web sites, enable the product search to focus only on super efficient products and so contribute to its successful promotion via the internet.

Promotion of technologies

Marketing and advertising activities of a product is not the only way to secure its market success. In parallel, the promotion of the technologies using visual features, makes it transparent, understandable and touches both current and future products using the technology being promoted. Proper intellectual property protection should not be forgotten in order to safeguard the project's investment. Products developed using patents and special know-hows are welcomed on the market and have always a better marketing story than other. In return, companies holding numerous patents enjoy a glorious image of being innovation champions which increases the value of respected brands.

Association support

Being placed in this Business Quarterly this section could have been the leading of the article, but is left here to start the catalogue of co-operation options. Previously mentioned tools are referred to as the internal resources of a company which are always essential in terms of success and after legislative infrastructure any kind of business cannot ignore or change. Efficient business associations provide support for their members organising special events, seminars, round tables and creating a permanent platform for dis-



cussions related to energy efficiency. The Neutral stance of associations attracts the mass media, independent experts and regulators which can hardly be achieved if a company appeals to the public by itself. By becoming the sponsor of a specialised events companies can strengthen their image in the minds of the participating or visiting decision makers.

Partnerships outside own industry

"One man, no man: together is better" is clear in our normal life, but can also be applied to promotion activities of energy efficient products. Do attract the partners which might be interested in the issue. A Win-win strategy is beneficial for all parties involved, like electricity suppliers, education centres, Federal agencies dealing with energy efficiency (e.g. REA), and the business associations of allied industries. component suppliers could be asked to participate in joint promotion campaigns resulting in higher fundraising, shared costs, and strengthened partnerships for the future.

Internal social activities

A Key factor for success is the involvement of one's own employees. This can only be guaranteed if they are persuaded by the corporate philosophy, the importance of energy efficiency for the company, consumers, environment and society. Companies declaring social responsibility often organise special events for employees, journalists, business partners taking them away from the everyday office atmosphere. The Format of such events may vary from a picnic to a round table, depending on agenda,

budget, and corporate culture. Most companies issuing corporate magazines do not miss the opportunity to highlight the latest success stories of their innovative products. Such events like a company's Green Day, Eco Day, or Eco Weekend inspire people to create ideas how to improve the products they take care of and organise processes so as to reduce the use of natural resources.

External social activities

It clearly needs to become a trend that people and NGOs in Russia realise their responsibility for the environment. Several organizations and initiative groups set up numerous actions to educate people how to save energy, where to drop old batteries, how to collect old paper etc. Sometimes these kind of activities are supported by foundations. The importance of governmental support should not be underestimated. During the first weekend of June 2010, the Moscow City Government organized the Eco-festival in Luzhniki with free access to all visitors, companies and individuals involved with ecologically oriented production or services and granted space for exhibition purposes. Besides other exhibitors it was possible to present to Muscovites energy efficient products like home appliances, energy supply, house insulation and motivate them to think about their roles and options.

To summarize, the promotion of energy efficient products and solutions is a modern, reliable and future oriented strategy for securing a strong position in the market for a company and its products.

BQ

ISO 50001 TO DRAW ENERGY MANAGEMENT ROADMAP



Konstantin Timoshechkin, Head of Systems and Services Certification at SGS Vostok Limited (the SGS Group)

The Federal Law No.261-FZ 'On Energy Saving and Energy Efficiency Increase' has been one of the long-awaited drivers for introduction of energy management in the Russian business environment. Many governments have been tackling the issue for a long time already, and by adopting this Law Russia has joined the global trend.

Although there have been individual energy saving initiatives undertaken by some Russian organisations, the role of government in promoting energy efficiency practices is crucial. So far, those initiatives have been quite haphazard and the motivation of businesses in Russia to invest in long-term energy saving projects has been low. The Federal Law No.261-FZ is the first practical step towards a sustainable management and hopefully will boost other mechanisms, primarily, development and implementation of the relevant tariff policy. In the meanwhile, by the end of 2012, a number of organisations are requested to carry out energy audits to identify energy saving and energy efficiency enhancement opportunities and to plan further improvement actions, and the big question is what will happen next.

There are two main options. The first one is that energy 'passports' drafted as part of the mandatory procedure set by Law will be archived and remain untouched until it is time to conduct

the next energy audit in five-year period. The second option is that concrete actions will follow to introduce real changes to energy consumption model and for the organisation to gain sustainable benefits. However, due to lack of expertise necessary to achieve reductions in energy costs and wastage many companies would need guidance on how to do so – best practice, etc. To our view, the way to fill in this gap would be to adopt international best practices and implement the recently launched ISO 50001 Energy Management Systems standard published on 15 June 2011.

In many countries, energy concerns have been included in top priority lists due to both the climate change challenge and a forecast shortage of energy resources. To improve security of energy supply and to mitigate the growth of GHG emissions China, Denmark, Ireland, Sweden, USA, Thailand, Korea, and Spain have developed national energy management standards already some time ago. A European Union regional energy management standard BS EN 16001 was published in 2009. In 2008, ISO initiated the work on an international energy management standard with preparatory assistance from the United Nations Industrial Development Organization (UNIDO). This work resulted in the launch of ISO 50001:2011 which drew on numerous national or regional energy management standards, specifications and regulations, including ones developed in the above mentioned countries.

Benefits of a systematic approach

ISO 50001 is rather a general standard applicable to any organisation of any size and it does not give any specific indicators or benchmarks. It does not describe any particular energy saving technology either, but streamlines the

systematic approach toward energy management.

In fact, improved technology has a role to play in improving energy efficiency. However, successful case studies have shown that the most significant progress would come through the way in which companies improve control of the processes and systems they use to manage their energy use. Energy conservation technology and facility/ equipment are only part of the strategies to improve energy efficiency. Systematic management and a behavioural approach have become the core efforts to improve energy efficiency nowadays. Energy efficiency is achieved through changes in how energy is managed. An energy management standard is seen as necessary to achieve major, sustainable increases in energy efficiency. A management process is required to proactively assess, manage, and measure energy usage. This is exactly the problem that we encounter in many Russian organisations trying to reduce their energy costs. They often carry out ad hoc uncoordinated activities that do not really influence the total volume of energy consumption due to the lack of a systematic approach.

Improvements in energy efficiency will always be the result of managing energy performance and optimizing the energy systems used. An Energy Management Standard provides a framework for understanding significant energy use, helps in the creation of action plans to continually improve energy performance and in the elaboration of documentation to sustain energy performance improvements. On the other hand, system optimization provides: a method of assessing systems to identify energy performance improvement opportunities, actions that can provide significant energy sav-

ings with limited capital investments and, finally, more reliable operations. ISO 50001 as the most recent and complete energy management standard is intended to provide organisations with a recognized framework for integrating energy performance into their management practices. The introduction to the standard makes it clear that implementing ISO 50001: "...should lead to reductions in energy cost, greenhouse gas emissions and other environmental impacts, through the systematic management of energy".

Giving guidance not instructions

ISO 50001 is intended to offer guidance to organisations so that they can develop and implement their own energy policies, objectives, targets and action plans, which take into account legal requirements and other information relevant to their energy use. By implementing 50001, companies should make better use of their energy-consuming assets by identifying opportunities for improving efficiency and reducing waste.

Taking the example of AUO, the Taiwan manufacturer of TFT-LCD panels that implemented ISO 50001 to complement its existing ISO 14001, ISO 14064 and LEED management systems: thanks to a systemic energy review they managed to identify 66 opportunities for improving energy performance through both process improvement and management procedure enhancements. Those opportunities should result in saving 55 million kWh of electricity and reducing 35 thousand tons of carbon emissions by 2015. And the standard's implementation should enable AUO to achieve those targets, again, through a systematic approach and the Plan-Do-Check-Act continual improvement framework incorporating energy management into their everyday business operations and strategies:

- Plan: establish the objectives and processes necessary to deliver results in accordance with opportunities to improve energy performance and the organization's policies.
- Do: implement the processes.
- Check: monitor and measure processes and product against policies, objectives and the key characteris-

tics of its operations and report the results.

- Act: take actions to continually improve energy performance.

Complementing corporate management systems

ISO 50001 includes requirements relating to energy supply, as well as energy use and consumption. These include requirements relating to measurement, reporting, design and procurement practices for equipment, systems, processes and personnel involved in the management of energy.

The structure of the standard is very similar to ISO 14001 (environmental management) and the standard can be used independently or integrated with other management systems (such as ISO 9001, ISO 14001). Given that energy usage is commonly considered to have a significant environmental impact, ISO 50001 is complementary to ISO 14001 management systems. This will certainly be a good starting point for many Russian companies that are familiar with, and have ISO 14001 compliant environmental management systems in place.

Similar to other management system standards such as ISO 9001 and ISO 14001 there are requirements relating to management responsibility, policy, document and record control, training and awareness, and internal audits. To help understanding and integration, ISO 50001 includes a table comparing the requirements of ISO 50001 with other ISO management system standards.

Focus on efficiency and sustainability

With ISO 50001 published less than a year ago, the first certifications have already taken place all over the globe. None of the Russian-based organizations has yet been certified, but the standard is likely to attract the attention of those who search for new ways of increasing overall efficiency and improving corporate sustainability. Luckily, the number of such organizations in Russia has been growing.

The UK Carbon Trust survey carried out in March 2011 suggested that for those companies able to provide credible evidence of improving their environmental impact there are considerable commercial and reputational

opportunities, not least the fact that of those surveyed, more than 50% are more loyal to brands that can show, at a glance, evidence of action. Report suggests that there is a distinct correlation between the strongest, most successful brands and those brands which score highly on the categories of Corporate Reputation, Leadership and Innovation. Environmental responsibility is one of the top characteristics of leading companies.

This correlation would not be as obvious in Russia yet, still companies going public and expanding in the global markets increasingly pay attention to corporate sustainability and to the provision of evidence of action. Moreover, apart from a reduction of GHG emissions and other environmental impacts, the fact that ISO 50001 helps businesses to reduce energy costs and wastage makes this standard ever more appealing to business owners and efficiency-oriented managers willingly adopting no-cost and low-cost management approaches during the last few years.

There are three stages on the way towards energy efficiency. The first stage is product energy efficiency. The second stage is product system energy efficiency, like product carbon footprint analysis, starting from the raw material through to final disposal. The third stage is entity energy efficiency, when the principle of systematic management is applied and the energy efficiency of the whole organisation is improved. Globally, the approach towards energy efficiency has already moved to the third stage. For those Russian companies that will opt not for gradual climbing each stage but for going directly to the third one, ISO 50001 is the ideal roadmap.

About SGS

The SGS Group is the global leader and innovator in inspection, verification, testing and certification services. Founded in 1878, SGS is recognised as the global benchmark in quality and integrity. With more than 70,000 employees, SGS operates a network of over 1,350 offices and laboratories around the world. Operating in Russia since January 1981, today SGS employs a staff of 3,300 people all over the country. Web: www.sgs.ru

BQ

A NEW PLAYER WITH GREAT POTENTIAL



Thomas Oertner, General Director, Imtech Russland AG

According to statistics, actual energy consumption of stadiums and multi-purpose arenas divides the following way: 20% of consumed energy is due to events running and 80% is used during periods between events. These 80% creates a potential for reducing energy consumption which can be fulfilled today by introducing modern technologies and energy saving materials.

According to new revision of EPBD – The Energy Performance Building Directive, all new building in Europe starting 2020 should have low level energy consumption – less than 45 kWh/m² per year – and from 2018 this requirement should be applied to all public buildings. The requirements of the Directive are transposed into German law EnEV (Energieeinsparverordnung) which considers a building as a single energy system what means that primary energy consumption with respective multiplier and strictly standardised thermal protection of building are taken into account at the same time. According to statistics about 40% of energy used in Germany is consumed by buildings and facilities. Meanwhile the main energy consumers in the building are the heating and warm water supply system, ventilation and air-conditioning, lighting and household (office) appliances. Heating and water supply take up the lion's share of energy use: estimated to be from 60 up to 85% of building energy consumption or approximately 1/3 of all energy consumed in the country. That is why the main way to improve energy properties of build-

ings is optimization of these systems. Today an energy passport is mandatory for all buildings as energy consumers in Germany. It contains information on the energy balance of the building along with the main actions needed to improve energy efficiency.

Innovative technologies for energy saving are more often applied recently besides actions which became traditional: a changeover to energy saving lighting, use of building management systems and others. More hot water is produced with solar collectors in Germany. Heat pumps are more often used, changeover to low-temperature boilers and house cogeneration become more popular and ventilation installations are often transformed for the recirculation of heat in the system.

The potential Energy saving in Germany is still rather high in spite of more widespread application of energy saving technologies. Energy saving is especially vital for developing countries where energy capacity per unit of GDP is higher in comparison with developed countries. Meanwhile such energy capacious facilities as stadiums, arenas, airports, industrial projects, office centres have as a rule the highest potential for energy efficiency.

According to the findings of examinations carried out in Germany the average energy potential saving of stadiums is no less than 15-35%. For such energy capacious facilities as stadiums it means a considerable reduction in CO₂ release besides significantly reduced costs for energy supply.

Earlier, when building stadiums the main attention was paid to comfort: lawn heating, VIP-lodges with air conditioning, restaurants and other infrastructure projects. Certainly such facilities entailed constantly growing energy consumption. Today the existing innovative technologies allow by integrated approach to reach significant saving even at the initial stage of actions. Stadiums are considered as energy source what means "zero energy consumption" to be not only a vision but now reality.

The Solution of two main problems is required within the energy saving concept for a stadium or arena: optimization of primary energy use and search for additional energy sources.

A Strategy of energy efficiency potential improvement includes step-by-step answers to the following questions: how to minimize energy consumption of facilities? Where and how much energy is required? Where can energy be constantly produced? How can the required energy be received rationally? Integrated analysis and environmental simulation enables engineers to answer these questions and to develop an optimal concept including a set of actions aimed at an improvement of energy efficiency. Modern technologies and tools of environmental simulation enable engineers to experiment on facilities when experiments in reality are not possible or unreasonable. All loads by such experiments are determined based on calculations, results of measurements by taking into account metrological dates and the specifics of facility use. Dynamic simulation enables maximal accurate determination of demand for gas, fuel oil, central water supply and other energy sources and guarantee that supplied energy is rationally used.

Simulation tools include the estimation of energy saving potential and assessment of possible re-use of waste heat created in production processes. Simulation tools also make it possible to find out ways of improvements in energy consumption and maximal effective use of specific and unique landscapes: for example, big roof areas can be used for placement of heat pumps collectors or can be transformed into solar power plants. Analysis of environmental simulations results enable engineers to assess the consequences of different technical solutions and to choose the most ecologically and economically reasonable variant of energy saving and sources of consumption. Energy simulation of facilities and systems is aimed to develop the optimal combinations

of energy production, energy distribution and energy use besides control of harmful releases. Technologies and tools of environment simulation are used at all building stages and also for existing facilities within modernization and improvement of energy efficiency potential.

Thanks to modern technologies a number of sport facilities in Germany were upgraded: "Veltrins Arena" in Gelsenkirchen, "SAP Arena" in Mannheim, "ISS Dom" in Dusseldorf, "Imtech Arena" in Hamburg and others.

Integrated analysis and environment simulation enable engineers to develop a maximally effective concept of energy efficiency improvement including actions for short-term, medium-term and long-term period. For example, application of energy saving actions in German stadiums allows even at the initial stage to reach saving up to 35% and reduced CO₂ release up to 1000t per year, what corresponds to release and consumption of 200 private houses.

With an integrated approach and consideration of a multi-purpose stadium as a single system the following energy efficient actions can be implemented:

- floor heating: dividing of heating circuit in zones with automatic control;
- lawn heating: dividing of heating circuit in zones and use of natural solar heat;
- use of waste heat owing to cooling process what can additionally save water and power;
- automatic lighting control by use of motion detectors;
- connection of users to power and control system by special software which enable automatically switching subject to activity status;

Today environmental simulation is used in Russia in the planning and building of sport facilities for the forthcoming Winter Olympic Games in Sochi 2014. Olympic projects built with additional innovative ecological requirements became "runways" for introduction of modern green solutions and the application of technologies of environmental safety and reasonable consumption of nature sources, for example, automatic control and dispatching, water saving sanitary

ware, re-use of rain water for watering and others.

Energy management aimed at improving energy potential implies permanent control of reasonable sources consumption: what unused rooms are being heated at the moment? Where and how much is water consumed? Where is the intensity of heating too high?

The Application of special software enables engineers to choose scenarios subject to circumstances and consumption in specific settings. For example, at the time when no events are running in the stadium lighting and heating can be switched to economy mode just by "one click". The maintenance programme for daytime or night time mode or programme for football matches or concerts can be also chosen. Centralized control of energy consumers set conditions for significant energy saving and reduction of CO₂ release.

Special energy management systems including fixing devices, meters, sensors and others enable analysis and constant optimization of energy consumption. The Energy management system collects dates of sources' consumption and transmits them for further analysis and processing. This allows timely recognition of unwanted and overstated volumes of energy consumption and ensures constant re-checking of all actual data. Constant optimization of energy consumption during life cycle of facility is possible thanks to such energy management system.

Lawn heating is one of energy costs item by maintenance of stadiums. Lawn heating was introduced for the first time in the 1970s in Germany in the Olympic stadium in Munich. Since 2008 lawn heating has been mandatory for all Bundesliga stadiums. Lawn heating has a number of advantages – including independence from weather, more safety for players. The main disadvantage is considerable energy costs. This problem can be resolved in modern stadiums in different ways. For example, by use of waste heat from ventilation installations or pumps or by taking into account peculiarities of landscape and natural solar heat. Modern technologies of lawn care enable



saving water for example owing to special distribution systems in the ground.

All the above mentioned technologies assume ever greater importance for Russia in connection with the Football World Cup 2018. It is planned to build not less than 12 super-modern arenas by 2017. The "Luzhniki", which was entered by UEFA in a list of five star football stadiums, will be modernized with increasing of capacity up to 90 000 seats with preparation work for the World Cup. The main requirements of FIFA, stated in "Technical recommendations and requirements", are high levels of comfort and safety, better access to the stadium, perfect lighting and turf. Sound insulation is mandatory as well as taking into account the trajectory of the sun. FIFA also forbids building of big light towers which consume a lot of energy.

Modern sport facilities should meet the main requirement – maximal comfort with minimal energy consumption. Special actions and engineered solutions are required for such energy capacious facility as multifunctional stadiums in order to increase energy saving potential, to reduce sources of consumption and waste releases.

The Speed of modern technologies' development is so high that new built arenas became not modern after 25-30 years. That is why the possibility of further reconstruction and modernization should be taken into account in the planning and building of sports facilities. Today effective energy consumption management is a necessity because it enables significant savings for owners and investors and also helps to reduce harmful releases and improves the environment. **BQ**

TAX INCENTIVES FOR ENERGY EFFICIENCY: LEGAL OPPORTUNITIES AND PRACTICAL APPLICATION



Anastasia Prozor, Associate, CMS

which is easy to implement and reduces tax liabilities.

However, the Government has not yet confirmed the list of highly energy efficient facilities eligible for corporate property tax exemption; therefore, in the interim, only companies owning assets for which energy efficiency classes are established (such as air conditioners, computer monitors, and lifts/elevators) and that are classified in top classes (A, to A++, according to classification), may benefit from this tax incentive.

Accelerated depreciation of energy efficient assets

In Russia, taxpayers are required to maintain separate accounts for corporate profit tax purposes, and the depreciation methodology applied should be explained in the taxpayer's accounting policy. Tax legislation provides for two depreciation methods: the straight-line and reducing balance.

Russian law has made a vigorous start in promoting energy efficiency, and further developments are anticipated.

As a general rule, accelerated depreciation is permitted for both of these methods in a limited number of cases. In the energy saving area, taxpayers are entitled to apply a multiplier (coefficient) doubling the amortisation rates in respect of assets in the top energy efficiency classes (once these classes

are established); or taxpayers may apply this to facilities included in the list to be established by the Government.

The matter of actually applying the accelerated depreciation mechanism is, basically, the same as in the case of corporate property tax exemption. This relates to the relevant government regulations not having been adopted yet thereby expanding the scope of this incentive.

Investment tax credit

Each company that improves the energy efficiency of production, works or services, or invests in creating facilities that

- (i) are top-class energy efficient;
- (ii) represent renewable sources of energy;
- (iii) produce thermal and/or electric energy and have a performance level that exceeds 57%; or
- (iv) other facilities that are highly energy efficient as defined by the special list adopted by the Russian Government, is entitled to an investment tax credit.

The investment tax credit mechanism is a tax rescheduling arrangement, under which a company is allowed to reduce its tax payments during a certain period with a subsequent gradual credit and accrued interest payment. An investment tax credit (up to 30% of the value of the equipment acquired by the company and used for the purposes of energy

Experience in the West of implementing energy performance projects indicates that there are actual tax and financial incentives which are considered to be among the key factors in determining the attractiveness of such projects for investors.

However, although Russian legislation is actively developing in respect of energy efficiency regulations, it still provides for only a limited number of tax incentives for companies investing in energy efficient technology, companies operating in Russia should undoubtedly take into consideration the existing tax incentives when elaborating their tax policies, developing cost-cutting strategies, and when negotiating new contracts with their respective partners.

Currently, Russian tax incentives provided for companies investing in energy efficiency include a corporate property tax exemption, an increased depreciation coefficient and an investment tax credit. How and to what extent may companies apply these optimisations intelligently and efficiently?

Corporate property tax exemption

As of 1 January 2012, Russian taxpayers subject to corporate property tax are entitled to a three-year exemption for newly introduced assets that are included in the high energy efficiency category, on special list which the Russian Government plans to adopt. This exemption also applies to sites in the top energy efficiency classes. Clearly, companies that wish to cut costs on booked energy efficiency assets should take full advantage of this exemption



efficiency) is granted on the basis of an agreement concluded between the taxpayer and the relevant tax authority for a period of up to 5 years. Also, the interest rate, when taking into account the Central Bank's current refinancing rate, should be between 4 and 6%.

In practice, however, the investment tax credit mechanism is not widely used by the majority of taxpayers in Russia. Indeed, companies usually prefer to use banking crediting mechanisms, should this necessity arise, rather than go through the numerous stages of the reconciliation procedure to apply for an investment tax credit with different tax administration departments at the regional and federal levels – even when the financing conditions (interest rate) are less attractive.

Prospects

The stated objectives of the Russian legislation on energy efficiency are to use energy resources efficiently, to support and encourage an increase in energy efficiency, and to plan and integrate energy saving activities. In this



Currently, Russian tax incentives provided for companies investing in energy efficiency include a corporate property tax exemption, an increased depreciation coefficient and an investment tax credit.

respect, it is difficult to overestimate the importance of mechanisms aimed at rewarding energy efficiency measures implemented by the general public, business and public sectors, most notably through the use of tax and budget incentives and improved tariff policies.

However, as discussed, the current opportunities provided by Russian tax legislation in the sphere of encouraging investment in energy efficient assets and technologies are still limited. Moreover, even the current mechanisms do not work properly owing to the absence of the necessary detailed regulations, on one hand, and bureaucratic procedures established in order to obtain some of the incentives, on the other.

Therefore, in order to create an effective system of incentives for investors, it seems sensible first of all to develop the current mechanisms (for example outlining lists of equipment eligible for the increased depreciation coefficient and corporate tax exemption, and simplifying the procedures for granting investment tax credits; but also to introduce new ones which may include, for example VAT exemption for energy service works.

Russian law has made a vigorous start in promoting energy efficiency, and further developments are anticipated. BQ

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LEGAL ASPECTS OF ENERGY EFFICIENCY IN RUSSIA



Mikhail Divovich, General Director, ECOTEAM

The Federal law № 261-FZ "On Energy Efficiency" was adopted on 23 November, 2009. This law substituted one adopted in 1996 ("On energy saving").

Some measures required by the new law in the field of energy saving and energy efficiency had already have been incorporated in the earlier legislation. The Following measures of state regulation were implemented by the old federal law (1996) and were among those maintained in the 2009 law: energy inspection of enterprises including obligatory inspection, and state control of compliance with the energy efficiency legislation requirements.

In some cases previous legal norms were adjusted to the present legislation and became more specific and got more importance. Thus the old law's requirements for avowal or obligatory certification of energy consumption products was converted in the new law into a requirement for some products to have information regarding their energy efficiency class been included in the technical documentation and labelling (article 10). Article 17 introduced an 'Energy Passport' based on energy inspections results as a legal term together with the rules of collecting and analysis of Energy Passport data. Article 18 set the requirements for the self-regulated organizations in the field of energy inspection.

Some general articles of the 1996 law have been converted into specific requirements to provide energy effi-

ciency for different types of buildings (article 11), energy saving in apartment buildings and suburban communities (article 12). Energy service contracts also were introduced by a new law in 2009 (article 19).

Features of the new law and especially the legal introduction of an energy service contract gave a real start to the whole energy efficiency sector whereas the previous law was sadly only a false start.

Law enforcement practice in the field of energy efficiency is still developing, but the way it will go can be predicted now. Analysis of the 2009 law's structure shows its similarity to those in the EHS (environment, health, safety) field. It is especially similar to environmental legislation. Even the terminology looks identical: environmental efficiency / energy efficiency; environmental passport / energy passport, and more. academic articles on energy efficiency law are written by established specialists in environmental law.

So, if the energy efficiency law goes the same way the environmental law went we can expect similar results. Then energy efficiency would be just another useless burden for the enterprise and an additional opportunity for the officials' corruption. Law enforcement practice also may follow that of environmental law. activity in the field of energy efficiency may repeat the fate of environmental protection activity which is now suffering from a formal but false approach.

The Implementation of energy efficiency law, instead of being a real and useful activity will impose additional burdens on enterprises in the forms of:

- More Documentation;
- Inspections by state authorities;
- Litigation inviting Fines.

These types of activities are much easier for the state to formalise than to stimulate a real increase in energy effi-

ciency which indeed mostly depends on the management's political will.

Now in the EHS field of law we see the same trends have already started. There is a burden of Documentation developing which is obligatory for enterprises. Systematic inspections are mandated for state officials and inspection inevitably leads to fines. If an official did not impose a fine he would face the prosecutor's suspicion that he has been bribed. This is of course the complete opposite (or obverse) to fighting corruption.

Real energy efficiency could be reached better by civil means. The Smart owner or manager is interested without outside stimulus to use less expensive energy and save money. He does not need any additional administrative control. . so far administrative control measures incorporated in the energy efficiency law look more or less formalalities, with fines.

Therefore our recommendations are:

- enterprises need to make energy efficiency a part of their EHS sphere to solve all problems systematically, including their environmental and safety aspects.
- In energy efficiency law, the practical reality of enforcement should be considered carefully.
- Any and all unfair formal results of state inspections and fines should be capable of appeal.
- It is essential to work with the legislators to exclude or at least minimize the formal part of energy efficiency law.

The way the law enforcement practice in the energy efficiency will go - administrative or civil - depends largely on the efficiency of businesses including AEB and its members as one of the interested parties in arguing for good, effective practice, not burdensome and ineffective legislation. **BQ**

AEB BUSINESS MISSIONS

The Brussels Mission

A Delegation from the AEB Board visited Brussels on the 21 and 22 March 2012, meeting with representatives from the European Commission, European Parliament and Brussels-based European business associations.

More particularly, the AEB Board and Management had the great pleasure to meet with:

- Mr. Karel de Gucht, EU Commissioner for Trade;
- Mr. Guenther Oettinger, EU Commissioner for Energy;
- Mr. Rainer Wieland, Vice-President of the European Parliament;
- Mr. Knut Fleckenstein, Chairman of the Delegation to the EU-Russia Parliamentary Cooperation Committee, European Parliament;
- H.E. Mr. Vladimir Chizhov, Head of the Permanent Mission of the Russian Federation towards the European Communities.

The AEB Delegation had the chance to present the work of the Association and its vision for the future of Russia in the context of Russia's accession to the World Trade Organisation and the Duma and presidential elections. The AEB Board certainly voiced the concerns of the European businesses working in Russia, more particularly, regarding the migration policy and visa issues.

For more information, please contact Marie Rondelez at mr@aebrus.ru or +7 903 715 42 16.



From L-R: Timo Hammaren, EU Commission; Frank Hoffmeister, EU Commission; Peter Balas, EU Commission; David Thomas, Volvo cars; Philippe Cohen, Ariston Thermo Rus; Karel de Gucht, EU Commissioner for Trade; Frank Schauf, AEB CEO; Andra Koke, EU Delegation to Russia; Don Scott, Opin Consulting; Erik Helin, Specta Group; Gerald Sakuler, Bene; Sergey Smirnov, Novo Nordisk Rus



From L-R: Marie Rondelez, AEB; Sergey Smirnov, Novo Nordisk Rus; Philippe Cohen, Ariston Thermo Rus; Don Scott, Opin Consulting; Reiner Hartmann, E.ON Ruhrgas AG; Rainer Wieland, Vice-President of the EU Parliament; Frank Schauf, AEB; David Thomas, Volvo cars; Erik Helin, Specta Group; Andra Koke, EU Delegation to Russia

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FENICE RUS LLC is the Russian subsidiary of EDF Fenice (EDF Group), one of the most important energy service companies in Italy operating worldwide. Created in November 2009 when the Federal law on energy saving and energy efficiency was adopted, FENICE RUS was one of the first companies that emerged on the Russian Energy Efficiency market. Using the know-how of its parent company, FENICE RUS provides energy efficiency services to large companies operating in various industries: automotive, metallurgy, chemical and petrochemical, pulp and paper, food, fuel and energy. FENICE RUS is an ideal partner for industrials, public or private, seeking energy solutions «tailored».

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NETWORKING

The Third Northern Dimension Forum

Human Resources, transport and customs, logistics and clean technology were the main issues discussed at the third Northern Dimension Forum that took place in Saint Petersburg, Russia on the 29th of March, 2012. The Forum began with a welcome address given by Nikolay Vinnichenko, the Plenipotentiary Representative of the Russian Federation President to the North-Western Federal District. Mr. Vinnichenko spoke on the Russian President's initiative with regard to the realisation of several projects on energy efficiency and conservation. He also spoke of the need to increase human capital, saying that this was a prerequisite to the successful development of all socio-economic programmes and the Northern Dimension as a whole. Talks are already on the way regarding the creation of a Northern Dimension institute, which Mr. Vinnichenko said will serve as a powerful incentive to promoting economic development within the Northern Dimension. Mr. Vinnichenko closed his address with a positive outlook on Russia's membership in the World Trade Organisation (WTO) saying that Russia's membership will have a positive impact on the overall development of the country's economy, including that of the Northern Dimension.

Tapio Kuula, President and CEO, Fortum Corporation and Co-chairman of the Northern Dimension Business Council then spoke of the current and future Northern Dimension partnerships. He said current partnerships have already begun to show positive results in the Environmental, Health, and Cultural sectors, with the Environmental partnership being the longest running so far, and having led to a significant reduction in the pollution levels within the Baltic Sea, amongst others. The upcoming partnership in Transport and Customs is one that Mr. Kuula believes to be most welcome, with very high expectations. He spoke of several challenges currently being faced, such as the demographic and



Reiner Hartmann, Chairman of the AEB Board

human capital challenges saying that talent acquisition and training was one of the ways these issues could be tackled successfully. Efficiency, Mr. Kuula said should be improved in all industries and sectors including the Energy sector.

Alexey Mordashov, CEO, OAO Severstal and Co-chairman of the Northern Dimension Business Council spoke next, supporting Mr. Vinnichenko's view regarding the pos-



Nikolay Vinnichenko, the Plenipotentiary Representative of the Russian Federation President to the North-Western Federal District



Alexey Mordashov, CEO, OAO Severstal and Co-chairman of the Northern Dimension Business Council



Tapio Kuula, President and CEO, Fortum Corporation and Co-chairman of the Northern Dimension Business Council



Jyri Häkämies, Minister of Economic Affairs, Finland



Ivan Soltanovskiy, Director, Department for European Cooperation, Russian Federation Ministry of Foreign Affairs



Alexey Kulapin, Deputy Director of the Energy Efficiency, Modernisation and Development of Fuel-Energy Complex Department, Russian Federation Ministry of Energy



Pavel Burtsev, Deputy Head, Oktyabrskaya Railways Directorate of the Russian Railways (RZHD)



Paavo Lipponen, Prime Minister of Finland (1995-2003)



Eric Rasmussen, Director, Industry, Commerce and Agribusiness, Russia; EBRD



Dr. Frank Schauf, AEB CEO



Minna Martikainen, Vice-Chair, Northern Dimension Institute; Vice-Rector for International Affairs, Lappeenranta University of Technology



Pekka Lundmark, President and CEO, Konecranes

sible opportunities following Russia's entry to the WTO. He said it was his sincere hope that Russia's membership in the WTO will make the country's environment more investor friendly through, among others, increased investment opportunities and a favourable investment climate.

The next speaker, Jyri Häkämies, Minister of Economic Affairs, Finland then spoke at length about clean technology saying that energy efficiency has become one of the key topics when it comes to a country's economic development and Russia is not an exception. For the Finnish government, he said, clean technology is one of the key focus areas for the economy and one the government is willing to share with their partners. Mr. Häkämies said that the Finnish government is working closely with the Russian government officials, and in particular, representatives of the Northern Dimension, in creating several successful partnerships in various key economic areas. Such agreements and partnerships have so far strengthened Russian - Finnish ties. He talked about the Russian Finnish partnership regarding water treatment as an example, where currently, 94% of St. Petersburg's wastewater is being treated within the framework of the partnership formed. Mr. Häkämies thanked Mr. Vinnichenko for his commitment to developing such partnerships with the Finnish gov-

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ernment, citing a signed memorandum of understanding regarding the ship building sector and saying that this was a perfect example of what collaboration should be all about.

Ivan Soltanovskiy, Director, Department for European Cooperation, Rus-

sian Federation Ministry of Foreign Affairs began his speech by saying that it was no surprise that Saint Petersburg is considered to be the capital of the North-Western region, especially, given the caliber of events that have taken place here. He said that the Ministry of Foreign Affairs held this Forum in high regard, further commenting that the Ministry was committed to promoting socio-economic development within the North Western region, including, via the support of scheduled, development related projects. Environmental health and safety are important to both the city of Saint Petersburg and the Northern Dimension as a whole. He stressed the importance of partnerships with foreign investors, particularly, those who are members of the Northern Dimension, for example, Norway and Iceland, amongst others. He also said that emphasis is now being laid on new and modernised, expert partnerships, saying that partnerships of this sort are already being developed with regard to the Health and Pharmaceuticals and Transport and Customs sectors.

Dr. Frank Schauff, AEB CEO spoke next, expressing his confidence regarding positive EU-Russia relations, saying that this optimism was also shared by EU officials visited by the AEB Delegation in mid-March 2012. High ranking officials visited during the AEB business mission all held high expectations



Wilhelmina Shavshina, Legal Director, Head of Foreign Trade Regulation, DLA Piper and other key participants of the Transport and Customs Round Table



Marja-Liisa Järvenpää, General Director, Sokos Hotels and other participants at the Northern Dimension Forum



From L-R: Hans Sahlström, Co-chairperson of the Wood Processing Industry Working Group; Executive Vice-President, UPM; Andrey Kashubsky, Co-chairperson of the Wood Processing Industry Working Group; CEO, OOO Sveza Wood Processing Industry Round Table



From L-R: Zakhar Golant, Deputy Chairperson of the Committee of Economic Development, Industry Policy and Trade of the Government of St. Petersburg; Sergey Smirnov, Co-chairperson of the Working Group of Healthcare and Pharmaceuticals of the Northern Dimension Business Council of Novo Nordisk Chairman of AEB Health and Pharmaceuticals Committee, Chairman of the Board of Directors, NovoNordisk LLC and Viktor Dmitriyev, General Director of ARFP



From L-R: Alexander Bykov, Government Assess and Market Access Director of NovoNordisk LLC (centre), Henry Fogels, General Director of Oriola Company and other participants



Roman Volkov, Counselor of the Department of Europe, Ministry of Economic Development of the Russian Federation and other key speakers at the Health and Pharmaceuticals Round Table

for future EU Russia relations, especially, following Russia's accession to the WTO. Mr. Reiner Hartmann, Chairman of the AEB Board while welcoming those present spoke of interdependence as a now rapidly developing phenomenon, welcome by both sides. Mr. Hartmann said that both the EU and Russia are now looking forward to further fruitful cooperation between the two parties through, especially, given Russia's current membership in the WTO.

Other high ranking officials that spoke at the conference included Paavo Lipponen, Prime Minister of Finland (1995-2003) and Independent consultant, Nord Stream, who talked about the Northern Dimension policy as a basis for the strategic partnership between countries in Northern Europe. Commenting on the Northern Dimension initiative at the press conference held within the framework of the Forum, Mr. Lipponen said, "What is fundamentally important is

that this is an equal partnership with minimum bureaucracy, if any and maximum results." He went on to say "We see increased activity in and around the Northern Dimension, with very active involvement from the companies."

Pekka Lundmark, President and CEO, Konecranes spoke about the role of modernisation and maintenance in industrial productivity, while Energy efficiency and conservation as a basis for an efficient and competitive economy was highlighted by Alexey Kulapin, Deputy Director of the Energy Efficiency, Modernisation and Development of Fuel-Energy Complex Department, Russian Federation Ministry of Energy. Pavel Burtsev, Deputy Head, Oktyabrskaya Railways Directorate of the Russian Railways (RZhD) brought the panel session to a close with an overview of the role of transport infrastructure of the North-West of Russia in the development of trade and economic relations with European countries, the Eurasian Economic Union and South-East Asia.

Several Round tables were then held on Ecology and Environmental protection, Electric Power and energy saving, Health and Pharmaceuticals, Transport and Customs, Vocational education and training and Wood processing.

At the press conference also held within the framework of the Forum, questions answered by Dr. Schauff, Mr. Mor-dashov, Mr. Kuula and Mr. Lipponen included those related to Corporate Social Responsibility (CSR), the role of Russian companies as foreign investors within the EU and the development of Russia's transport system.

Vladimir Yakunin, Russian Railways: Developing Economic Partnership with the EU



Mr. Vladimir Yakunin, President of the Russian Railways

Russian government decided to extend the Structural Reform Programme for the rail transport by 2015, said Vladimir Yakunin, President of the Russian Railways, at the AEB briefing. Here are just some structural transformations planned: creating a competitive market for the freight wagon operations; developing a private local carriers market; improving the existing tariff system and selling stakes in the subsidiary companies. The RZD management has already approved the Concept Plan for the sale of shares in 2012, including up to 75% in Freight One, Mr. Yakunin noted. He also told the AEB members about the most important initiatives to develop economic partnership between the EU countries and Russia. The company is modernising the railway infrastructure of the key international corridors in order to meet the growing requirements for freight transport, efficient multimodal transport and logistics systems. The Russian Railways is also creating an integrated railway infrastructure for the East-West and North-South international transport corridors.



From L-R: Dominique Fache, Member AEB Board, Enel O&G S, Vladimir Yakunin, President of the Russian Railways and Roger Munnings, Deputy Chairman, AEB Board



From L-R: Gerald Sakuler, Deputy Chairman, AEB Board, Bene Office furniture; Reiner Hartmann, Chairman, AEB Board, E.ON Rhurgas AG and Dr. Frank Schauff, AEB CEO



Yekaterina Levochskaya, Esmerk; Paul Bruck, Most Service and other participants at the event

The AEB Joins the Network of European Business Organisations

The AEB joined the network of European Business Organisations (EBOs) that are now playing an increasingly important role in addressing the cause of free trade and investment. They also offer important and timely insights about

local economic conditions and opportunities to the European Commission and the EU member states. Frank Schauff, CEO of the AEB, was appointed Vice Chairman of the network.



Anna Brzozowska, Delegation of the European Union and other guests at the event



From L-R: Chetwynd Bowling, ALinga Consulting; Johan Verbeeck, member AEB CNR, Elan Languages; Oleg Babinov, Chairman, SHES committee, Risk Advisory Group plc. and Ruslan Kokarev, AEB COO

Finnish EuroReception

The AEB cocktail at the Residence of the Finnish Ambassador was the closing networking event in this season. Representatives of the biggest Russia based companies and the Finnish Business Community as well as European officials – Delegation of the EU and European Embassies – have attended the event. Guerlain, Ferrero and Swis-sotel provided some stylish presents for the lottery winners.



Aage Nielson, Member, AEB CNR, Vitus Bering and Prof. Art Franczek, American Institute of Business and Economics



Stefan Scholz, Bayer ZAO and Natalia Nurminen, YKK Deutschland GmbH



Michael Byrne, Direct Approach and Richard Magda, PROLOGICS



From L-R: Dr. Frank Schauff, AEB CEO; H.E. Matti Anttonen, Finnish Ambassador to Russia; Mr. Reiner Hartmann, Chairman, AEB Board and Eric Helin, Member, AEB Board, Specta Group AG



Volker Neuschuetz, Finance Consult Russia Ltd. and Clemens Schlotter, Egorov Puginsky Afanasiev & Partners



From L-R: Ekaterina Zhuk, Federal Customs Service; Andra Koke, Delegation of the European Union; Alexandr Smelyakov, Federal Customs Service and Irina Aksenova, AEB

AEB COMMITTEE UPDATES

AUTOMOBILE MANUFACTURERS COMMITTEE

Press Conference "Review – 2011"

The Automobile Manufacturers Committee (AMC) held a Press Conference on 12th January, 2012, under the title "Review – 2011" at the Ararat Park Hyatt, ul. Neglinnaya, 4, Moscow.

Chairman of the AEB AMC Mr. David Thomas introduced results from 2011 for the automobile industry and discussed prospects for the future. In 2011 the Russian automobile market showed a 39% growth in sales of new cars and light commercial vehicles as compared to 2010. AEB AMC announced its forecast for 2012 as 2.8 Million cars and LCVs.



Chairman of the AEB AMC Mr. David Thomas

Another speaker at the Press Conference was Dr. Frank Schauff, AEB CEO. This highly successful event was attended by representatives of AMC members: BMW Russland Trading; Chrysler Russia; General Motors CIS; Honda Motor RUS; Hyundai Motor;



Dr. Frank Schauff, AEB CEO

Kia Motors Rus; Mercedes – Benz RUS; Mitsubishi / Rolf Import; Nissan Manufacturing Rus; Peugeot Citroen Rus; Porsche Russland; Renault; SUZUKI MOTOR Rus; Toyota Motor; Volkswagen Group Rus; and Volvo Cars.

COMMERCIAL VEHICLES COMMITTEE

Annual Press Conference

On the 15th of February, 2012 the committee held its annual press conference where it released figures of the commercial vehicles sales in Russia in 2011 and described results of the work of the Committee.

Comparing 2011 to 2010, sales of light commercial vehicles grew by 28%. 174,487 units were sold in 2011 while 136,435 LCVs were retailed in 2010. The medium duty trucks sector sales showed 22% growth, increasing from 7652 units in 2010 to 9,318 units in 2011. The heavy duty truck segment (HDT) jumped 64% over the same period (from

17 973 units to 29 410 units). The bus segment increased by 26% – from 9,869 vehicles in 2010 to 12400 units in 2011. "In many respects, 2011 became a record year for practically all manufacturers – members of the AEB Commercial Vehicles Committee (AEB CVC). All segments enjoyed a steady growth throughout 2011, and for the heavy duty trucks sector the growth was outstanding and exceeded our most optimistic expectations" said Andrey Chursin, Acting Chairman of the AEB CVC." The event was sponsored by the members of the AEB CVC.

ENERGY COMMITTEE

Round table "Russian Energy Sector & European investors"

On December 7th, 2011 the AEB Energy Committee has organised a Round table "Russian Energy Sector & European investors" which was divided in four sessions going from latest energy news from Russia

and worldwide chaired by R.Hartmann, AEB Board and Energy Committee Chairman, through tax treatment of oil and gas projects in Russia, natural monopolies tariffs dynamic chaired respectively by

A.Goncharov from Deloitte and D.Fache, AEB Board member, to development of energy markets from the European business point of view moderated by V.Konovalov from Petroleum Advisory



From L-R: Andrey Duyunov, Head of Tax Practice Group, Pepeliaev Group; Grigory Vygon, Director, Skolkovo Energy Centre; Andrei Goncharov, Director, Deloitte; Reiner Hartmann, AEB Board & Energy Committee Chairman



From L-R: Wim Groenendijk, Vice-President International & Public Affairs, Gasunie; Ernesto Ferlenghi, Chairman of the Board of Directors, Federal Grid; Uwe Fip, Senior Vice-President, E.ON Ruhrgas AG; Vladimir Konovalov, Executive Director, Petroleum Advisory Forum



From L-R: Vladimir Drebenstov, Vice-President, BP Russia; Harry Brekelmans, Shell Country Chair; Leonid Grigoriev, Deputy General Director, Russian Energy Agency

Forum. A general overview was given by L. Grigoriev, Deputy General Director of Russian Energy Agency. It was rare privilege to see gathered for such an occasion the high-ranking representatives of the biggest energy companies such as BP, EON, Enel OGK 5, Eni, Gasunie, Gazpromexport, Shell who participated as speakers in the event making it extremely attractive for the audience.



From L-R: Sergey Tazin, Chairman of the Board Directors, E.ON Russia; Sergey Komlev, Head of Contract Structuring & Price Formation Directorate, Gazpromexport; Dominique Fache, Chairman of the Board, Enel OGK 5

ENERGY EFFICIENCY COMMITTEE

A round Table on energy efficiency

Industries are the main consumers of energy; hence, the need for energy efficiency in this sector can not be ignored. Energy efficiency as a whole presents great opportunities for investors and solution providers alike. The round table organised by the AEB Energy Efficiency committee, titled "Energy efficiency in the industrial sector: practical solutions," addressed these and other issues relevant to the application of energy efficiency to the industrial

sector. Held at the Baltshug Kempinski on the 17th of November, 2011, this round table featured speakers from international organisations, multinational corporations and companies, successfully operating on the Russian market. The message delivered was the same – Russia has everything it takes to successfully implement the concept of energy efficiency to the industrial sector. Pavel Teremetsky, from EBRD talked about technical assistance and

financing for energy efficiency in the industrial sector; while Vincent de Rul gave a practical example of a successfully implemented energy efficiency project in the industrial sector. Other speakers included representatives of companies such as Avtovaz, CMS, KPMG and Philips. In all, the event witnessed a great turnout, leaving all those in attendance, with a more positive outlook on the prospect of energy efficiency in Russia.

FINANCE AND INVESTMENTS COMMITTEE

AEB Open Event: Creating and operating joint ventures with foreign investors in Russia: how to avoid pitfalls

On 16th February 2012, the AEB Mergers & Acquisitions Working Group held an open event on "Creating and operating joint ven-

tures with foreign investors in Russia." Issues addressed at the conference included the conclusion of shareholders' agreements; reso-

lution of disputes between shareholders; tax, compliance and financing issues, as well as the analyses of court practices and case studies.

The audience has received the most up-to-date information and practical advice on operations of joint ventures in Russia.

M&A Newsletter

In February 2012, the Mergers & Acquisitions Working Group released its sixth M&A Newsletter, a quarterly e-publication prepared in cooperation with the Mergermarket (FT Group) containing the statistical data, analysis of the M&A trends and the top deals on the Russian market as well as tips

from professionals on some practical aspects of the M&A activities. All interested persons can view the Newsletter on the web-page of the AEB Finance and Investments committee Working Group on Mergers & Acquisitions: <http://aebus.ru/committees/sectoral/finance/MA/>.

HEALTH AND PHARMACEUTICAL COMMITTEE

Committee updates

On January 31st 2012, the committee, during a regular meeting made a decision to establish three working groups within the committee: Health Policy and Technology; Good Manufacturing Practice; Compliance and Governance.

At the committee meeting held on February 28th Vitaly Omelyanovsky, Chief of Expert Group of the committee on Social Policy Federation Council and Director of the Institute of Clinical-Economic expertise, presented the latest initiatives in healthcare policy.

IT-TELECOM COMMITTEE

A Round table on the role of the internet in Small and Medium Enterprises (SMEs)

The Round table was organised by the AEB IT-Telecom committee, together with OPORA Rossii, and supported by Google Russia, a member of the committee.

The discussion that took place during the event was aimed at analysing new opportunities for the small and medium businesses through innovative technologies and e-solutions and showcasing several success stories from the Russian market. The Boston Con-



From L-R: A. Mazhirin, Free-lance.ru; A. Kotelnikov, Hoteldiscount.ru; M. Zhunich, Google Russia; V. Klimov, RF State Duma; O. Kotsur, Boston Consulting Group; M. Marhuliya, AEB IT-Telecom Committee Chairman, Tele 2

sulting Group, which conducted the first global study on the Internet economy and Internet's impact on the national GDP, presented new data for Russia. Victor Klimov, Deputy Chairman of the RF State Duma Committee on the Economic Policy, Innovative Development and Entrepreneurship participated in the discussion with some interesting remarks on SMEs in Russia. Marina Zhunich, Public Policy Manager, from Google spoke about Google's experience with SMEs on a global scale and in Russia. The part devoted to concrete case studies and success stories led to a very lively discussion, making this event a crowning success.

A briefing by Natalya Kasperskaya, CEO of InfoWatch

Who best to address members of the AEB, particularly, those operating in the information technology (IT) sector, on the development perspectives within this industry, than Natalia Kasperskaya, co-founder of the Kaspersky lab and

the founder of "InfoWatch". Ms. Kasperskaya talked about innovative projects within the IT sector, modern computer threats and ways to fight them. She also addressed the issue of IT-risk management in the banking sector. InfoWatch Kribrum,

a cloud-based automatic system within the banking sector, gathers web content units, where the monitored objects are mentioned. It then automatically analyses and categorizes data, scores sentiments and generates reports in real time, made

available via an easy-to-use web interface. Held on the 23rd of November, 2011, this extremely insightful event enjoyed an overwhelming success and members of the AEB IT committee intend on having more of such events to come.

LEGAL COMMITTEE

A briefing on the Law "On the Procedure for Foreign Investments in Business Entities of Strategic Importance to National Defense and State Security"

On 2nd February, 2012 top level representatives of the Russian Federation Federal Antimonopoly Service briefed AEB members on the recent changes in the Law "On the Procedure for Foreign Investments in Business Entities of Strategic Importance to National Defense and State Security" that came into force on the 17th of December, 2011.

Andrey Tsyganov, Deputy Head of the Federal Antimonopoly Service, Svetlana Levchenko, Head of Department for Control under the Foreign Investments of FAS and her Deputy, Armen Khanyan participated in this event.

As of November, 2011, two hundred and sixty three (263) petitions were filed with FAS for the approval of the acquisition of control over a strategic entity, and one hundred and thirty seven (137) petitions were transferred to the Government Commission. The majority of the petitions expressed concerns regarding the use of the sub-soil, followed by the activities related to encryption, radio and television broadcast, and also

natural monopolies. Some sectors that have been deemed strategic have not been relevant to date at all. The legal implications of the newly introduced exemption of transactions concluded between the companies under the control of the Russian Federation (RF) or Russian citizens that are Russian tax residents were also discussed at the event. The Federal Antimonopoly Service acknowledged that they are aware of a possible misinterpretation, and that the regulations should be redrafted. This work is currently in process, according to Mr. Tsyganov.

In addition to the Third Antimonopoly Package that came into force on the 7th of January, 2012, amendments to the Russian Code on Administrative Offenses were introduced.

The Association would also like to thank the representatives of FAS for their willingness to take notice of the foreign investors' concerns. Dr. Frank Schauf, AEB CEO, and Alex Stoljarskij, Attorney at Law, BEITEN BURKHARDT and Chairman of the AEB Legal committee, moderated the discussion.

MACHINE BUILDING AND ENGINEERING COMMITTEE

A round table on engineering in Russia

Defining the concept of engineering in Russia is what the AEB Machine Building and Engineering committee successfully attempted on the 22nd of November at the AEB premises. The round table, titled "Engineering in Russia. What is it?", was a continuation of a series of

events aimed at addressing the issues within the Machine Building sector in Russia. This time around, the committee gave an overview of the engineering services in Russia, while bringing to the attention of those present, steps that need to be taken, existing niches

and the latest trends. Speakers at this round table included representatives of Tebodin Eastern Europe, SGS Vostok, Spectrum Holding, Siemens, Energo-Fichtner, Renault Russia, ABB Russia and Ecoprog. Sponsored by Alstom Russia, the event was very well attended.

MIGRATION COMMITTEE

Open meeting with Mr. Konstantin Romodanovsky, Director of the Russian Federal Migration Service

On April 3rd, 2012, the AEB Migration Committee held an open meeting with

Mr. Konstantin Romodanovsky, Director of the Russian Federal Migration

Service. During the meeting, representatives of the FMS briefed the audi-



ence on further development of Russia's migration policies. The participants also discussed recent practices with regards to implementation of Russia's agreements France, Korea, Belarus and Kazakhstan, work permit applications

and other peculiarities of legal status of highly qualified specialists and their family members, etc. It was agreed that the FMS and the AEB will continue an intensive dialogue on migration related issues.

SMALL AND MEDIUM-SIZED ENTERPRISES COMMITTEE

AEB Open Event: SMEs doing business in Russia - how to succeed?

On December 8th, 2012, the AEB Small and Medium-Sized Enterprises Committee held its first open session. DHL Express provided sponsorship support for the conference. The event provided a platform for the exchange of opinions on peculiarities of operations of foreign small and medium businesses on the Russian market. Speakers representing international and Russian small and medium enterprises shared their views and experience of doing business in Russia and provided analyses of the key challenges and success factors specific to the Russian economic and business environment.



TAXATION COMMITTEE

Development of the Russian Tax System in 2011 and Prospects for 2012 – 2013.

Key developments in Russian tax policy in 2011, prospects for 2012 – 2013, transfer pricing reform, practical questions in the area of VAT, changes in compulsory social contributions and recent trends in International Taxation and many other hot topics were discussed at the AEB Taxation Committee event "Develop-

ment of the Russian Tax Systems in 2011 and Prospects for 2012 – 2013."

The event has been opened by Mr. Sergey Shatalov, Deputy Minister of Finance, who briefed AEB members on key directions of the Russian tax policy for the coming years. The event was chaired by Dr. Alina Lavrentieva,

Partner, PwC; Chairman, AEB Taxation Committee.

Experts from Ernst & Young, PwC, CMS, KPMG, Gide Loyrette Nouel, Baker & McKenzie, Pepeliaev Group, Noerr and other speakers presented their views for the current tax issue development.

TRANSPORT AND CUSTOMS COMMITTEE

Customs Legislation in Russia – Recent Changes and Implementation

The Customs Union of Russia, Belarus and Kazakhstan, implementation of the legislation and Russia's membership in the WTO were the key topics for discussion at the AEB conference on the 9th February 2012.

Speaking at the event, Andrey Belianinov, Head of the Federal Customs Service of the RF, recognised the importance of an open dialogue between entrepreneurs and state authorities. He also admitted the role of the AEB Customs conference in building trustworthy relationships between the FCS and the European business community.

Maxim Medvedkov, Chief of Trade Negotiations at the Ministry for Economic Development of the Russian Federation, told the audience that Russia, Belarus and Kazakhstan are currently reviewing the import duties in the face of Russia's future entry in the WTO. The countries are holding consultations to be completed in April.

Speakers at this event included:

- Fernando Valensuela, Head of the Federal Customs Service of the RF
- Sergey Kouzmin, Head of Trade Facilitation Unit, UN Economic Commission for Europe
- Marina Iskoskova, Head of the Department of Commodities Declaration of the Main Division of Customs Procedure and Customs Control Organisation, FCS
- Elena Zaitseva, Partner, DLA Piper
- Vladimir Katushyonok, Head of Commodities Nomenclature Division, FCS
- Egor Smitienko, Head of Department of Commodities Country of Origin, Main Division of Federal Customs Revenues and Tariff Regulations, FCS
- Galina Balandina, Partner, Customs and Foreign Trade Regulation Practice

Over 140 participants attended the conference.

MEMBER NEWS

Alinga Consulting Group

Alinga creates profiles on Facebook and LinkedIn social media websites

Alinga is pleased to announce that we now have an English-language Facebook and LinkedIn pages. We'll be using these pages as a way to bring you more frequent information on Russian tax, accounting, and legal news, as well as general information on Russian business, the Russian economy, and the occasional "just for fun" post. Our Market Update will continue in the same format, with regular mailings in both English and Russian. Of course, our services are still the same as well.

Baker & McKenzie

Baker & McKenzie Receives Managing IP 2012 Law Firm of the Year Award in Russia

Moscow, Russia, 20 March 2012 – Baker & McKenzie has been pronounced Law Firm of the Year in Russia at the annual Managing IP Global Awards ceremony. It is the sixth time since 2006 that the Firm's Russian IP practice group has won this highly-respected award established by Managing Intellectual Property magazine.

On 15 March, Moscow partners Eugene Arievidh, Denis Khabarov and Margarita Divina accepted the award on behalf of the entire team at the Managing IP Global Awards Gala in London. More than 200 people attended the dinner at the Dorchester on Park Lane. Commenting on the awards, Eugene Arievidh, head of Baker & McKenzie's Russian IP practice group said, "We did it again. Winning the award for the sixth time illustrates our continued ability to add value to our clients' business and demonstrates the depth of our experience in handling complex IP issues."

With 20 plus experienced IP specialists, the Russian IP practice group of Baker & McKenzie has been ranked in the top tier for intellectual property law by Chambers, Legal 500 and PLC Which lawyer? several years in a row. The Managing IP Award is further evidence of the firm's absolute leadership in IP on the Russian legal services market. Our Firm has also been named Law Firm of the Year in Indonesia, Thailand, and Europe (for copyright).

With an audited circulation of 10,000 readers, Managing IP is the leading source of information and analysis in the field of intellectual property. Published online and in-print since 1990 and aimed primarily at in-house IP counsel, Managing IP magazine includes features such as the well-known global IP survey and the annual list of the 50 most influential people in IP, as well as news, analysis and interviews.

Baltschug Kempinski Hotel

The Baltschug Grill restaurant

On the gastronomic map of Moscow the address of the Baltschug has always been synonymous with superb cuisine at some of the top restaurants in the capital. With the Restaurant Baltschug Grill, even more gastronomic fame has

been added to this already famous address. Along with the renowned and impeccable service, and the subtle combination of flavours, the highlights of the Baltschug Grill are an open kitchen, a contemporary interior design, and a serious concern for the intertwining of classic and modern cuisine on the menu. Even before one takes delight in the food, one can admire the decor of the Baltschug Grill. The design of the main room of the restaurant is dominated by warm tones, from the dominant beige accents to subdued hues of burgundy and olive. For informal get-togethers, the restaurant has created a separate wine room. Here, one can enjoy matching some of the finest wines from cellars in Europe and the New World, with the superb food, or explore the world of rare wines by the glass, under the direction of the experienced sommelier Ksenia Karpenko. Open the menu of the Baltschug Grill, and one's eye is immediately taken by the selection of tasty appetizers, from Russian inspired delicacies such as Russian style jelly with crab to must have classics such as Kamchatka Crab with Wasabi Mayonnaise and fresh baguette. There is a selected list devoted to sushi and sashimi prepared by the chefs from the renowned restaurant Shogun. The very name of the Baltschug Grill holds the key to what makes this restaurant such a special gastronomic experience - the open grill kitchen. Beneath the admiring looks of the guests, the finest steaks and seafood are being grilled to perfection. One might say that there is no limit to the list of innovations offered at the Baltschug Grill! The restaurant has an open Tandoor oven, for the preparation of authentic Asian dishes. The icing on the cake is how one might describe the fabulous desserts from the Hungarian Chef Patissier Atilla Szabo: raspberry macaroon with rose water or crunchy meringue with cassis sorbet, while the freshly baked original Vienna apple strudel is a truly irresistible temptation!

On Sundays one can indulge in the one and only Magnum brunch in the city, with the motto 'Size does matter' – free flowing Louis Roederer champagne from Magnum bottles, a parade of oysters, seafood and other delicacies, as well as live music and special entertainment for kids make



Property of Baltschug Kempinski Hotel

this special occasion a talk of the town. To crown these events are a series of wine get-togethers with worldwide prominent winemakers. The Baltschug Grill has already organized unique wine degustations with Martin Pasler and Ernst Loosen (March 22), with other names to come out within the year!

BDO

BDO confirms quality of its services again

Outsourcing division of BDO successfully passed annual certification audit and again confirmed compliance with ISO 9001:2008 in the sphere of outsourcing of business processes: accounting, payroll, HR administration and legal services.

After recertification BDO was registered in the list "Innovation management in the sphere of outsourcing" what is regarded as proof of continuous activity aimed at business processes improvement. Outsourcing division of BDO passed certification for ISO 9001:2008 compliance in March of 2011 and the certificate is valid through 2014. Receiving confirmation of ISO certification testifies the high quality of the company's services; its capabilities to maintain and improve this quality and proves the reliability of the service provider.

Gasunie

Gasunie, Gazprom, Eurotechnika and BioGazEnergostroy Corporation signed a Memorandum of Understanding on "green" gas

On 21 October 2011 during the visit of the Dutch economic mission to the Russian Federation headed by H.E. Mr. Mark Rutte, Prime Minister of the Netherlands, Paul van Gelder, CEO of N.V. Nederlandse Gasunie, Alexander Medvedev the Vice-Chairman of Gazprom's Management Committee, Ludmila Orlova, General Director of Eurotechnika, and Sergei Chernin, Chairman of the Board of Directors of BioGazEnergostroy Corporation signed a Memorandum of understanding of the joint project of development of "green" gas.

The document reflects the companies' intention to cooperate in the field of development of "green" gas from in Russia and making the benefits of this gas available to the European Union.

According to the Memorandum, the parties will consider the possibility of a joint venture in Russia, prepare a business plan, and solve other organisational and legal matters to implement the pilot project for the development, certification and export of "green" gas to the Netherlands and subsequently throughout the European Union.

Gasunie CEO, Paul van Gelder: "Green" gas is emerging in a number of countries as a real sustainable additional energy source. It is an efficient way of making use of renewable biomass, utilising the well-developed natural gas infrastructure that is already in place, and the large potential in Russia for biogas production. In this way we are increasing the proportion of sustainable energy – in an affordable manner. This will also strengthen the pivotal role of natural gas in the sustainable energy mix of the future."

'Production and use of energy derived from renewable sources are becoming a more visible segment of the energy industry. "Green" gas occupies an important place here. Russia has a considerable potential for "green" gas production: in

the long run it may amount to 35 billion cubic metres a year. I am confident that our joint work on development of this area will contribute significantly to the preservation of the environment and open new horizons for the Russian-EU energy cooperation,' said Alexander Medvedev.

Gide Loyrette Nouel

The Moscow office of Gide Loyrette Nouel (GLN) acted as an advisor to Rusmolco

The Moscow office of Gide Loyrette Nouel (GLN) acted as an advisor to Rusmolco, a Russian dairy company, on a major investment project between Rusmolco and the Singapore company Olam International, the largest in the field of dairy cattle husbandry and plant growing.

The project involves Olam International investing in the share capital of Rusmolco. It is planned that before 2015, the aggregate investments will amount to about USD 400 mln. and will be used for forming a herd of 20,000 head and increasing the area of farmland to 106,000 ha. During the following three or four years, it is planned to double the production volume by way of increasing the herd to 50,000 head, and the area of farmland to 130,000 ha.

The transaction was signed on 30 January 2012 in the presence of Yelena Skrynnik, Agriculture Minister of the Russian Federation, and Andrei Danilenko, Chairman of the Board of the National Dairy Producers Union ("Soyuzmoloko").

Gide Loyrette Nouel advises Sistema on Indian bond issue

Gide Loyrette Nouel has acted as English and Russian legal counsel to Sistema JSFC ("Sistema"), the largest diversified public financial corporation in Russia and the CIS on a bond issuance by its Indian telecommunications subsidiary, Sistema Shyam TeleServices Ltd. ("SSTL"). The bond issuance closed in January 2012 and resulted in proceeds amounting to INR 12,800,000,000.

The issuance was arranged by Deutsche Bank out of its Indian branch. The transaction was initially structured as a secured loan. However, due to Indian regulatory considerations, the deal was restructured as a bond issuance. The bonds were issued for a term of eight years and are repayable in 2019.

Gide Loyrette Nouel advised on Deal of the Year

Trade Finance magazine has named a transaction on which Gide Loyrette Nouel advised, the US\$175,000,000 pre-export financing to JSC Acron (a leading global mineral fertiliser producer), arranged by VTB Bank (Austria) AG, "Deal of the Year" 2011.

This transaction was a classic pre-export financing but had a peculiar security and coverage ratio structure, one unusual aspect being that the coverage ratio was set with respect to the ultimate sales contracts whereas a typical pre-export finance structure will set the coverage ratios with respect to what is being assigned.

Grigory Marinichev, the partner in charge of Gide's Russian finance practice who led the team advising VTB on this financing, commented: "It is an added bonus for us to advise on pioneering deals which subsequently win esteemed awards in the industry."

Hilton Moscow Leningradskaya

Hilton Moscow Leningradskaya honored in the 2012 TripAdvisor Travellers' Choice Hotel Awards

TripAdvisor, Inc., the world's largest travel website, reveals Hilton Moscow Leningradskaya was chosen as a winner in two categories by TripAdvisor in its 2012 Travelers' Choice® awards: Top 15 Luxury Hotels in Russia and Top 20 Hotels in Russia.

Now in its tenth year, the annual TripAdvisor Travelers' Choice awards honor the world's best hotels, earning their distinction from those who know them best – real travelers. Unlike any other hotel honors, TripAdvisor Travelers' Choice winners are based on millions of valuable reviews and opinions from travelers around the world.

"With the help of millions of travelers around the globe, TripAdvisor is thrilled to recognize the world's most outstanding hotels for the tenth year of the Travelers' Choice Awards," said Christine Petersen, president, TripAdvisor for Business. "From the best bargain hotels to best luxury hotels, remarkable service, value and quality are the hallmarks of our Travelers' Choice winners."

Commenting the TripAdvisor Travelers' Choice Hotel Awards, Joerg Beginen, General Manager of the Hilton Moscow Leningradskaya Hotel, said: "It is a great achievement that our hotel has been chosen by travellers around the world for consistent delivery of excellent service, a great overall experience and for notable value."

As TripAdvisor has continued its growth globally, featuring sites in 30 countries and in 21 languages, the Travelers' Choice Hotels awards now highlight a broader range of spectacular properties across the globe.



Hilton Leningradskaya

Property of Hilton Moscow Leningradskaya

Imtech Russland AG

Imtech Russland AG launches additional energy efficiency programs

In January 2012, the Service Department of "Imtech Russland AG", which is part of the European Concern "Imtech" launched additional energy efficiency programs.



Property of Imtech Russland AG

Throughout the years "Imtech Russland AG" successfully implemented a number of projects in the sphere of energy efficiency, development of concepts for alternative energy use, introduction of "green" building standards and technologies.

Our competence centers allow us carry out integrated studies and develop individually-tailored action plans for every single project. This makes it possible for "Imtech" to implement successful projects in the sphere of energy audit, modernisation, and retrofitting of energy consuming facilities such as stadiums, multifunctional arenas, industrial projects, airports and others.

Based on advanced developments "Imtech" takes active part in the maintenance of a number of major stadiums in Europe. One of them is "Imtech Arena" in Hamburg. Currently, "Imtech" is examining the energy efficiency potential for all the Bundesliga Stadiums. This year, a set of energy efficient measures will be implemented by "Imtech" for "Allianz Arena" - home stadium of FC "Bayern Munich".

Today "Imtech" plans and equips buildings and implements energy efficiency actions for all types of constructions. An energy passport is issued to all the clients within the programs of the Service Department.



Property of Imtech Russland AG

Intercomp Global Services

Intercomp Global Services has successfully passed SSAE16 audit for the second time.

On 15 February 2012 Intercomp Global Services, the largest business process outsourcing provider, announced the

receipt of the Report on the successful passing SSAE16 type II audit (former SAS70) in 2011. The Audit Report of the Company AuditOne Inc. confirms that the level of services provided by Intercomp Global Services in Russia complies with the recognized international standards.

The annual passing of SSAE 16 type II audit (Statement on Standards for Attestation Engagements No. 16.) is a planned step from the part of Intercomp Global Services executives in order to get an independent expert appraisal of the level of risks management, efficiency of the internal control system, as well as the degree of reliability of the services rendered. During the audit there was a review of the business activity of the company's offices in Russia within the provision of payroll and accounting outsourcing services.

"The Report on passing SSAE 16 type II audit is an important fact for our existing clients and potential business partners. At Russian market there're just a few companies working in finance areas those decided to pass SSAE 16 type II audit. We are the only one among the business process outsourcing providers. Our clients may be absolutely sure that we're paying due attention to their data processing, make investments to our business processes and infrastructure so that to provide services of the highest level" – comments Sergey Buchin, General Director Intercomp Global Services Russia and CIS.

In 2010 Intercomp Global Services already had an experience of a successful passing SSAE 16 type II audit. The reports of AuditOne Inc. confirm that Intercomp Global Services sufficiently manages risks, whereas the processes and procedures of the company's internal control comply with the requirements of the standards presented to the companies of an international level.

Incor Alliance Law Office

Incor Alliance Law Office to open three affiliated offices in India

The business year 2012 started for international law firm Incor Alliance Law Office and leading Indian law firm Vaish Associates Advocates with the signing of a cooperation agreement, which resulted in Incor Alliance Law Office acquiring affiliated offices in New Delhi, Mumbai and Bengaluru.

The Partnership of Incor Alliance Law Office and Vaish Associates Advocates was dictated by the needs of Russian and CIS clients interested in Indian businesses as well as Indian clients looking to invest in Russia.

Igor Basargin, Managing partner, and Head of Incor Alliance International practice, noted: "Having international expertise in Corporate/M&A, Tax, IP and Litigation Incor Alliance Law Office is presented in 34 economical centres worldwide and commits itself to meet all aspects of clients' needs. As Indian market is booming and looks attractive for some of our clients it was critical for us to strengthen our presence in there with three affiliated offices."

Jones Lang LaSalle

Jones Lang LaSalle recognized by two U.S. Presidents at the White House

Jones Lang LaSalle CEO Colin Dyer joined 30 business leaders at a White House roundtable meeting with Presidents

Barack Obama and Bill Clinton. The topic was the Better Buildings Challenge, a joint effort of the U.S. Department of Energy and the Clinton Global Initiative which asks business, academic, and state and local leaders to make a significant commitment to energy efficiency in the nation's buildings.

Before the meeting, President Obama told Dyer, "A good friend of mine, Marty Nesbitt, spends a lot of time with you, and he tells me great things about your company." [Mr. Nesbitt is a member of the Jones Lang LaSalle Board of Directors.] President Clinton said, "I got to know of your company during the Empire State Building project. You guys are doing terrific work in the energy area."

After the event, Dyer said, "I got to represent the firm at the White House, but it was the outstanding work of people like Lauralee Martin, Ray Quartararo, Dan Probst, Dana Schneider and the rest of our energy and sustainability services team that earned us the respect of two U.S. presidents."

During the meeting, President Obama announced nearly \$4 billion in combined federal and private-sector energy upgrades to buildings over the next two years. "Making our buildings more energy efficient is one of the fastest, easiest and cheapest ways for us to create jobs, save money, and cut down on harmful pollution," Obama said. "It is a trifecta, which is why you've got labour and business behind it. It could save our businesses up to \$40 billion a year on their energy bills – money better spent developing the business and hiring new workers."

President Clinton added, "Energy saving is the nearest thing the country has to a free lunch."

Jones Lang LaSalle's commitment to the Better Buildings Challenge includes developing action plans which, by 2020, will improve energy efficiency to reduce energy usage by 20 percent at 98 million square feet of large properties the firm manages for clients in the U.S. These efforts will highlight the innovative strategies that have been developed to identify energy savings and their costs in ways that make a solid business case for ongoing investment.

Jones Lang LaSalle reappointed as European real-estate adviser for UBS

Jones Lang LaSalle has announced its reappointment as UBS's real-estate adviser for the firm's North East and South West Europe region. This covers 27 countries including Austria, Germany, Greece, Bahrain, Channel Islands, Czech Republic, Egypt, France, Hungary, Italy, Ireland, Israel, Kazakhstan, Kuwait, Luxemburg, Lebanon, Netherlands, Poland, Qatar, Russia, Spain, Saudi Arabia, South Africa, Sweden, Ukraine, United Arab Emirates and the United Kingdom.

Marriott International

Courtyard By Marriott Moscow Paveletskaya opens

On the 13th of December, 2011, Marriott International (NYSE:MAR) opened a 171-room Courtyard by Marriott Moscow Paveletskaya. Centrally located in the heart of Moscow's business district and within a five-minute walk of Paveletskaya railway station, the hotel offers easy access to Domodedovo International airport.

The Courtyard by Marriott Moscow Paveletskaya is Marriott International's sixth Courtyard in Russia.

"We are excited about the expansion of our Courtyard by Marriott brand in Eastern Europe and see strong opportunity to continue to grow the brand here in Russia," said Amy McPherson, president and managing director for Marriott International in Europe.

Marriott's "World of Opportunity" to Raise Funds to Help Tackle Youth Unemployment Across Europe

On 10 January 2012, Marriott International, Inc. (NYSE: MAR) launched the "World of Opportunity" charity programme for Europe, which aims to help young people from disadvantaged backgrounds expand their horizons by providing life skills and vocational opportunities.

Through "World of Opportunity," Marriott International's more than 280 hotels across Europe will raise money, facilitate in-kind donations and volunteer with two charitable partners, SOS Children's Villages in Continental Europe and The Prince's Trust Fairbridge programme in the United Kingdom.

"Considering the sharp increase in youth unemployment across Europe, we feel 'World of Opportunity' can help offer a real solution and be potentially life-changing for participants," said Amy McPherson, president and managing director for Marriott International in Europe. McPherson added, "Marriott strongly believes that our business should be aligned with what is most important to the communities where we operate, and we hope that through this new initiative we will help make a positive impact in the lives of young people across Europe."

To help launch the programme, throughout the month of February one Pound Sterling or Euro (or equivalent) will be donated for every lunch and dinner served at participating Marriott-branded hotel restaurants in Europe. Funds raised will help tackle youth unemployment by sponsoring The Prince's Trust Fairbridge programme's "Employ Me" course in the U.K., and by supporting SOS Children's Villages Youth programme, focusing on education and employment, in Continental Europe.



Property of Marriott International

Marriott's commitment to society blends corporate financial contributions with giving in kind and the volunteer services of our associates around the world. The company participates in efforts to provide shelter, food, and children's health, while creating career opportunities for associates in the workplace and supporting education in the hospitality

industry. In 2010, Marriott's worldwide charitable contributions totalled \$34.6 million from donations of cash, in-kind and volunteer time. For more information about our corporate social responsibility efforts visit www.marriott.com/socialresponsibility

For meetings and events, the hotel offers two meeting rooms with a total of 191 square metres of conference space.

Courtyard by Marriott hotels feature a refreshing environment that helps guests stay connected and productive. Intuitive services and design accommodate guests' desire for choice and control and allow them to use the public space and guest rooms to meet all of their needs while on the road. With more than 910 locations in 36 countries, Courtyard is Marriott's largest brand; 200 additional Courtyard by Marriott hotels will open around the world over the next three years.

The Courtyard by Marriott Moscow Paveletskaya, along with more than 3,500 Marriott-affiliated hotels worldwide, participate in Marriott Rewards, the guest reward program that allows its more than 33 million members to earn points or airline miles for each dollar spent during each stay.

The Polo Club restaurant of the Marriott Moscow Royal Aurora launched a new menu

The menu of the award winning Polo Club was considerably renewed and extended. The award-winning premier restaurant Polo Club serves the finest U.S. prime and Australian steaks as well as wonderful seafood. Opened in 1999, it celebrates stability and excellence. The new menu launched in March is a good confirmation of that.

The cooking style of Executive Chef and F&B Director Thomas Koessler is well known to the Moscow public for its finest flavours designed to excite and delight the most sophisticated of palates. Executive sous-chef Karl Damegger, co-author of the new menu, is clearly on the same wavelength with the Chef. His sensitivity to ingredients results in harmonious dishes, where every flavor is in balance.

The main stress in the new menu is still on the excellent steaks which won the Polo Club its well-deserved reputation. Steaks from US Prime Grade and US and Australian KOBE & WAGYU Grade beef with multiple side dishes continue to delight meat aficionados. The prices start from Rub. 1,900 depending on the size and type of meat.

Another popular meat option Tartar, a raw beef delicacy, is cut by hand to preserve the original texture of the meat. A newcomer to the section, Slow Roasted Prime Beef Filet



Property of Marriott Moscow Royal Aurora

(Rub.2,900), has to be ordered one day in advance. The process of slow roasting and smoking with oak wood chips takes about 12 hours to result in a masterpiece that literally melts in your mouth. Each of the menu's seven sections was reinforced by many dishes with Asian influences.

Michael Page

A Michael Page International roundtable – "Reduce or hire: the practice of financial departments of Russian and International companies."

On February 22nd, Michael Page, in collaboration with the Institute for the Development of Financial Markets and the Community of Financial Professionals "Sapfir" held the round table "Reduce or hire: the practice of financial departments of Russian and International companies." The event was held in the conference hall of the MICEX-RTS, and brought together representatives of the stock market, recruitment agencies, business and universities. Olga Emelyanova, Executive Manager (Finance & Accounting Division of Michael Page) acted as a moderator of the round table. The speakers were Olga Zaharyasheva, "A&Z Securities", Irina Korableva, Musa Motors and Natalia Annenskaya, "Metropol". The honored guest was Anatoly Gavrilenko, Chairman of "ALOR."

During the event, participants discussed the most popular jobs in the finance sector in 2012, among them are Head of Shared Service Centre and Tax Manager. Concerning the choice between hire or fire, speakers and listeners came to the conclusion that developing companies should keep only productive workers. Herewith, the manager should be a coach for his employees and build a proper personnel policy, helping his subordinates become his business partners. The round table participants discussed methods to improve the efficiency of employees, among them are: relocation of employees, joint career planning and transparent bonus systems.

Pepeliaev Group

Pepeliaev Group has the most cited website

The website of Pepeliaev Group at www.pgplaw.ru has topped the 2011 charts for the most cited law firm website. The ratings were issued in November 2011 by the Russian Agency for Legal and Judicial Information (RALJI) (http://infosud.ru/social_ratings/citation-index/).

The purpose of RALJI's ratings research was to determine the most frequently visited and cited websites among those of the leading law firms on the Russian market. More than 100 law firms figured in the rankings, among them Baker & McKenzie, White & Case LLC, Salans, Magisters, Clifford Chance, Allen & Overy, Chadbourne & Parke LLP, Akin Gump Strauss Hauer & Feld LLP and Linklaters.

To identify the list of companies involved in the ratings, RALJI created a focus group made up of independent practising lawyers, PR specialists focusing on the legal market and journalists specialising in arbitration proceedings. Tools of the Yandex search engine were used to undertake the research. The methodology used in putting the ratings together comprised RALJI know-how previously employed in compiling ratings of arbitration courts. This methodology was highly regarded by the courts and other official bodies.

Pepeliaev Group's website was completely overhauled in mid-2010 in the context of the firm's overall rebranding. The site was created on the modern Bitrix platform, and, along with information about the firm, its employees and practice areas, is regularly updated with, among other things, information about new legislation, trends in the case law of the commercial courts, analytical reviews and newsletters, articles and comments from our lawyers, and information about seminars and conferences in which our lawyers are involved. This has helped us to attract around 4 million visitors to our site in 2011 alone.

Pepeliaev Group managers lead the way in the 'TOP-1000 Russian Managers' ratings

Alexander Nuzhdin, the Finance Director of law firm Pepeliaev Group, Ekaterina Kleimenova, the firm's Marketing Director, and Alexander Vinogradov, its Deputy CEO, have been named among the best managers of 2011 in the annual 'Top-1000 Russian Managers' survey carried out by the Association of Russian Managers and publishing house Kommersant.

Candidates are selected by an exacting panel based on several criteria, the main ones of which are professional effectiveness, leadership qualities, and personal and business reputation. More than 500 experts were involved in putting the ratings together, including representatives from key government institutions, business associations, and leading Russian companies. Also canvassed were the representatives of federal and regional authorities, non-commercial sector groupings and regional business associations.

The annual research undertaken by the Association of Russian Managers aims to obtain an objective, independent and wide-ranging assessment of the abilities of Russian managers, fully reflecting their professional standard and taking into account the features of today's Russian business. The main goal of the Ratings is to assess those within the Russian business community whose activity is nationwide in its character and has the greatest effect on the Russian economy.

The fact that managers from Pepeliaev Group regularly appear in the ratings of the Association of Russian Managers means that their professionalism is highly rated by the business community, as is the high quality of the services the firm offers.

Valentina Orlova speaks on the enforcement of intellectual property rights at RussiaTALK 2011

Valentina Orlova, head of Pepeliaev Group's intellectual property practice, told the RussiaTALK 2011 investment forum about the prospects of enforcing intellectual property rights in Russia. This annual forum hosted by the Russo-British Chamber of Commerce brings together delegates from leading British and Russian companies and the public authorities.

The UK is one of Russia's main commercial and investment partners. 'In 2010, the UK was the largest investor in the Russian economy,' said Sergey Katyrin, head of the Russian Chamber of Commerce and Industry. Over 600 British companies currently operate in Russia. The UK's investment in Russia in 2010 was USD 40.8 billion, with its cumulative investment totalling USD 21.6 billion.

Instrumental in securing foreign investment is the enforcement of intellectual property rights. This was the subject of a special discussion at the forum. Valentina Orlova, head of Pepeliaev Group's intellectual property practice, told the audience that Russian intellectual property legislation is in full conformity with global standards, including EU law, TRIPS and other international treaties on intellectual property. However, she stressed that there was a need to improve the legal protection of intellectual property and to make efforts to expand its use in the Russian economy, including by boosting research. 'Neither Russian nor international companies always fully comply with these protective provisions of intellectual property law, which gives rise to significant legal risks,' said Ms Orlova. In her view, creating an Intellectual Property Court would facilitate the enforcement of rights to intellectual property.

Roca

Roca Group brand Santek equips bathrooms of the FREEDOM "green house"

A sanitary ware brand Santek widely known in the Russian market has become a participant of FREEDOM project for construction of an ecological residential house in Moscow region, having supplied stoneware and acrylic bathtubs, to equip bathroom spaces.

FREEDOM is the Russian project aimed at development of the affordable and effective construction technology of ecological energy-efficient low-rise buildings. The first demonstrational house - the prototype of serial modular prefabricated energy-efficient house - has been constructed in the territory of cottage village in Novorizhskoye highway, 35 km from MKAD ring road, and was commissioned in January, 2012.

Since August, 2007 Santek has been a part of Roca Group - the world's leading manufacturer of products for bathrooms. Commitment to keep the nature safe is among the basic principles of this company's development. Roca regularly improves its products and introduces lots of new initiatives directed at raising awareness of the population in shortage of natural resources. Supporting the FREEDOM project, the company is sharing the ecological concept of the program.

Santek solutions for bathrooms are ideally designed for creating a comfortable, ecological, and at the same time cost-affordable bathroom space.



Property of Roca

Ron Arad and Javier Mariscal jumped the gap playing ping pong in a successful award ceremony full of surprises in the fascinating environment of the Roca London gallery

Ron Arad and Javier Mariscal invited the winner of the 4th Edition of the international competition, Jump the Gap, Michael Warykiewicz, to join them in the mad Gala Ceremony created by Roca for the Award Ceremony, which brought together VIPs from the media and the design and architecture world.

Following a difficult voting process due to a hugely successful level of participation at this year's edition (3,004 entries from 92 countries), the judges panel for the 4th edition of Roca's 'Jump the Gap International Design Competition' has chosen the project 'In&Out,' created by the young 27 year old Polish designer, Michal Warykiewicz.



Property of Roca

Michal Warykiewicz's proposal consists of a highly innovative solution for the bathroom ; an original shower unit which can be used in the house as well as the garden. To achieve this function the shower is built on a circular base with two columns that hold semi-circular screens or partitions. A noiseless hydraulic engine allows the shower unit to revolve 180° so that it can be used both as a refreshing garden shower and as a normal shower inside the bathroom space itself. In both cases, a liquid crystal system provides opacity to the shower screens, thus allowing for complete privacy.

As is already tradition in this competition, the awards ceremony was held in London. On this occasion however, the ceremony has been held in a refreshing and unique framework; the Roca London Gallery. This gallery, designed by the Zaha Hadid Architects studio, is not just a visual space but instead uses precision and control to help visitors better understand the relationship between the architecture of the space itself and the design of Roca bathroom products.

The awards ceremony marks the climax of the 4th such event which, thanks to the high number of submissions for the competition, reaffirms this initiative, promoted by Roca in conjunction with the BCD (Barcelona Centre de Disseny), as one of the most relevant design competitions worldwide. Roca has already started preparations for the 5th event !

Salans

Salans joins forces with new firm in Turkey

Salans is linking with local firm Balcioglu Selcuk Akman in Istanbul; Partners have transferred from the previous associated Istanbul office to create Balcioglu Selcuk Akman Keki (BASEAK); The New structure will broaden the practice areas in Turkey to include banking & finance and litigation;

This will complement existing expertise including in M&A, real estate, private equity and PPP. International law firm Salans has announced it is joining forces in Istanbul with local firm Balcioglu Selcuk Akman, and transferring two existing partners from its existing associated Istanbul office, Selim Keki and Goksan Gurel, to create a local partnership which will be known as Balcioglu Selcuk Akman Keki (BASEAK). BASEAK will have 5 partners and 29 associates in total. Salans has provided services in Turkey for over eight years, previously in conjunction with local partnership Ozel & Ozel. From 1st January 2012, Balcioglu Selcuk Akman Keki handles Turkish law requirements for clients. Clients will also continue to be able to access Salans' network of 22 offices worldwide for foreign and international law requirements. Commenting on the changes in Turkey, Salans' Global Managing Partner Dariusz

Sheremetyevo International Airport

Sheremetyevo expands unique innovative services for its passengers

Sheremetyevo International Airport has launched the new e-service for its passengers – the mobile flight check-in via Skype, the largest Internet telephony operator. The service is to register the flight using any mobile device with Skype installed.

"The development of the self-service registration is the global tendency for the passenger service quality improving. The main goal of Sheremetyevo is to become the best air hub in Europe in terms of passenger service quality by 2015. We reach the aim by implementing unique services, equal to the ones in the best world airports. So Sheremetyevo was the first in launching the innovative service with Skype – the mobile flight check-in," – as noticed Andrey Nikulin the Director for Passenger Service Department in airport Sheremetyevo.

The Skype calling service allows passengers to save time using a unique opportunity to register on the flight being at home or on the road to the airport. To use the mobile flight check-in the passenger should call the operator (log in: svo_checkin), advise us the family name, passport and flight details. As the next step the operator will send a message with a unique 2D code to the mobile phone to confirm the registration. On arrival to Sheremetyevo airport the passenger should only put the cell phone to the special scanner that reads the QR Code, and in few seconds it prints the Boarding pass. For passengers departing with the luggage we offer special luggage counters Drop-off.

Sheremetyevo having dedicated separate passport control counters for business class passengers

Sheremetyevo International Airport has dedicated special counters meant to accelerate business class passengers passing passport control.

Bright orange-colored banners the bearing "Business Class" inscription are located in Terminals E, F and C within the departure and arrival areas before the passport control booths.

Separate passage of passport control organized by Sheremetyevo for business class passengers will ensure considerable enhancement of the quality of service of air travelers valuing their time and comfort, to guarantee them fast completion of departure formalities and a high quality of servicing meeting the world standards.

Sheremetyevo Airport offers business class air travelers a comprehensive range of services. There are check-in counters dedicated for this category passengers which enables them to pass the flight check-in as promptly as possible. Additionally, there are several premium comfort lounges continuously operating at Sheremetyevo where business class passengers can pleasantly while away the time, awaiting their flight loading to begin; those are: in Terminal E – "Galaxy" lounge, in Terminal F – "Classic" and "Amber Lounge" lounges as well as a lounge in Terminal C. The VIP lounges are freely available to business class passengers while economy class ones can purchase a non-recurrent admission voucher for an extra fee.

Additionally entitled to use the VIP lounge services are participants of "Aeroflot Bonus" program and holders of FF cards (for detailed information on access to the VIP lounges the card holders should contact their air carriers).

Sheremetyevo Launched an Automated System for Information on Flight Status

Open Communications CJSC, a subsidiary of Central Telegraph JSC, has developed the EasySpeech automated system and introduced it at Sheremetyevo International Airport. The system is based on speech-recognition technology and makes it possible to automatically inform passengers about the current status of a flight.

EasySpeech employs the most up-to-date voice recognition technologies, which enables the system to respond to clients' requests within several seconds. However, if the system fails to determine what a client needs, the request will be automatically transferred to a call center operator for subsequent servicing.

To learn the current status of a flight handled by Sheremetyevo, simply dial the universal number (+7 (495) 956 46 66) and name the destination point or flight number. If no flight number is named, the system will offer you to choose from actual flights that fall within a time interval of plus / minus two hours from the request.

"The EasySpeech system makes it possible to automatically process the types of flight status requests that are most commonly accepted by call-center operators. Now passengers and those who wish to meet them may receive prompt information about the status of their flights," said Aleksei Shcheglov, the Director General of CJSC Open Communications.

"Sheremetyevo Airport is constantly increasing the number of passengers it serves. In the conditions of rapid growth in passenger traffic, the voice services significantly accelerate the delivery of information to those who use the

airport. The new service will reduce the workload of the call-center's operators and save clients a great deal of time, since they will not need to wait for an operator's response," said Konstantin Vlasov, the Head of Information Service at Sheremetyevo Airport.

Sheremetyevo Opened SVO-watcher, the First Russian Airport Fan Club and Presented Exhibitions entitled "The Polar World" and "The Night Flight"

On February 17th 2012, Sheremetyevo International Airport presented its passengers and guests with two exhibitions, entitled "Polar World" and "The Night Flight," displayed at Terminal E.

The Polar World, an exhibition held in association with GEO Magazine, consists of 15 unique works by Thorsten Milse, the world-renowned German photographer, who was awarded the Grand Prize of the American nature photo contest Nature's Best, and the title of BBC's Wildlife Photographer of the Year.

Visitors to exhibition can enjoy viewing the original beauty of the harsh Polar regions and the wild fauna of the Arctic and Antarctic. When he opened the exhibition, Mr. Milse told the visitors about his impressions of working in the Polar regions, where icebergs may be 300 km long and the winter lasts all year.

SVO registers passengers via Skype

SVO became the world's first to launch the service of passenger check-in via Skype.

The project started in December 2011 has been already supported by 20 SVO airline-partners whose passengers can check-in for the flight using there Skype accounts. The process takes a few minutes and closely followed by dispatcher to provide necessary assistance.

2012 – starting from records already

Sheremetyevo infrastructure development, effective traffic planning created proper base for airlines expansion what resulted in high rates of traffic growth already in 2012.

In March 2012 SVO became the leader on international routes among Moscow airports, having served 1 167 178 passengers, which is 22% more then in previous year.

In Q1 2012 5,2 million travelers chose SVO for their journey what excided the result of last year on 21%.

Sokos Hotel Palace Bridge

Sokos Hotel Palace Bridge has opened the biggest SPA and fitness center in St. Petersburg

Club EasyFit.ru spa is a new and dynamic fitness club, which is using the latest technology to make training easier and more fun. State of the art gym has a free weights area and a wide range of cardiovascular and resistance machines as well as equipment for crossfit training. The fitness club offers also Lady Line concept with gym and group exercise training exclusively for women.

Both EasyFit and LadyLine are equipped with the most modern gym technology by Technogym. This latest tech-

nology enables the customers to be connected also when they are exercising – to surf in the internet, watch tv and play games or be in touch with Personal Trainers.

Both fitness centers offer group training exercises, "traditional" training classes with an instructor but also virtual training. This gives the opportunity to start a training program with a virtual trainer whenever one wants including ie. Stretching and Spinning classes. Lady Line offers great variety of group training including. Hot Yoga and Hot Pilates Classes. Spa area has eight saunas and six pools for members and quests to enjoy their visit.

For more information www.clubeasyfit.ru or info@clubeasyfit.ru

Welcome to a truly human and sensory culinary experience!



The newest Dans le Noir – restaurant has been opened at Sokos Hotel Palace Bridge Hotel in St. Petersburg.

Dine in the total darkness, guided and served by blind people, is a unique experience that changes our perception of the world by reversing point of views: A sensory experience that awakens the senses and allows us to completely re-evaluate our perception of taste and smell.

A social experience where darkness brings relations free of any preconception and protect us from shyness. Dive into your imagination to rediscover your senses. This place is totally devoid of vanity.

Enjoy the famous surprise menu at "Dans le Noir" created with the help of the Sokos Hotels chef Zsolt Pleszinger, with the finest selection of wines by our wine expert.

Sokos Sokos Hotel is situated on the quiet Vasily Island, just a short walk away from St. Petersburg's main sights and attractions. Sokos Hotel Palace Bridge is an entirely new style spa hotel, offering luxury treatments in a wonderfully calm and serene setting.

Book your table by email danslenoir@shotels.ru or by phone +7(812) 335 22 12

Tebodin

Opening of new Tebodin office in Moscow

On 20 March the Ambassador of the Kingdom of the Netherlands in the Russian Federation His Excellency Ron Keller officially opened the Tebodin office in Moscow at the new address: Moscow, Letnikovskaya Street, 10, building 4, 8 floor (Svyatogor business center). The event will be part of the traditional Dutch Business Drinks organized by the Netherlands Embassy.

The official opening ceremony started at 19.00. Present were the representatives of the Dutch Embassy, Dutch business community in Russia and the clients of Tebodin, among other guests.

Because of its sustainable growth and new requirements regarding the working environment the company moved to the new location. The new premises are better equipped; facilitate internal logistics and communication between the departments, thus helping us to continue providing a high level of service to our clients.

APPOINTMENTS

Goltsblat BLP

A new Senior Partner at Goltsblat BLP

Goltsblat BLP is pleased to announce that Andrei Baev is joining BLP as a Senior Partner to strengthen further the firm's energy & natural resources practice and its Russian offer to clients.

This appointment is in response to the increased demand by Russian clients and those investing in Russia for high-quality finance advice, in particular in the oil & gas, energy and infrastructure sectors.

Previously a partner in Allen and Overy (A&O) in London, Andrei has also worked for the A&O offices in Moscow and New York. He has significant expertise in multi-jurisdictional deals, with a focus on the development and financing of major oil & gas upstream, midstream and downstream projects, independent power projects, nuclear power projects, mining, telecommunications and infrastructure projects throughout the world, in particular cross-border projects in Russia, CIS, Eastern and Central Europe, Turkey and Asia. Prior to A&O, Andrei worked at Sullivan & Cromwell in New York and Mayer, Brown & Platt in Los Angeles.

Most recently Andrei represented Gazprom in connection with the South Stream Gas Pipeline Project; Trans-Balkan Pipeline B.V. in connection with the construction and project financing of the Burgas-Alexandroupolis cross-border oil pipeline project; Atomstroyexport in connection with newly built nuclear power plants in Akkuyu, Turkey and Belene, Bulgaria; Taneko and Tatneft on the construction and financing of a large refinery and petrochemical complex in Nizhnekamsk, Tatarstan; Macquarie Renaissance Infrastructure Fund in connection with the tender for the concession of Samara airport in Russia and InterRAO UES and RusHydro on several acquisitions of energy companies.

Andrei will work closely with the combined English and Russian law capabilities of the London and Moscow offices in executing major regional transactions and he will spend significant amount of his time in Goltsblat BLP, the Moscow practice of BLP, and in the London office to support the Russian/ CIS clients and others on their needs.

Andrey Goltsblat, managing partner of Goltsblat BLP, comments: "I am sure that Andrei's arrival will further expand our international capabilities and expertise in supporting of cross-border transactions in Russia and the CIS. His extensive experience in the region will help broaden our offer to clients in the Russian market."

Matthew Kellett, the managing partner of BLP's finance department, said: "The Russia and CIS markets are growing strongly, particularly in the sectors in which Andrei specialises and him joining the team will ensure we have the capacity and skills in place to meet future needs across the region."

Interdean

A new Regional Sales Director at Interdean Moscow

Interdean Russia is appointing **Alexander Sikorsky** as Regional Sales Director for Moscow.



Alex has over ten years' experience in the Relocation and Moving industry. Alex began his career in London in 2000 as Operations Manager for Crown where he gained significant experience in managing operations crews, planning the diary and co-ordinating operations.

In 2002, Alex joined Interdean. His first role with us saw him managing packing crews, monitoring quality and performance on site and conducting warehouse checks in order to maintain high quality standards.

In 2005 and 2006 he worked as General Manager of a removal company in Cambridgeshire, UK, managing the sales and operations teams, developing business and building up strong client relationships.

In 2006, Alex relocated to Kiev, Ukraine, to take on a new role as Branch Manager of Interdean Ukraine. Alex found this experience challenging, interesting and exciting; combining his cultural understanding and a new way of developing business which he learned whilst working in the UK. During his time in Kiev, Alex managed to build a strong team, with quality oriented-operations and solid sales. Under his leadership, Interdean Ukraine has strengthened its position in the marketplace and is now the only FIDI accredited Relocation and Moving Company in Ukraine.

Jones Lang LaSalle

Mark Wynne-Smith to become CEO for Jones Lang LaSalle Hotels

Jones Lang LaSalle announced that Mark Wynne-Smith is to become the new global CEO for Jones Lang LaSalle Hotels with effect from 1 January 2012, promoted from his current position as EMEA CEO for the Hotels business. Arthur de Haast, who currently combines the Hotels Global CEO role with a number of other leadership remits, will become Chairman of the Hotels business, which specialises in hotel investment transactions and real estate services for hotel owners and operators. Both will be London-based roles.

The moves follow strong and consistent growth in the firm's hotels business, despite the challenging broader economic climate, and an assessment of favourable medium and longer-term business opportunities across the sector generally and for the firm's Hotels business in particular, once the near-term pressures on Eurozone and other economies have abated.

Arthur de Haast commented: "We have an excellent hotels business supported by a first-class platform right around the world. There are some challenging market conditions out there at present, but looking both at our track record and the longer-term view, we see a great opportunity to continue to build our client relationships, keep on delivering the highest standards of advice and drive further growth in this business. Mark is very highly respected across the hotels sector and is the ideal person to lead the next step in the evolution of our hotels business."

Mark Wynne-Smith added: "I am excited by the opportunity to lead our Global Hotels business after several years in my current EMEA role. I believe we have an unrivalled

mix of expertise in all the aspects required to deliver the very best real estate advice to our clients across their international hotel portfolios.”

Jones Lang LaSalle Hotels also announced that Christoph Härle and Jon Hubbard will share the EMEA leadership remit, expanding on their existing management roles, with both joining Jones Lang LaSalle Hotels’ Global Board. Alongside them will be another new Hotels Board member, Thierry Loué, who will add strategic business development advice, while also continuing in his existing role as chairman of Jones Lang LaSalle’s Middle East & North Africa business.

Arthur de Haast will combine his own chairmanship of Jones Lang LaSalle Hotels with his ongoing lead role for Jones Lang LaSalle’s International Capital Group and as chairman of the firm’s Global Capital Markets Strategy Team, along with his client work.

New Head of High Street retail department

Svetlana Yarova joins Jones Lang LaSalle’s professional team



Jones Lang LaSalle is glad to announce a new appointment in the high street retail department of their retail agency. **Svetlana Yarova**, a professional with a unique experience on the retail property market, is appointed as the department’s Head. Prior to joining Jones Lang LaSalle she was working in Astera Group for 8 years.

Svetlana Yarova will be strengthening Jones Lang LaSalle’s high street retail department and will manage relationship with landlords, tenants and investors.

Maxim Karbasnikoff, European Director, Head of Retail Department, Lang LaSalle Russia and CIS, commented: “In the current market situation, street retail is becoming an increasingly important real estate segment. Due to a limited supply of shopping centres in 2012-2013, retailers are now searching new high quality space for development within Moscow borders and street retail is one of the options. Jones Lang LaSalle is an expert in high street retail in key markets, such as Paris, London, Munich. We are now providing the same level of services in Moscow, St. Petersburg and Kiev.”

Svetlana has long standing real estate experience. Since 2003 she was working in Astera Group having started from a position of commercial real estate consultant. In 2006-2008 Svetlana held senior positions in that company’s planning department, and since June 2008 she has been head of their retail agency.

Svetlana’s professional successes include the attracting of retail portfolio holders, as well as shopping centre owners to the company, negotiating retail lease deals with such companies as MVideo, O’STIN, ION Centre, Adidas, Renaissance credit bank, etc. Svetlana Yarova has concluded lease and acquisition deals for more than 200 retail units in Moscow and regions.

High street retail is one of the top priorities of Jones Lang LaSalle’s retail agency. In street retail lease and acquisition deals Jones Lang LaSalle represented the biggest companies, such as Sberbank, VTB, Massimo Dutti. In September 2011 one more high street retail department was created in Jones Lang LaSalle’s St. Petersburg office.

Radisson Royal Hotel

General Manager – Radisson Royal Hotel, Moscow

Mr. Jesper Henriksen has been made General Manager of the Radisson Royal Hotel Moscow in Russia, with immediate effect. Jesper succeeds Mr. Wolfgang Nitschke who will retire. We thank Wolfgang for his many contributions to the company during the past eight years and wish him and his family all the best for the future.

Jesper, a Danish national, has an international hospitality background, having held numerous management positions in various countries. He joined Rezidor in 1997 as opening Director of Sales at the Radisson SAS Residence in Abu Dhabi, United Arab Emirates, before transferring to the Radisson SAS Hotel in Nice, France as Director of Sales. Two years later, he was appointed District Director of Sales for Southern France. In 2001, he took on the position of Executive Assistant Manager of the Radisson

SAS Montfleury Hotel in Cannes, France and was promoted to General Manager of the Radisson SAS Park Lane Hotel in Antwerp, Belgium in 2002. Three years later, he took on the position of General Manager of the Radisson SAS Royal Hotel in Brussels. In November 2006, Jesper was appointed General Manager of the Radisson Blu Hotel at Disneyland Resort Paris in France. Jesper has been working as General Manager of the Radisson Blu Gautrain Hotel, Sandton Johannesburg in South Africa since August 2009, which is his most recent position. His successor will be announced shortly.

Salans

Florian Schneider elected Managing Partner of Salans Moscow office

Florian Schneider has been elected the Managing Partner of Salans’ Moscow office. He is also the head of Salans Global Retail Practice Group. Florian specialises in real estate and corporate law, assisting clients in the retail, food, real estate development, construction and investment banking industries. His real estate background includes structuring acquisitions of rights to land plots and purchases of buildings, office premises and acquisitions of real estate portfolios, as well as drafting construction contracts and lease agreements and the establishment of real estate joint ventures. Florian has been working on construction and real estate matters in various Russian cities and regions, including Moscow, St. Petersburg, Rostov-on-Don, Krasnodar, Kaluga, Ryazan, Cheliabinsk, Nizhni Novgorod, Veliky Novgorod, Cherepovets, Tver and Volgograd.

Florian Schneider is ranked as a top corporate/ M&A lawyer by Chambers Global (Germany Focus) and European Legal Experts, and as a leading real estate expert by Legal 500, Commercial Real Estate (CRE – among the top seven real estate lawyers in Russia), and Best Lawyers.

Florian has also advised on general Russian corporate, tax, labour and IP law matters, as well as tax compliance and preparing tax filings for foreign entities operating in Russia.

Florian participates in German trade delegations and speaks frequently on Russian real estate law, Russian and German contract law and related matters. In addition to his responsibilities as Chairman of the Real Estate workgroup

of the Russian-German Foreign Chamber of Commerce in the Russian Federation, Florian lectures regularly on behalf of the University of Magdeburg's MBA programme in Moscow.

Florian joined Salans in 2008. Prior to that, he was a partner and head of the Real Estate Practice at Beiten Burkhardt Moscow. He obtained his Master of Laws (Real Estate Law) from the University of Münster (LL.M. 2009-2011) and Law Degree from Albert Ludwigs University, Freiburg im Breisgau, Germany in 1999 and was admitted to the German Bar in 2002. Florian is a native German speaker and is fluent in Russian, English and French.

Mathieu Fabre-Magnan was the Managing Partner of Salans' Moscow office from 2006 until 2011. Mathieu will lead the firm's strategic development in luxury sector as the co-head of Salans Global Luxury Practice Group and French companies sector as the head of Salans' French Desk in Russia.

Salans welcomes a new Head of Russian Competition Law Practice



Marat Mouradov has joined Salans' Moscow office as a partner and head of the Russian Competition Law Practice. Marat Mouradov, a leading Russian competition law expert, specializes in various competition law related matters, focusing primarily on structuring of product distribution schemes, unfair competition practices, advertising legislation and other behavioral issues arising in various industry sectors, including pharmaceuticals, medical equipment, automobiles, beauty products, food and others. Prior to joining Salans, Marat was a competition law partner at the Moscow office of one of the major international law firms.

Salans' Russian Competition Law Practice has been developing fast and handles some of the most complex competition law projects in Russia. Until now, it has been co-managed by Moscow partner Mathieu Fabre-Magnan and Brussels partner Edward Borovikov.

Mathieu Fabre-Magnan said: "We are delighted Marat has joined Salans to head our Competition Law Practice in Russia, which we believe he will take to a yet higher level."

Staffwell

Staffwell has Strengthened its Executive Team

Staffwell, a leading recruitment company in Russia, which provides management selection and executive search services, is pleased to announce that 5 members of its Moscow office have been promoted to new positions. These appointments are in response to the company's growth plans and the strengthening of its position in the recruitment market in Russia.



Allan Sullivan has been promoted to Commercial Director and Member of the Company's Executive Committee. In his new role, Mr. Sullivan will be responsible for leading the office's Directors Team, business expansion plans, and the further development of all industry sector sales channels,

while still remaining actively involved in Staffwell's legal, FMCG and retail recruitment sectors.



Elena Sidorenko has been promoted to Operations Director and Member of the Company's Executive Committee. In her new role, Ms. Sidorenko will be responsible for leading and developing the office's recruitment consultants' team, and ensuring that client projects are completed with the highest standards of satisfaction. Ms. Sidorenko will also still remain actively involved in Staffwell's banking, investment, and insurance industry sectors.



Mark Amelin has been promoted to Executive Director and Member of the Company's Executive Committee. In his new role, Mr. Amelin will continue to lead Staffwell's financial services, consulting, media, manufacturing and conglomerate recruitment sectors, while also focusing on executive search projects, and assisting with the company's strategy, and training and mentoring initiatives. Mr. Amelin was Staffwell's top Director in 2011.



Inna Alpaidze has been promoted to Executive Director and Member of the Company's Executive Committee. In her new role Ms. Alpaidze will lead Staffwell's legal sector, continue to manage and develop Key Accounts in various other sectors, while also focusing on executive search projects, and assisting with the company's strategy, and training and mentoring initiatives. Ms. Alpaidze was Staffwell's top Consultant in 2011, and was awarded as one of the best headhunters in Russia by magazine "Career".



Maxim Kaurov has been promoted to Senior Director. In his new role, Mr. Kaurov will continue to lead Staffwell's Oil & Gas sector, and develop the company's business and client base in the industrial, logistics and IT sectors.

NEW MEMBERS



AB Services, LLC

AB Services, LLC is a British and American owned and managed company which provides Recruitment and HR Services in Moscow and in Russian Federation. We are committed to providing exceptional customer service, and have built an internal corporate culture to match this commitment.

- We are easy to work with. Contracts are short and customer friendly;
- Highly experienced recruiters and consultants who get results;
- Cost Effective. Our fees are reasonable, payment is success based, and we do not require exclusivity.
- A genuine customer-service culture throughout the organization.

You will experience the difference in attitude and results!



Concept Training

Concept Training and Development (Moscow and Saint Petersburg) is a leading training organization in Russia, with more than 15 years of experience. Concept Training is part of Schouten Global, a leading provider of Training, Education, Coaching, Research and Advisory, with headquarters in The Netherlands. We help our clients to turn talents and potential of their people worldwide into actual business results: "Result with People." Schouten Global has over 30 years of expertise in Personal and Organisational Training and Development. It employs over 550 staff spread over offices in The Netherlands, Belgium, Poland, Germany, Switzerland, China, Vietnam and Russia. We specialize on Leadership and Management Development, Personal Effectiveness and Improving Sales. In all our training programmes, we use 'blended learning' including an internet based learning platform, as part of our deliveries. Assertiveness is at the core of all our training. In cooperation with Schouten University, we provide an on-line MBA, as well as Master Diploma programme on Leadership Development.



ECOTEAM

ECOTEAM provides different services in the field of legal EHS (Environment, Health, and Safety) consulting.

Our major services are:

- Legal support of planning and ongoing activities in compliance with Russian EHS legislation (on a monthly basis);
- Defense of the client's interests in court, in prosecutor's office, and in the disputes with federal or local authorities;
- Legal EHS audit;
- Developing of appropriate environmental documentation;
- Monthly digest of Russian EHS legislation – ECOZAKON (www.ecozakon.ru).

Company was founded in 1997. Company's staff consists of the experts of government institutions such as State Duma, the Ministry of Natural Resources, etc.



Elopak

Norwegian production company "Elopak" is the international leader in liquid foods packaging and major supplier of filling equipment and practical user-friendly Gable top package blanks.

"Elopak" company understands the scale of Russian market potential and plans to expand presence in the market with important investment. Thus, new "Elopak" factory in St. Petersburg area has started its work in December 2011. It aims for Russian customers to have more flexibility on blanks delivery terms.

"Elopak" is a company with high level of social responsibility. Ecology protection is one of the company's key priorities. "Elopak" company is a member of Climate Control program at World Wide Fund of Nature (WWF) and is recognized as "Climate defender".



Finnish-Russian Chamber of Commerce

The mission of the Finnish-Russian Chamber of Commerce is to promote companies' business and competitiveness as well as economic relations in Russia and Finland.

The FRCC carries out its mission through various services such as market research, marketing, export promotion, training, information, and consultation.

The FRCC works in all fields of business and serves all customers. However, members are special in that they receive benefits denied to others. The number of members in Finland and Russia exceeds 850.

The FRCC receives its funding from service and membership fees (85%) and the Finnish Ministry of Trade and Industry (15%).

The FRCC serves over 1,000 customers p.a.



Flex

Flex, a recruitment company specializing in traditional and executive search services, focuses on placing mid-senior level individuals who will drive a business forward. Flex's traditional recruitment search services are designed with the objective of finding suitable individuals with unique skills and qualifications, and its main goal is to transform initiatives and innovation into jobs and economic growth for its clients. Flex maintains an excellent track record of placing cream-of-the-crop candidates into top management positions with leading companies in most industry sectors. It provides its clients with the talent that they need to succeed.



Harley-Davidson Motor Company

Harley-Davidson Motor Company produces heavyweight custom, cruiser and touring motorcycles and offers a complete line of Harley-Davidson motorcycle parts, accessories, riding gear and apparel, and general merchandise.

Harley-Davidson is the oldest Motorcycle Company in the world and will be celebrating 110 years in 2013.

Today Harley-Davidson employs nearly 8,000 people worldwide and manufactures and sells in excess of 220,000 motorcycles in more than 100 countries worldwide.

The Motor Company is based in Milwaukee, Wisconsin with the corporate headquarters, the product development, the Power Train facility and the Harley-Davidson Museum. There are additional facilities across the US, including production.

For more information, visit Harley-Davidson's Web site at www.harley-davidson.com.

HEIDELBERGCEMENT HeidelbergCement

HeidelbergCement is the global market leader in aggregates and a prominent player in the fields of cement, concrete and other downstream activities, making it one of the world's largest manufacturers of building materials. The company employs some 52,500 people at 2,500 locations in more than 40 countries. HeidelbergCement has come a long way from the foundation of the first cement plant in Heidelberg in 1873 to one of the leading international building materials group nowadays.

In 2001 HeidelbergCement started its entry to the Russian market with the acquisition of the "Cesla" cement plant in Leningrad Oblast. Since 2010 the Russian assets of the company also include the cement plants in the city of Sterlitamak, Republic of Bashkortostan (CJSC "Construction Materials") and in Tula Region (OOO "TulaCement"). Via cement terminals in Kaliningrad, Murmansk and Arkhangelsk HeidelbergCement Russia imports high-quality cement from HC Group owned plants in Sweden and Norway. Moreover two aggregate productions in Voronezh Region (JSC "VRU") and in Tula Region (JSC "Gurovo-Beton") are operated.

The activities of the Country management, such as Finance, Sales, HR, Purchasing and Business Development are directed from the offices in the City of Moscow and in Podolsk, Moscow Oblast. In Russia HeidelbergCement is a reliable employer for some 2.300 people.

KESAREV Kesarev Consulting

— consulting — About Kesarev Consulting

- one of the first and among few reputable Russian firms to provide professional and compliant services in the spheres of government relations, lobbying and public affairs;
- longtime history of serving multinational corporations;
- team of 15 professionals (including 6 associate partners and 5 lawyers), who have long-term experience in legal, public and governmental affairs practice;
- priority practices: customs tariff regulations and protective measures in international trade; agribusiness/food sector; health care; financial services; mining/natural resources; energy/utilities; mechanical engineering; infrastructure;
- service regions: Russia, Customs Union (EurAsEC), Ukraine and CIS;
- Kesarev Consulting has two offices: Moscow (Russia) and Kyiv (Ukraine).

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www.kesarev.com



MAI Insurance Brokers

MAI CEE is a leading independent insurance broker and consultant in CEE and CIS region established 20 years ago. MAI CEE has wholly owned offices in 13 countries in Central and Eastern Europe (including Russia), with long term partners in a further 7 countries and clients servicing capabilities in all 29 countries in CEE.

MAI CEE has over 200 employees across the region, has over 1.500 international clients and over 4.000 domestic clients in the region. The following business practices are established within MAI: Employees Benefits, Property & Construction, Marine and Logistics, Claims, Network.

Office in Russia (Moscow) was established in 2003 and provides full scale of insurance broker related services.



The Port of Hamburg Marketing

The Port of Hamburg Marketing (HHM) representative office in Saint-Petersburg was opened on 2003. The Chief-Representative is Ms. Natalia Kapkaeva. Since 2005, we have also represented the interests of the Senate Chancellery of the Free and Hanseatic City of Hamburg. The main brief of the representative office in St. Petersburg is to establish and broker contacts between businesses in Hamburg and in Russia, and to provide them with information about the respective markets. In addition, the Port of Hamburg representative office in St. Petersburg also takes part in conferences and other events organized by the transport sector. It also maintains contacts with partners in Latvia, Estonia, Lithuania and Ukraine.



Profile-Euro LLC

Profile-Euro LLC was established in 1992. We provide customs broker and freight forwarding services. Staff of 89 people is working in the company, 63 of them take part in customs clearance.

Our specialization includes the customs clearance of perfume and cosmetic products, foodstuffs, pharmaceutical goods, raw materials, equipment and spare parts to it for plants, products of chemical and machine-building industry.

This company is one of a few companies in Moscow that has a rich experience in organizing the projects for customs clearance of plant equipment.

Presently we are organizing customs clearance in Moscow region, Smolensk, Kaluga, Sheremetevskaya, Domodovskaya and Baltiyskaya customs.



Qoveo

Qoveo team consists of experts in the management of competencies, which can be defined by the foundation EVALUATE, MANAGE

, DEVELOP ; the team project managers and experienced engineers who specialize in the creation and management of significant IT-projects. Each client is unique to us and each of them requires our skill and understanding of his or her needs. This demand stimulates our professionalism during development, optimization and implementation of tools as well as on the level of methodological management of competence. This dual expertise makes our approach to solving problems a particularly important one.

We adapt our solutions to your business !



Renaissance Moscow Monarch Centre Hotel

Located in a bustling commercial district of Moscow, and in close proximity to Moscow City and the Expocentre, the Renaissance Moscow Monarch Centre Hotel allows easy access to downtown attractions and is a quiet oasis for guests in the midst of a dynamic business environment. Being a part of mix-use development the hotel offers 366 rooms and suites, including long stay service apartments, along with all the amenities of a 5 star hotel. The hotel is an unparalleled destination to host corporate business and private events with its one level convention space totaling 2,500 sqm. The hotel's dining venues promise gastronomic inspiration at Mozaic Restaurant, fine dining Premier Restaurant and Allegro Lobby Lounge and Sushi Bar. THE RENAISSANCE MOSCOW MONARCH CENTRE HOTEL

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THOST Russia Projektmanagement

OOO THOST Russia Projektmanagement was founded in 2006 as 100% subsidiary of THOST Projektmanagement für Bauten und Anlagen GmbH, with headquarter in Pforzheim, Germany, who started with project management services in Russia in 2004. OOO THOST Russia Projektmanagement coordinates and controls the development, engineering, design, procurement and realisation of complex projects. Our work is independent and leads to the desired results. We create benefits and added value for our clients from the project idea to its commissioning. Unique experiences across industries provide ideal solutions, professional staff ensures the success of projects. THOST Projektmanagement – committed to quality since 1987. We look forward to supporting your projects in Russia and CIS countries with our services. www.thost-group.com



United Parcel Service

UPS is the world's largest express delivery company, and is a leading global provider of logistics services and supply chain solutions. Founded in

1907 as a messenger company in the United States, UPS has grown into a multi-billion-dollar corporation with one of the most recognized and admired brands in the world. With its unmatched array of services in more than 220 countries and territories, UPS delivers over 15.6 million packages every day. UPS started operations in the Russian market in 1989. It covers the whole territory of Russia and offers the most comprehensive portfolio of services in the Russian market, including worldwide and domestic express delivery, reverse logistics, contract logistics, freight forwarding, supply chain solutions, as well as customs brokerage services. For more information visit www.ups.com.



Work Service

The Work Service S.A. Capital Group is the biggest player on the Polish HR services market, which also conducts its business in five other Central and Eastern European countries: the Czech Republic, Slovakia, Russia, Germany and Ukraine. Throughout twenty years Work Service evolved from a company delivering temporary workers to commercial chains and further providing modern employee outsourcing models for the largest production companies to the position of expert and advisor on the HR market. Annually 150 thousand people find jobs due to Work Service. The company cooperates closely with over 2200 Clients for which it employs and services over 21 thousand Employees every day.



New Advertising Opportunity on the AEB Website

The AEB is pleased to offer a new opportunity on the AEB homepage www.aeb.ru – a banner section.

The AEB webpages have been viewed over 44,600 times in February 2011 only.

The target audience is unique, by placing a banner you will reach the decision makers of the largest European companies operating in Russia.

Companies are welcome to place advertisement banners in the section next to the Events calendar. There are two possible sizes: **200x47px or 200x94px**.

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Time frame (months)	Format and size	Price	Price
		200x47px	200x94px
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3 months		1000 Euro	1600 Euro
6 months		2300 Euro	3700 Euro
12 months (+ 1 month free)		5000 Euro	8000 Euro

*All payments are to be made in Rubles according to the daily exchange rate set by the RF Central Bank on the date of payment.

Contact person:

For more info and to reserve a space, please contact

Nina Anigbogu

E-mail: Nina.Anigbogu@aeb.ru, Tel.: 234 27 64, ext 133.

This offer extends to AEB members only. A 20% premium will be applied to these prices for non-Members. The prices given above do not include VAT.

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Company Name in full, according to company charter. (Individual applicants: please indicate the company for which you work /
Название компании в соответствии с уставом. (Для индивидуальных членов – название компании, в которой работает заявитель):

Legal Address (and Postal Address, if different from Legal Address) /
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THE CATEGORY IS DETERMINED ACCORDING TO THE COMPANY'S WORLD TURNOVER

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Title, First Name, Surname / Ф.И.О:

Position in Company / Должность:

E-mail Address / Адрес эл. почты:

4. COUNTRY OF ORIGIN / СТРАНА ПРОИСХОЖДЕНИЯ	
A. For a company / Компаниям: Please specify COMPANY'S country of origin / Указать страну происхождения компании ¹	
or B. For an individual applicant / Индивидуальным заявителям: Please specify the country, of which you hold CITIZENSHIP / Указать гражданство	
Please note that only EU / EFTA members can serve on the Executive Board and the Council of National Representatives/ Внимание! В Совет национальных представителей и Правление могут быть избраны члены, представляющие страны Евросоюза или ЕАСТ. Please fill in either A or B below/ Заполните только графу А или В	

5. COMPANY DETAILS / ИНФОРМАЦИЯ О КОМПАНИИ			
Company present in Russia since: _____ / Компания присутствует на российском рынке с: _____ г.			
Company activities/ Деятельность компании	Primary / Основная:		Secondary / Второстепенная:
Company turnover (euro)/ Оборот компании (в Евро)	In Russia / в России:	Worldwide / в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database/ Не включайте это в справочник АЕБ
Number of employees/ Количество сотрудников	In Russia / в России:	Worldwide / в мире:	<input type="checkbox"/> Please do not include this in the AEB Member Database/ Не включайте это в справочник АЕБ
Please briefly describe your company's activities (for inclusion in the AEB Database and in the AEB Newsletter) / Краткое описание деятельности Вашей компании (для включения в базу данных АЕБ и публикаций АЕБ)			

6. HOW DID YOU LEARN ABOUT THE AEB / КАК ВЫ УЗНАЛИ ОБ АЕБ?	
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Signature of Authorised Representative of Applicant
Company / Подпись уполномоченного лица заявителя:

Date/Дата:

Signature of Authorised Representative of the AEB /
Подпись Руководителя АЕБ:

Date/Дата:

¹ Location of a parent company or of the main shareholder / Местонахождение головной конторы или основного учредителя.



Association of European Businesses



www.aeb-training.ru

20 years with Russia



In 2012, Telenor celebrates its 20th anniversary of working in Russia. In 1992, we were among the first companies to believe in the Russian telecommunications. We also were one of the first international investors into the Russian economy. Looking back, we are glad to see the remarkable change that happened to Russia and its telecommunications market. And we are proud that our core strategic asset, Russian company VimpelCom, has grown to a global giant operating in 20 markets worldwide.



telenor
group