



Association of European Businesses

ANNUAL REPORT 2010

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Dear AEB Members,

The AEB has become the strongest foreign business association in Russia. Throughout 2010, the Association of European Businesses continued to show strong and sustained growth: as of December 31st, 2010, the AEB represented over 620 member companies. The growth in AEB membership was not only quantitative, but also qualitative. This year, the AEB saw a substantial increase in its number of sponsor companies, which is a good sign and shows that the economy is recovering, while our Association is becoming stronger. Needless to say, we are delighted to see more and more companies joining the AEB and will continue to do our best to represent their interests in the dynamic Russian market.

2010 was also marked by a continued development of the successful cooperation with the European Union Delegation in Russia and the Russian authorities, including the Russian Federation State Duma. We are pleased to see that the opinions and views of the AEB are taken into consideration by the Russian authorities at the highest levels. The AEB's opinion and expertise is being increasingly sought by policy makers and authorities, particularly, with regard to possible impacts of draft laws on business and the investment climate in various industries. AEB experts have been actively involved in submitting comments on the Draft Laws being developed by the Russian authorities and this work will be intensified in 2011. In 2010, the AEB lobbied the interests of the European businesses through active participation in the drafting and implementation of several legislation and federal programs: the Law on Strategic Sectors; Migration Law on

Highly Qualified Specialists; Law On Energy Saving and Energy Efficiency; Scrapage scheme in the Automotive Sector and Technical regulations for electric devices on Low Voltage, which the AEB has negotiated successfully on behalf of the majority of not only the European, but the international companies in general that specialise in the home appliance sector. The AEB has also intensively worked with the Russian authorities on the development of the new Customs Union legislation, in particular, the Customs Code and its subsequent bylaws. Last year, the AEB was also the official mediator between the Russian Federation Ministries of Economic Development and Industry and Trade, and the international business community. We are likewise, grateful to the EU Delegation for the constructive and effective cooperation and would like to personally thank His Excellency Fernando Valenzuela for his great help and commitment to the AEB's development, which has allowed us to address some issues at the highest level in Brussels and meet with top-level decision-makers in the Commission.

The AEB committees are the backbone of the Association. Based on the initiatives of several AEB member companies, several new committees were created in 2010; therefore, the number of AEB committees, subcommittees, and working groups increased to 40. These include the Energy Efficiency and Retail committees, as well as the Home Appliances working group, amongst others. The Association's focus in the Russian regions also increased. In 2010, several business missions were organised to Stavropol, Krasnodar. Our presence

in the North-Western district has likewise substantially increased, with a newly established North-Western Committee, including a steering group based in Saint-Petersburg.

The AEB has also continued to develop its public relations, including communications and media, support to charitable initiatives and development of relations with various partner organisations. The number of press contacts has increased substantially and the Association held 3 Press conferences in 2010. Also, the AEB was quoted over 400 times in various media, such as the El Pais, Financial Times, Handelsblatt, Kommersant, Nezavisimaya Gazeta, Rossiyskaya Gazeta, Vedomosti and others. The AEB now supports about 10 different charity initiatives by providing informational coverage to their causes and community events. With regard to publications, the year 2010 saw an increase in quantity, quality and distribution. We now offer all our readers – the business communities and policy-makers in Europe and Russia – a much more thorough analysis, with expert opinion presented by representatives of leading business organisations and Russian government bodies. As a result of the overwhelming success enjoyed by the “Step by Step: Living in Russia” and “How to Invest in Russia” guides, in 2010, the AEB increased the number of circulated copies. In 2010, the AEB also launched a new pub-

lication: “The AEB guide to HR related services”, which was very well received.

In 2010, the events department once again raised the plank for excellence in terms of event quality. Several major events were organised in various five star hotels, featuring major key players on the Russian market and well as prominent international business figures. Last year and for the first time, the AEB organised a European and Russian Business Forum in Saint-Petersburg. The Forum was held from the 23rd to 25th of September, 2010. It brought together many players from the EU and Russia (Paavo Lipponen, Wolfgang Clement, Peter Balas, Philip de Buck, Tapio Kuula, Alexey Mordashov, amongst many others). It is also in line with this that the AEB proceeded to sign a memorandum of understanding with the Northern Dimension Business Council.

In all, the year 2010 was a successful one in terms of achievements for the Association. None of these would have been possible without our member companies. Therefore, last but not least, the AEB would like to thank all its members for their unwavering support, as this played the key role in motivating the Association to go to many lengths to see its members’ interested properly represented.

Yours sincerely,

Reiner Hartmann
Chairman of the Executive Board

Frank Schauff
Chief Executive Officer

Association of European Businesses

AEB OPEN MEETINGS 2009

JANUARY – DECEMBER 2010

1. Briefing by Juan Antonio March Pujol, Ambassador of Spain to the Russian Federation
Title: Priorities of the Spanish EU Presidency.
Date: January 22nd, 2010

2. Tair Mansurov, Secretary General, Eurasian Economic Community
Title: Customs Union – EurAsEC Integration Breakthrough
Date: January 29th, 2010

3. Evgeny Gavrilentov, Chief Economist, Managing Director, Troika Dialog
Title: Looking for More Balanced Growth: External Constraints Reshape Russia's Economy
Date: February 19th, 2010

4. Presentations by Dr. Frank Schauf, AEB CEO and Art Franczek, President, American Institute of Business and Economics
Title: "The Russian Economic Situation & Business Environment" for 22 MBAs, University of Texas at Austin.
Date: March 9th, 2010

5. Briefing by Evgeny Gontmakher, Member of the Board, Institute of Contemporary Development, Deputy Director of the Institute of World Economy & International Relations, RAS
Title: 21st Century Russia: the Image of Tomorrow We Want
Date: March 4th, 2010

6. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the Russian Federation
Title: World Bank's Russia Economic Report #21
Date: April 1st, 2010

7. AEB Conference.
Title: European Businesses in Russia: Scenarios of Post-Crisis Development.
■ *What Perspectives Do Foreign Investors Have on the Russian Market?*
■ *New Financial Order: Global or Local Rules?*
■ *EU-Russia Partnership for Modernisation: What to Do in Practice?*
Date: May 25th, 2010

8. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the Russian Federation
Title: World Bank's Russia Economic Report #22

Date: July 8th, 2010

9. Briefing by Sergey Lavrov, RF Minister of Foreign Affairs
Title: EU-Russia Cooperation for Realising the Partnership for Modernisation
Date: September 13th, 2010

10. Briefing by Odd Per Brekk, Senior Resident Representative in the RF, International Monetary Fund
Title: Strengthening Economic Policy Frameworks; Key Challenges for Russia
Date: September 16th, 2010

11. Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the Russian Federation
Title: World Bank's Russia Economic Report #23
Date: November 3rd, 2010

12. Briefing by Sergey Chemezov, General Director, Russian Federation State Corporation "Russian Technologies".
Title: "Russian Technologies" – Activities & Perspectives of Development
Date: November 19th, 2010

EURORECEPTIONS

Moscow

EU Delegation	March 18 th , 2010
Spain	April 15 th , 2010
Poland	June 23 rd , 2010
The Netherlands	October 28 th , 2010

Saint-Petersburg

Finland	February 11 th , 2010
UK	September 24 th , 2010

OPEN EVENTS: JANUARY–DECEMBER 2010

Briefing by Juan Antonio March Pujol, Ambassador of Spain to the Russian FederationPriorities of the Spanish EU Presidency. Date: January 22nd, 2010**Tair Mansurov, Secretary General, Eurasian Economic Community**Customs Union – EurAsEC Integration Breakthrough. January 29th, 2010

OPEN EVENTS: JANUARY–DECEMBER 2010

Evgeny Gavrilenko, Chief Economist, Managing Director, Troika Dialog

Looking for More Balanced Growth: External Constraints Reshape Russia's Economy. February 19th, 2010



**Briefing by Evgeny Gontmakher, Member of the Board, Institute of Contemporary Development,
Deputy Director of the Institute of World Economy & International Relations, RAS**

21st Century Russia: the Image of Tomorrow We Want. March 4th, 2010



OPEN EVENTS: JANUARY–DECEMBER 2010

Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the Russian Federation
World Bank's Russia Economic Report # 21. Date: April 1st, 2010



AEB Conference. European Businesses in Russia: Scenarios of Post-Crisis Development.
May 25th, 2010



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Briefing by Pedro Alba, World Bank Country Director and Resident Representative in the Russian Federation
World Bank's Russia Economic Report # 22. July 8th, 2010



Briefing by Sergey Lavrov, RF Minister of Foreign Affairs
EU-Russia Cooperation for Realising the Partnership for Modernisation . September 13th, 2010



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OPEN EVENTS: JANUARY–DECEMBER 2010

Briefing by Sergey Chemezov, General Director, Russian Federation State Corporation “Russian Technologies”.
“Russian Technologies” – Activities & Perspectives of Development. November 19th, 2010



SPONSORS DINNER: JANUARY–DECEMBER 2010

AEB Sponsors dinner.
November 30th, 2010



EURORECEPTIONS: JANUARY–DECEMBER 2010

MOSCOW EURORECEPTIONS

EU Delegation March 18th, 2010

MOSCOW EURORECEPTIONS

Spain April 15th, 2010

EURORECEPTIONS: JANUARY–DECEMBER 2010

MOSCOW EURORECEPTIONS

Poland June 23rd, 2010



MOSCOW EURORECEPTIONS

The Netherlands, October 28th, 2010



EURORECEPTIONS: JANUARY–DECEMBER 2010

SAINT-PETERSBURG EURORECEPTIONS

Finland February 11th, 2010

SAINT-PETERSBURG EURORECEPTIONS

UK September 24th, 2010

PR, COMMUNICATIONS & PUBLICATIONS

PR AND COMMUNICATIONS

MEDIA RELATIONS

- **The number of press-contacts has increased substantially** through the development of AEB press-relations and a formation of industry specific press-lists(including, Commercial Vehicles, Construction equipment, HR, Real Estate and other specialised media-lists). National press-contacts are constantly being updated via communication with large EU embassies' press-officers (UK, France, Germany, Spain); also, through the development of regional press-relations (specifically, the North-Western region media contacts – St. Petersburg and South region press-contacts).
 - **Press-Conferences:** There were 3 in all: the traditional Automobile Manufacturers Committee's press-conference (dated January 2010), the First Commercial Vehicles Committee press-conference (dated February 2010) and the Press-conference on the survey results for "Strategies and prospects of AEB member companies in Russia" (dated July 2010).
- Press-Clippings for 2010:** There were 401 quotes of AEB in various media (in comparison to 291 in 2009). The AEB press-clippings are available at http://www.aebrus.ru/media/aeb_press/.
- There was an AEB Press-Reception** held in January 2010.



AEB WEBSITE

- **Further development of the AEB website:**
 - 1) AEB has successfully been running a web-banner advertising system;
 - 2) The AEB online Loyalty Programme system is now successfully in place;
 - 3) The AEB Trainings webpage is now also up and running, with a separate calendar and separate registration online.
- **Press-Releases on general topics in 2010:** There were 12 in total.

AEB CORPORATE SOCIAL RESPONSIBILITY

The AEB now supports about 10 different charity initiatives by providing informational coverage to their causes and community events. These include the initiatives of the following charities: Taganka Children's Fund, DownsideUp, Big Brothers-Big Sisters, Centre for Curative Pedagogics, Harmony foundation, League

of Nation's Health, Rotary club, CoolCoz, also charitable balls organised by international communities and Embassies in the Russian Federation.

PUBLICATIONS

INCREASED CIRCULATION

In 2010, the number of publications produced in printed and electronic format increased:

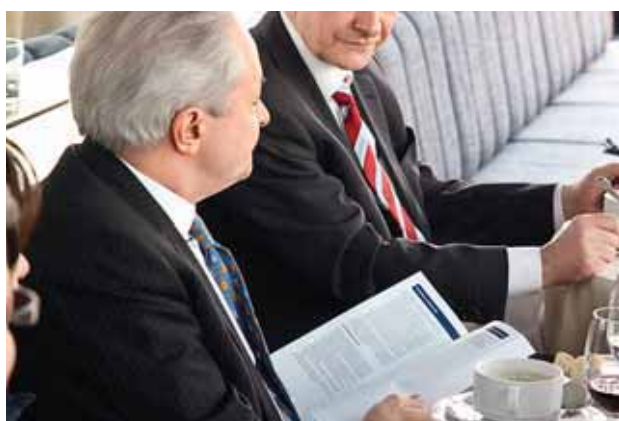
- As a result of the overwhelming success of the Step by Step: Living in Russia guide, in 2010, the AEB increased the number of circulated copies to 6, 000, with 2, 000 copies being distributed in the Sheremetyevo International airport VIP lounge.
- The number copies of the "How to Invest in Russia" guide also increased in 2010. Also, the "How to Invest in Russia" guide is now being published in German as well.
- There was also an increase in the circulated number of copies of the AEB Annual Report and the Membership Directory.
- In 2010, the Mergers and Acquisitions (M&A) and Real Estate Monitor e-newsletters also solidified their presence on the AEB website.

NEW PUBLICATIONS

- In 2010, the AEB launched a NEW publication: **"The AEB guide to HR related services"**, which was received with great enthusiasm by all AEB members and other members of the foreign community in Russia.

DISTRIBUTION

- There is now a bigger demand for AEB publications in general within several organisations such as the Japanese business centre and Sheremetyevo airport. Larger quantities of the Business Quarterly magazine are being distributed in the regions due to a more active regional work of the AEB. The AEB now also participates more actively in third-party events, as a result more publications reach out to various audiences.



AEB EVENTS: JANUARY–DECEMBER 2010

AEB Press Reception. January 28th, 2010



AEB Winter Cocktail – “Cocktail in Red”. February 18th, 2010



AEB Annual General Meeting. April 22nd, 2010AEB Summer Cocktail. June 29th, 2010

Briefing by the Lord Mayor of the City of London, Rt. Hon Alderman Nick Anstee. June 30th, 2010



First European and Russian Business Forum – “Successful together”. September 23rd to 25th, 2010



Regional Investment Forum – Voronezh region. April 12th, 2010Presentation on the Investment potential of the Krasnodar city. May 12th, 2010

Meeting with the Ministry of Economic Development of Russia on the issue of Customs administration and Customs Union with the representatives of the AEB North Western Regional Committee. May, 20th, 2010



AEB North-Western regional committee open meeting – “Infrastructure development of St. Petersburg and the Leningrad region”. November 30th, 2010



AGRIBUSINESS COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To promote the activities of the European food sector and related industries in the Russian Federation; ➤ To provide the members with updated information from competent sources on a wide range of issues of prime importance to the industry. 	
CHAIRMAN	Andrei Rogov, Deputy General Director for Government Relations, John Deere (Acting, as of September, 2010)	
AEB MEMBER COMPANIES	BASF; Bayer CropScience; Bonduelle; Cargill; Claas; CNH Services; SRL; Danone; Dow AgroSciences Vmbh; DuPont Science & Technology; Ferrero; JCB Sales Limited; John Deere; Kverneland Group; Merloni Progetti SpA; Lantmannen Unibake Russia; Nestle; Pepelyaev Group; Rabobank; Rhodia Rus; Sirena; SGS Vostok Limited; ZAO; Syngenta; Smithbridge; Uhrenholt; Zentis Russland.	
NUMBER OF COMMITTEE MEETINGS	2	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Participation in the "Agricultural Machinery Dealers' Day in Russia".	February 25 th and 26 th , 2010
	➤ Launch of the program for statistics collection for the Agribusiness machinery sub-committee. Collection of information from participants, finalisation of the template.	June to September, 2010
	➤ Participation in the joint meeting of the RF State Duma committee on agriculture, Expert council on anti-crisis policy at the Analytical division of the State Duma and Agrobusiness Club.	November 25 th , 2010
	➤ Participation in the meeting of the Agrobusiness Club.	December 15 th , 2010

In the course of 2010, the Committee considered at its meetings various issues related to agribusiness companies' activities on the Russian market. Among the topics discussed were problems of localisation of agricultural machinery, the national nutritional security program, quality of agricultural machinery, exhibition activities in Russia. The Committee set goals for future activities, such as developing the dialogue with the Russian authorities, namely the Ministry of Agriculture, the Ministry of Economic Development and the Ministry of Industry & Trade, various industry associations, etc., playing an important role in both the decision-making and lobbying processes.

The Committee established an agribusiness machinery subcommittee and launched a project on statistical data collection.

CROP PROTECTION SUB-COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To promote innovative technologies and high quality Crop Protection products on the Russian pesticide market; ➤ To create a platform for the CPS members to discuss key issues within the Crop Protection industry; ➤ To develop permanent and regular relations with governmental and regulatory authorities on key issues within the Crop Protection industry; ➤ To form an efficient cooperation with the appropriate professional associations and unions on the basis of common interests.
CHAIRMAN	Ulrich Vollmer, Country Manager, Bayer Crop Science
DEPUTY CHAIRMAN	Alexander Merzlyakov, Country Manager Russia & Belorussia, DuPont

AEB MEMBER COMPANIES	BASF, Bayer CropScience, Dow AgroSciences, DuPont, Syngenta.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	<p>➤ Round Table – “Anti-Counterfeiting Activity: Resources and Efficient Strategy” The event was officially supported by the Federal Service for Veterinary and Phytosanitary Supervision (Rosselkhoznadzor). The event set up the necessary base for bringing together the efforts of governmental and regulatory authorities, companies-producers and public organisations in order to facilitate effective resistance to counterfeits on the Russian pesticide market. The final document was approved and circulated among the participants.</p> <p>➤ Workshop – “Efficient Cooperation and Coordination of the Anti-counterfeiting Activity on the Pesticide Market”. The event provided an input into building up the international network to facilitate effective resistance to pesticide counterfeits by joining efforts of governmental and regulatory authorities, customs liaison officers, companies-producers and public organisations.</p>	<p>March 10th, 2010</p> <p>April 28th, 2010</p>

Like in previous years, the main efforts were aimed at developing a constructive dialogue with the appropriate governmental and regulatory authorities of the Russian Federation on the following key issues within the Crop Protection Industry:

Registration and Data Protection

The consolidated proposals of the CPS for the law draft “On amending Federal Law No. 109, of 1997 – “On safe handling pesticides and agrochemicals” were prepared and sent to the Ministry of Agriculture of the Russian Federation.

A useful discussion on the registration issues held in December within the framework of Extended Meeting of the CPS Registration and Data Protection Working Group. The meeting was attended by representatives of the relevant governmental and regulatory authorities of the Russian Federation (Ministry of Agriculture, Federal Service for Veterinary and Phytosanitary Supervision – Rosselkhoznadzor, Federal Supervision Service for Consumer Rights Protection and Human Welfare – Rospotrebnadzor), as well as the members of the Central and Eastern Europe Registration Expert Group of the European Crop Protection Association (ECPA).

Efficient resistance to counterfeit products on the Russian CPP market

In accordance with the main tasks of the CPS anti-counterfeiting activity, a training for the experts in Rosselkhoznadzor, including its regional subsidiaries was held at the BASF SE and Bayer CropScience laboratories in the Federal Republic of Germany in April. Russian specialists participated in workshops to identify key indicators of quality of different types of pesticide products. They listened to lectures and presentations that highlighted issues regarding the development of new formulations in detail, production of various types of plant protection, security and quality control of pesticides.

Another very important event within the framework of the CPS anti-counterfeiting activity was the CPS Anti-counterfeiting WG members’ participation in the All-Russian Seminar on intellectual property rights’ (IPR) issues, organised by the Federal Customs Service (FCS) for their regional offices in Blagoveshensk (September 29th to October 1st). CPS experts made a presentation on the situation vis-à-vis counterfeiting in the Russian CPP market and on key risk criteria that could help in the detection and seizure of counterfeit crop protection products at customs clearance points. The CPS also made the decision to take part in the all-Russian and regional IPR FCS seminars on a regular basis.

Establishment of necessary foundation for the container management scheme in Russia

The successful waste container recycling scheme in European countries warrants an opportunity to adapt its basics to the Russian conditions. In 2010, the CPS regularly interacted with the Ministry of Natural Resource-

es and Ecology, Ministry of Agriculture of the Russian Federation, the Russian Union of CPP manufacturers, research institutes and ecological organisations, with the aim of elaborating on a consolidated position in this area, that complies with the global stand on ecological security.

The CPS built up close and active cooperation with the **European Crop Protection Association (ECPA)**. In 2010, CPS representatives took part regularly in the ECPA events; likewise, ECPA experts participated in meetings held by the CPS working groups and other events. This helped to further the harmonisation process of the Russian and European legislation and gave the CPS a good opportunity to establish closer relations with European institutions and effectively put to use their authority and experience, lobbying in Russia.

AIRLINE COMMITTEE

AIM	To represent and lobby the interests of the member airline companies before the Government bodies on all levels, and the public in general.	
CHAIRMAN	Leonid Tarasov, General Manager, Delta AirLines	
DEPUTY CHAIRMAN	Martin Sprongl, General Manager, Qatar Airways	
AEB MEMBER COMPANIES	Air France; Alitalia; Austrian Airlines; Czech Airlines; Delta Air Lines Inc.; Emirates; Iberia; Finnair; KLM; Korean Air; LOT Polish Airlines; Lufthansa; Japan Airlines; SAS; Swiss International Air Lines; Qatar Airlines.	
NUMBER OF COMMITTEE MEETINGS	4	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Collection and processing of information (Salary Survey)	November-December, 2010

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

AUTOMOBILE MANUFACTURERS COMMITTEE (AMC)

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

AEB MEMBER COMPANIES	BMW Russland Trading OOO; Chrysler Russia ZAO; Ford Motor Company ZAO; GAZ Group LLC; Geely / Red Dragon LLC; General Motors CIS LLC; Honda Motor RUS LLC; Hyundai Motor CIS OOO; Jaguar Land Rover LLC; Kia Motors Rus LLC; Mazda Motor Rus LLC; Mercedes-Benz Rus ZAO; Mercury Auto / Ferrari Maserati; Mitsubishi / Rolf Import OOO; Nissan Manufacturing Rus LLC; Nissan Motor Rus OOO; Peugeot Citroën Mitsubishi Rus OOO; Peugeot Citroën Rus OOO (Peugeot / Citroën); Porsche Russland OOO; Renault / Avtoframos OAO; SOLLERS OAO; Subaru Motor LLC; SUZUKI MOTOR RUS LLC; Toyota Motor OOO; Volkswagen Group Rus OOO (Audi Russia / Škoda Auto Russia / Volkswagen Russia / Volkswagen NFZ); Volvo Cars LLC New members 2010: Volvo Cars LLC, SUZUKI MOTOR RUS LLC, Mercury Automotive Division (Ferrari / Maserati), Nissan Manufacturing Rus LLC, Geely / Red Dragon LLC, GAZ Group LLC. Members as legal entities: 25 members Number of brands represented: 40	
NUMBER OF COMMITTEE MEETINGS	Board meetings: 5 Meetings of the working groups: 30 Meeting with the Ministry of Industry: 3 Meetings with the European Commission: 2 Video conferences with Brussels on market access (EC, ACEA, etc.): 3	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ AMC press-conference, "REVIEW 2009".	January 14 th , 2010
	➤ Round table organized jointly with Goltsblat BLP on legal issues in automotive industry.	May, 2010
	➤ Round table organized jointly with Navteq on automotive navigation systems in Russia.	October, 2010

The year 2010, was the **12th year of AMC operations** within the AEB and the Committee got 6 new members.

Open events of the AMC included:

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

2 round tables were organized for the car companies' representatives jointly with Goltsblat BLP and Navteq.

In 2010, for the 5th year, the AMC ran the **on-line sales data exchange system** for its members (the most up-to-date source on the car and LCV sales statistics in Russia).

The national motor show, **Moscow International Automobile Salon 2010 (MIAS)** – a main automotive event for car companies, which takes place biannually and on a national level and is a priority AMC event was on the agenda of the Committee – AMC throughout 2010 was working on the event preparation to ensure the interests of its members exhibiting at this biggest and most important motor show in Russia were represented.

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

Other issues on the 2010 agenda, with the actions and developments to follow up in 2011 were:

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

External contacts and communication:

Throughout the year, the AMC produced monthly press-releases on car sales statistics (starting from 2009 on all cars sold in Russia, not just foreign cars) that are widely used by all automotive and business media in Russia and outside the country. Press coverage of issues addressed by the AMC and its activities in general, further increased in 2010.

Throughout the year 2010, the Committee focused on strengthening its contacts with the national and international automotive associations: OAR (Association of Russian Automakers), ROAD (Russian Dealer Association), VDA (German Association of the Automotive Industry), JAMA Europe (Japan Automobile Manufacturers Association), Turkish Automotive Exporters Union, ACEA (European Automobile Manufacturers Association), CCFA (Le Comité des Constructeurs Français d'Automobiles), OICA (International Organization of Motor Vehicle Manufacturers), as well as with the local authorities and industry officials.

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

AMC representatives spoke at several conferences and one external press-conference on behalf of the Committee in 2010.

AUTOMOTIVE COMPONENTS COMMITTEE

AIM	To unite and lobby for the joint interests of AEB members in the automotive supplier sector, facilitating meetings with officials, industrial associations and OEMs, supporting networking and exchange of contacts within the industry and helping companies establish working contacts with car plants.	
CHAIRMAN	Ivan Bonchev, Director, CIS Automotive Head, Transaction, M&A, Ernst & Young (CIS) B.V.	
AEB MEMBER COMPANIES	AGC Flat Glass Europe; Air Liquide OOO; Akzo Nobel N.V.; Atlas Copco ZAO; BASF; Continental Tires Rus LLC; Delphi Russia; Dow AgroSciences VmbH; Dow Corning; DSM; DuPont Science & Technologies; Eberspaecher Exhaust Systems RUS LLC; Ernst & Young (CIS) B.V.; Federal-Mogul; GKN Automotive International GmbH; Goodyear Russia LLC; Johnson Controls; Johnson Controls Autobatterie RUS; Johnson Matthey PLC; Magna International LLC; Michelin Russian tyre manufacturing company; Nokian Tyres Ltd; PricewaterhouseCoopers; Rhodia Rus/Sertow; RusAutoComponents; Saint-Gobain CIS; Sandvik LLC; ThyssenKrupp AG; ZF Friedrichshafen AG.	
NUMBER OF COMMITTEE MEETINGS	9, including 6 of Tire Producers WG	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	International Forum - "Automotive Industry and Autocomponents Market in Russia", organized by the Committee in cooperation with ITE in the framework of the international exhibition "Moscow International Motor Show 2010 powered by Automechanika Moscow". Main topics: ➤ Integrating Russia into the global automotive market; ➤ Future of the Russian automotive industry: identifying priorities; ➤ Strategy for the development of the Russian automotive clusters (in particular, the Volga Region and the Central Region).	August 25 th and 26 th , 2010

The Committee held several meetings with invited speakers from OEMs and Tier-1 suppliers.

June 18th

OEM presentation: Opportunities for Component Producers (PSA Peugeot Citroën)

Meeting with Arnaud Briand, Purchasing Executive Manager of PSA Peugeot Citroën.

November 9th

Tier-1 supplier presentation: Opportunities for Tier-2 Suppliers (Magna International)

Meeting with Aleksander Navolozki, General Director of Magna International.

November 24th

OEM presentation: Opportunities for Component Producers (SOLLERS)

Meeting with Nikolay Khodosevich, Director on purchases of SOLLERS.

In 2010, tire producers intensified efforts in coordinating their activities under the auspices of the Association of European Businesses: at the end of 2010, Nokian Tyres joined the current AEB members – Continental, Goodyear, Michelin. The main issues on the 2010 agenda were customs duties, technical regulation and phytosanitary control. The group worked closely on the amendments to the Technical regulation of the Russian Federation – “On Safety of Wheeled Vehicles” that came into force on the 23rd of September 2010. Several meetings were held with the regulation’s developers – Federal State Unitary Enterprise “Central Scientific Research Automobile and Automotive Engine Institute” of the Russian Federation (NAMI); at times this was done in cooperation with the AEB Automobile Manufacturers Committee. Also, the group submitted their comments on the draft technical regulation of the Customs Union – “On Safety of Wheeled Vehicles”.

The Committee worked closely with several European institutions: the representatives of the Committee participated in video-conferences with the Market Access Working Group of the European Commission on April 13th and 14th and met with the officials from the Directorate General for Enterprise and Industry of the European Commission on November 25th in Moscow.

The Committee helped the Automotive Industry Exporters’ Union of Turkey to organise Automotive Trade Mission to Turkey (March 29th to April 2nd) and Turkish Automotive Trade Mission to Russia (June 22nd to 24th).

Committee members participated on privileged terms in a number of AEB supported events in the automotive industry: AUTOINVEST in Saint-Petersburg (February 15th and 16th); Annual Russian Automotive Forum (Adam Smith Conference, March 16th to 18th); the international exhibition – “Moscow International Motor Show 2010, powered by Automechanika Moscow” (August 25th to 29th).

BANKING COMMITTEE

AIM	<p>The Banking committee is made up of international banks who combine their efforts in order to effectively represent their interests, while working on the Russian market. The Committee aims:</p> <ul style="list-style-type: none"> ➤ To provide a level playing field between local and foreign operators; ➤ To provide direct technical policy advice to European and Russian government officials. 	
CHAIRMAN	Joerg Bongartz, Chairman of the Board, Deutsche Bank Ltd.	
DEPUTY CHAIRMAN	Pavel Gurin, Chairman of the Management Board, Raiffeisenbank ZAO	
AEB MEMBER COMPANIES	<p>Bank Credit Suisse; Bank WestLB Vostok; Banque Societe Generale Vostok; BNP Paribas; Center-Invest Bank; Credit Agricole Corporate & Investment Bank; Cetelem; Citibank; Credit Europe Bank; Deutsche Bank; European Bank for Reconstruction and Development (EBRD); Hellenic Bank; HSBC Bank; ING Commercial Banking; Natixis Bank; Nordea Bank; Northstar Corporate Finance; OTP Bank; Raiffeisenbank; Rabobank; RN Finance Rus; Royal Bank of Scotland; Santander Consumer Bank; Standard Bank; Svenska Handelsbanken; Swedbank; UBS Bank; Unicredit Bank; Yapi Kredi Bank Moscow; SWIFT; Visa.</p>	
NUMBER OF COMMITTEE MEETINGS	9	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Participation in the AEB Flagship Conference	May 25 th , 2010,

In 2010, the Committee organised several meetings with Russian and European authorities that included:

1. A meeting with the representatives of DG MARKT and the European Union Delegation;
2. A meeting with Alexey V. Ulukaev, First Deputy Chairman of the Central Bank of Russia;
3. A meeting with Pavel A. Medvedev, Deputy of the State Duma of Russia;
4. A round table with the Lord Mayor of the city of London;
5. A meeting with Tatiana Chugunova, Deputy Chairwoman of the Central Bank of Russia (CBR);
6. A meeting with representatives of the EU Commission, European Central Bank and EU Delegation;
7. A meeting with Gennady Melikyan, First Deputy Chairman of the CBR;
8. Meeting with Vladislav Reznik, Chairman of the State Duma Financial Market Committee.

In May 2010, the Committee prepared and sent to the relevant state authorities its suggestions on the amendments to the Draft Law on National Payment System. These were taken into account in later versions.

A working group on Information Security issues organised, within the Banking committee, held several meetings focused on the technical aspects of the implementation of the Federal Law "On Personal Data".

A decision was made to organise a working group on Payment Systems together with the Central Bank of Russia.

COMMERCIAL VEHICLES

AIM	To support the joint interests of Committee members and increase the power of its members above the sum of their individual powers, lobbying for active involvement in all decision making processes affecting commercial vehicles industry, promoting free trade and supporting a fair and reliable business environment, contributing to the prosperous and sustainable growth of the Russian economy.	
CHAIRMAN	Boris Billich, Chief Executive Officer, Mercedes-Benz Trucks Vostok OOO	
DEPUTY CHAIRMAN	Andrey Chursin, Sales Director, Scania-Rus LLC	
AEB MEMBER COMPANIES	Ford Motor Company ZAO; FUSO KAMAZ Trucks Rus Ltd.; Hino Motors Sales LLC; Hyundai ComTrans Rus OOO; Iveco Russia LLC; MAN Avtomobili Rossiya OOO; Mercedes-Benz Russia SAO; Mercedes-Benz Trucks Vostok OOO; Nissan Motor Rus OOO; Peugeot Citroën Rus OOO; Renault/Avtoframos OAO; Renault Trucks Vostok; Scania-Rus LLC; Sollers OAO (Fiat Professional & Isuzu); Volkswagen Group Rus OOO; Volvo Vostok ZAO.	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	<p>AEB Commercial Vehicles Committee Press Conference in the framework of the International Specialised Exhibition "Commercial AutoTransport 2010" (COMTRANS 2010).</p> <p>Topics:</p> <ul style="list-style-type: none"> ➤ Presentation of AEB Commercial Vehicles Committee; ➤ Presentation of CV sales results (1st Q 2010 vs 1st Q 2009). <p>Speakers:</p> <ul style="list-style-type: none"> ➤ Andrey Chursin, CVC Deputy Chairman, Sales Director of Scania-Rus LLC; ➤ Boris Billich, Committee Chairman, Chief Executive Officer of Mercedes-Benz Trucks Vostok OOO; ➤ Frank Schauff, Chief Executive Officer, AEB. 	April 19 th , 2010

The Commercial Vehicles Committee (CVC) was founded at the end of 2008 as a spin-off of the Automobile Manufacturers Committee (AMC) in order to focus on the specific needs of the commercial vehicles manufacturers in the Russian Federation. In 2010, three new companies joined the Committee: FUSO KAMAZ Trucks Rus Ltd., Hino Motors Sales LLC and Mercedes-Benz Trucks Vostok OOO.

In 2010, the Committee had 8 meetings, including 4 regular Committee meetings, 2 meetings each held by the Marketing and Statistics working groups.

Statistics is one of the Committee's priorities. In 2010, the CVC launched a web-portal in order to facilitate an exchange of statistical data on sales to end users and body manufactures. The program comprises of commercial vehicles from 6t to over 16t, including buses. Besides, in 2010 the Committee started publishing press releases on a quarterly basis. The press releases are based on the data from the CVC statistics program, but also include data on light commercial vehicles (from 2.8t to 6t), which is contributed by the AEB Automobile Manufacturers Committee. Finally, at the end of 2010, the Committee launched an exchange of forecasts on sales.

Exhibitions are another key area for the Committee. In 2010, the CVC Marketing group was engaged in preparations for the Specialised International Exhibition – "Commercial AutoTransport 2010", which took place in Moscow from April 19th to 24th, 2010. Recommendations concerning the show's organisation, on the part of the CVC members – participants of exhibition – were formulated and passed on to the organisers. As a result of negotiations, the main requirements have been fulfilled by the organisers, for example, for the first time during the "Commercial AutoTransport 2010", a press-day was organised on the 19th of April, 2010. After the exhibition, the Marketing working group made an assessment and sent its recommendations on the improvement of the exhibition to the organisers. At the end of 2010, the Committee started its preparations for the Specialised International Exhibition – "Commercial AutoTransport 2011", which will be taking place from September 13th to 17th, 2011.

Another issue on the 2010 agenda, with actions and developments was technical regulation: homologation managers of the Committee members cooperated with the Homologation working group of the AEB Automobile Manufacturers Committee on GLONASS introduction.

At the end of 2010, the AEB and Association of Russian Automakers (OAR) reached an agreement to sign a memorandum of understanding on the cooperation between AEB and OAR in different spheres, which will strengthen and enlarge the Committee contacts with Russian producers of commercial vehicles.

CONSTRUCTION EQUIPMENT COMMITTEE

AIM	To unite and lobby for the joint interests of AEB members in the construction equipment sector, facilitating meetings with officials, cooperating with other industrial associations, supporting networking and industry contacts exchange, and giving a floor for discussions of the industry issues.	
CHAIRMAN	David Hill, General Director, JCB Russia	
DEPUTY CHAIRMAN	Andrey Komov, Sales & Marketing Director, Volvo Vostok (Construction Equipment)	
AEB MEMBER COMPANIES	Caterpillar CIS; CNH Services SRL; Hitachi Construction Machinery Eurasia Sales LLC; JCB Russia; John Deere (Construction & Forestry); Komatsu CIS; Liebherr-Russland OOO; Volvo Vostok (Construction Equipment); Wirtgen International.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	CEC Event for press and potential members: "Construction Equipment Industry in Russia: Prospects and Developments".	November 22 nd , 2010

**AEB OPEN EVENTS
ORGANISED**

Topics:

- Presentation of Construction Equipment Committee;
- Presentation of CEC statistics program;
- Standardisation and technical regulation in the field of construction machinery;
- Localisation lessons learned.

Speakers:

- Alexei Kuznetsov, Director Manufacturing Development of John Deere Construction & Forestry Division; Anton Medvedev, CEC Statistics WG Chairman, Business Development Manager of Caterpillar CIS;
- David Hill, Committee Chairman, General Director of JCB Russia;
- Dmitry Serbin, Projects Manager of Komatsu CIS;
- Frank Schauff, Chief Executive Officer, AEB.

November 22nd,
2010

The Construction Equipment Committee (CEC) was formally established in February 2008 to unite and represent the interests of the CE industry players in Russia. In 2010, the Committee welcomed a new member – CNH Services SRL.

In 2010, the CEC had 7 Committee meetings, among them – 2 regular Committee meetings, 1 informal Committee meeting at the CEO level and 2 meetings of the Localisation working group.

Statistics remains one of the priorities for the Committee. Extending the number of participants was on the 2010 agenda: at the end of the year, Hitachi Construction Machinery Eurasia Sales LLC applied to join the program. In 2010, the list of products was extended with the addition of paving equipment.

In 2010, the Committee was engaged in lobbying activities. In order to protect Russian producers during the economic crisis, the Russian Government raised import duty rates for a number of vehicles, including rigid dump trucks (from 5% to 25%). However, the latter have never been produced in Russia, so the Committee lobbied actively to defend the interests of foreign producers. As a result, the rate for rigid dump trucks was reduced from 25% to 15% in the Single Customs Tariff of the Customs Union. At the end of 2010, the Committee started discussing customs duties on forestry machinery.

The Localisation working group cooperated with the Ministry of Economic Development of the Russian Federation which accelerated its efforts in 2010 with regard to the elaboration of common rules regarding localisation for different industries, including the construction equipment. The group presented to the Department for Investment Policy and Private & State Partnership Development of the Ministry of Economic Development of Russia the requested information: Localisation of foreign productions in the Russian Federation (main characteristics, requirements, measures of support); Comparison table of customs tariff on components; Comparison table of production costs.

The Construction Equipment Committee cooperates with other national CE industry associations. In 2009, the AEB CEC officially became a member of the Committee for European Construction Equipment (CECE), the Committee, therefore, represents the construction equipment industry of Russia, liaising with other construction equipment national associations at an international level. Representatives of the CEC participated in the CECE Congress 2010 in Barcelona on October 21st and 22nd. In 2010, the AEB CEC started participating in the CECE Barometer – a monthly survey of the business climate in the construction equipment industry.

In 2009, Association of Equipment Manufacturers (AEM), being an organiser of CONEXPO, decided to hold a joint exhibition with the organisers of the Construction Equipment and Technologies (CTT) fair in Russia. The joint CTT – CONEXPO trade show took place in June, 2010. The Committee members' evaluation of the first joint trade show was positive on the whole. Broader representation brings added value to the trade show for the Russian construction industry, whose potential is growing.

ENERGY COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To support EU-RF cooperation in the energy sector, in particular through the activities undertaken by the EU-RF Energy Dialogue and the EU-RF Industrialists' Round Table; ➤ To provide a forum for AEB companies involved in the Russian energy sector to discuss and address matters of common interest; ➤ To maintain relations with the parties directly involved in the Russian energy sector. 	
CHAIRMAN	Reiner Hartmann, Head of Representative Office, E.ON Ruhrgas AG	
DEPUTY CHAIRMEN	Juergen Moepert, Wintershall Holding GmbH; Andrey Mukhin, Statoil ASA Russia	
AEB MEMBER COMPANIES	AREVA; BP; Electricite de France; Enel OGC5; eni; E.ON Russia; Fortum; Gasunie; GDF SUEZ; MOL Plc; Statoil ASA Russia; Shell E & P Services (RF) B.V.; Total E&P Russie; VNG – Verbundnetz Gas AG; Wintershall Holding GmbH.	
NUMBER OF COMMITTEE MEETINGS	15	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Open session: “Russian Energy Companies on the European Market”, by Alexei Kuznetsov, Head of the Centre for European Studies, Institute of World Economy & International Relations.	February 8 th , 2010
	➤ Open session: Legal Update, First Quarter 2010: Strategic E&P, by N.Kozyrenko, Partner, CMS, Russia.	April 20 th , 2010
	➤ Open session: “Current State of Russian TEK”, by Vladimir Matias, Managing Director, Goetzpartners Russia GmbH.	June 8 th , 2010
	➤ Open session: ExxonMobil Report – “The Outlook for Energy. A View to 2030”, by Alyona Dubrovina, Commercial Manager Sakhalin-1.	October 22 nd , 2010

The AEB Energy Committee stands as an interface on business opportunities and issues of concern to European energy companies operating in the Russian Federation. The Committee is an important contributor to the EU-Russia Energy Dialogue process, representing the European energy business in the Thematic Group on Energy Strategies, Scenarios and Forecasts and the Thematic Group on Energy Market Developments. The Committee Chairman, his deputy and coordinator on behalf of the AEB attended the EU-Russia Energy Dialogue 10th anniversary celebration in November 2010, in Brussels. The AEB Energy Committee maintains its traditional cooperation with other bilateral and multilateral entities in Russia, such as the EU – Russia Industrialists Roundtable (IRT), European Business Congress (EBC), Petroleum Advisory Forum (PAF), Foreign Investment Advisory Council (FIAC), promoting active interaction on business-to-business and business-to-government levels. The AEB Energy Committee supports the AEB's position as an official partner of annual Russian Petroleum and Gas Congress (RPGC) in Moscow, through active involvement in its Program Committee, delegating its members as chairmen and speakers at the RPGC. The Committee's activities are focused on strategic policy issues, investment climate, energy market conditions, energy efficiency and environmental protection issues, including global climate changes. It cooperates with other AEB committees in executing joint events, such as the Global Climate Changes Conference, in September 2010 (with Safety, Health, Environment and Security Committee).

One of the important sources of information and influence tools for the Committee is its regular Position Paper, which is a highly professional status document, reflecting the views and approaches of the European companies and proposing real solutions. The Position Paper is widely distributed among petroleum and energy sector stakeholders both in Russia and abroad.

The agreements signed and supported on a high political level on both sides show the willingness of the Russian and European state-controlled and private companies to co-operate on mutually beneficial terms through execution of joint projects. The Committee advocates that EU – Russia relations on energy matters

should be based on mutual advantage and delivery of commitments. Such relations must include a balanced and transparent approach to the security and diversity of energy supply and demand, commercial attractiveness and reciprocity.

HEALTH & PHARMACEUTICALS COMMITTEE

AIM	To consolidate, coordinate and protect the interests of AEB Member companies working in the health and pharmaceuticals industry.	
CHAIRMAN	Sergey Smirnov, General Manager, Novo Nordisk	
DEPUTY CHAIRMAN	Yury Litvishenko, General Manager, Chiesi	
AEB MEMBER COMPANIES	Actavis, AstraZeneca Ltd.; Bayer Schering Pharma; Binder; Boehringer Ingelheim; Boiron; Chiesi; DSM; Egis; Esparma GmbH; FIC Medical; MerckSerono; Novartis; Novo Nordisk; Sanofi-Aventis; Servier; Zentiva.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Meeting with EU representatives from the Pharmaceutical sector.	March 3 rd , 2010
	➤ Round-table – “Modernisation in Russia: Opportunities and Challenges for the Pharmaceutical Industry”, within the framework of the First Russian – European Business Forum: Successful Together.	September 25 th , 2010

In 2010, the public health and pharmaceutical sectors policy, legislative and regulatory environment in Russia remained a focus for the international pharmaceutical companies. Key areas were the policy initiatives aimed at import substitution, favouring local companies, the supply chain of medicines, clinical trials, and retail sales.

Like in the previous years, the AEB Health and Pharmaceuticals Committee has been fully involved in an ongoing dialogue with the Russian authorities, Ministry of Health, Roszdravnadzor (RZN), Ministry of Industry and Trade and regional authorities.

The Committee has made its input to public dialogue on legislation and regulatory reforms:

Law on the Circulation of Medicines (entered into force as of September 1st, 2010); RF Government Resolution No. 654 on regulating prices for essential medicines and maximum margins for all transactions throughout the supply chain;

Draft Law On Protection of the Health of Citizens (key issues are of regulating interaction of sales representative with physicians, samples distribution and physician sponsorship);

Investment and industry development programs: Pharma 2020 Strategy (problems related to protectionist aspects, including the approved by the Government list of 57 essential drugs to be produced domestically by 2015, some of which are patent-protected drugs), pharmaceutical industry clusters (St. Petersburg, Yaroslavl, Kaluga, Kazan).

A focus remained also on a close partnership with the EC Delegation. In particular, a relationship with the DG Enterprise “EU–Russia subgroup on pharmaceuticals” has materialised in the course of several working meetings, which preceded negotiations with the Russian side. Some of the issues discussed included those related to Intellectual Property Rights (IPR).

A continued constructive dialogue and productive partnership have been maintained with the three other major pharmaceutical associations: Association of International Pharmaceutical Manufacturers; Union of Professional Pharmaceutical Organisations and the Association of Russian Pharmaceutical Manufacturers. Key issues were regulatory and legislative novelties in the pharmaceutical and healthcare fields and industry pharmaceutical development issues through expert contributions to and consultation on the laws, regulations and specific programs (Pharma 2020, other investment and innovation, R&D situation and prospects) being discussed.

HOME APPLIANCES COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To discuss issues that are of interest to Members; ➤ To establish working relationship with authorities; ➤ To get up to date information on changes in local legislation that are relevant to Members. 	
CHAIRMAN	Renaud de Butler, Group SEB Vostok,	
DEPUTY CHAIRMAN	Alexej Soldatow, OOO "BSH Bytowaja technika" Technical Regulation Manager	
AEB MEMBER COMPANIES	Ariston Thermo Rus; BSH Bosch-Siemens-Hausgeräte GmbH; Brother; Candy Houver Group S.r.l.; Daikin Europe N.V.; Delonghi; Electrolux Rus LLC; Groupe SEB Vostok; Liebherr-Russland; Philips OOO; Procter & Gamble (Braun); Whirlpool CIS.	
NUMBER OF COMMITTEE MEETINGS	5	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Round Table: Practical aspects of implementation of the new technical regulation of the low voltage equipment and communication of the energy efficiency information of the home appliances.	May 26 th , 2010
	➤ Round Table: Upcoming Low Voltage Regulation and Introduction of Circulation sign.	September 21 st , 2010
	➤ Round Table: "Practical issues of the state regulation of communication of energy efficiency information of the home appliances to the consumers".	September 15 th , 2010
	➤ Round Table: "Practical issues of the implementation of the new low voltage equipment technical regulation".	September 15 th , 2010
	➤ Round Table: "Practical issues of the technical regulation and communication of energy efficiency information of the home appliances".	October 26 th , 2010

The Committee was formed in December, 2010. Prior to that, it was a working group, which had been successfully operating for more almost 2 years

The Committee has organised several Round table discussions with significant market players, certification experts, customer protection organisations and authorities. Technical Regulation and Energy Labeling of the home appliances were the topics of major concerns for the Committee. Committee experts have proposed the layouts of the energy labels for household appliances for voluntary use on the Russian market by all manufacturers.

INSURANCE & PENSIONS COMMITTEE

AIM	To provide a level-playing field between local and foreign operators in these sectors and direct technical policy advice to European as well as Russian government officials.
CHAIRMAN	Alexander Lorenz, Chairman of the Council, Raiffeisen Pension Fund
DEPUTY CHAIRMAN	Vladimir Sukhinin, COO, Cardif

AEB MEMBER COMPANIES	ACE Insurance Company CJSC, Ace Life Insurance Company, Allianz Insurance JSC, Aviva Insurance Company, Cardif Insurance Company, Chartis Insurance Company, CMS Russia, GenRe, Euler Hermes Kreditversicherungs-AG, IF Insurance Russia, Ingosstrakh Life, Marsh, MetLife Alico, Munich Life Reinsurance company, PricewaterhouseCoopers, Raiffeisen Non-State Pension Fund, Rosgosstrakh, Russian Reinsurance Company, Rosno Group, Russian Standard Insurance, SCOR Reinsurance, Sogecap Life Insurance, Towers Watson, Ward Howell, Zurich Insurance Company.	
NUMBER OF COMMITTEE MEETINGS	9	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Actuarial Open Event at AEB Conference Room	September 14 th , 2010
	➤ Conference	November 25 th , 2010

In addition to its regular meetings with the Insurance market regulating authorities, the AEB Insurance and Pensions committee held a series of open events devoted to actuarial issues and the use of unit linked products in Russian insurance market. In 2010, the AEB Insurance and Pensions committee joined several ARIA WG's.

IT & TELECOM COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To promote the interests of AEB member companies in Telecom & IT through governmental liaison and information exchange; ➤ To assist AEB members on changes, best practices, legal and regulatory issues in IT and Telecom. 	
CHAIRMAN	Natalia Schneider, Corporate Affairs Director, Telenor	
AEB MEMBER COMPANIES	Antal Russia; Antor Business Solutions; Basware OYJ; Beiten Burkhardt; Brother; CMS International; Detecon Consulting; Google Russia; IBS; Itella Information; Linxtelecom; Luxoft; Magisters; Noerr; Nokia-Siemens; Panalpina World Transport ZAO; Pepeliaev Group; PwC; Russia Consulting; Sony Ericsson; Tele 2 Russia International Cellular B.V.; Telenor.	
NUMBER OF COMMITTEE MEETINGS	15	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Round Table – “Future of E-invoicing in Russia”.	March 11 th , 2010
	➤ Round Table – “Number portability in Russia: to Be or not to Be”.	May 20 th , 2010
	➤ Round Table – “Information Security & Modern IT-Solutions for Information Protection”.	June 3 rd , 2010
	➤ Round Table – “Taxation issues in Telecommunications & other High-Technology Industries”, jointly with the AEB Taxation Committee.	October 20 th , 2010
	➤ Round Table – “Successful Sales: Luck or System?”	November 30 th , 2010
	➤ Round Table – “Optimization of the Business Processes. Outsourcing in Russia”.	December 10 th , 2010

The AEB IT & Telecom committee was very active in 2010, organising several events. In six very well attended public discussions, the IT & Telecom committee covered a wide range of topics, from pure enterprise-level issues to issues of national interest to the society, for example, the development of E-invoicing in Russia, information security or outsourcing. A number of highly qualified speakers from various international companies and Russian ministries contributed their unique experience and insight. Speakers included representatives of the Ministry of Finance, Federal Security Service and Roskomnadzor.

MACHINE BUILDING & ENGINEERING

AIM	<ul style="list-style-type: none"> ➤ To take part in governmental policy making, in the areas related to the power and machine building industries, in an attempt to create clear rules to promote the development of a market where all participants have equal rights; ➤ To initiate changes in environmental legislation, taking into account the stringent environmental requirements of consumers, resulting in a better performance of power stations and implementation of new technologies; ➤ To render support to the Committee member-companies operating in Russia; ➤ To monitor the development of the machine building market in Russia; ➤ To facilitate the exchange of information and international experience in the field of machine building, which can subsequently be applied to the Russian environment; ➤ To unite representative of different industries with vested interest in the Machine Building Sector. 	
CHAIRMAN	Peter Kraemer, Vice-President, EMAlliance	
DEPUTY CHAIRMEN	Dmitry Sharovarov, Consultant, Simon-Kucher & Partners; Ilya Oshkin, Business Development, Dow Corning	
AEB MEMBER COMPANIES	Alstom; Caterpillar; Deloitte; Dow Corning; Eberspaecher Rus; EMAlliance; EnergoFichtner; Giffels Management Russia; John Deere; Metso; PricewaterhouseCoopers; SPb EC; Schneider Electric; Siemens; Simon-Kucher & Partners; STS Logistics; ThyssenKrupp AG; VegasLex.	
NUMBER OF COMMITTEE MEETINGS	12	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Round Table “Harmonisation of the EU-Russia Technical Standards in the Machine Building Sector”, organised jointly with the AEB TRS TF.	March 17 th , 2010
	➤ Forum – “Profitable Growth After the Crisis”.	March 25 th , 2010
	➤ Round Table – “Access to the Russian Machine Building Market: Possibilities & Constraints”.	June 9 th , 2010
	➤ Round Table – “Trends in the Russian Machine Building Sector in Russia”.	November 24 th , 2010

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

RETAIL TRADE COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To provide support to companies operating in the retail sphere in the Russian Federation; ➤ To promote information exchange between companies on the trends in Russia; ➤ To arrange meetings with respective representatives of Russian authorities if needed; ➤ To monitor changes in the legislation; ➤ To address issues related to Customs and Taxation; ➤ To offer Retail Market statistics.
CHAIRMAN	Erwin TRINKL, METRO GROUP
DEPUTY CHAIRMAN	Thierry LECONTE, Auchan
AEB MEMBER COMPANIES	Auchan; Decathlon Russia; IKEA; H&M Hennes & Mauritz LLC; METRO GROUP AG; OBI Russia; Stockman ZAO.
NUMBER OF COMMITTEE MEETINGS	6

The Retail Trade committee is an industry committee. It was established in 2010. Almost all the biggest European market players are members of the Committee. The Committee deals with a number of sensitive industry issues affecting activities of foreign retailers operating on the Russian market. The issues considered during the year included Trade Law; the Customs Union of Russia, Belarus and Kazakhstan; VAT recovery for inventory losses; Labeling; Electronic Data Interchange (EDI) and others. Special attention was paid to such topics as the role of retail in the process of modernisation, infrastructure development, and professional education of mid-level specialists in Russia.

ENERGY EFFICIENCY COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To formulate and promote the AEB's position on EE in Russia; ➤ To inform and educate AEB members about EE developments in Russia; ➤ To identify EE business opportunities for AEB members. 	
CHAIRMAN	Jeroen Ketting, Managing Director, Lighthouse Group	
DEPUTY CHAIRMAN	Ekaterina Kravetskaya, Chief Financial Officer, Gasunie; Serge Vignerie, Marketing Manager, Legrand Group Russia & CIS; Xavier Perret, General Delegate, GDF SUEZ	
AEB MEMBER COMPANIES	Baker & McKenzie; BP; BSH; CMS, Russia; Daikin Europe NV; Deloitte; Electricite de France; E.ON Ruhrgas AG; Ernst & Young (CIS) B.V.; Gasunie; GDF SUEZ; IKEA; Konsu Oy; Legrand Group Russia & CIS; Lighthouse Group; LLC Logstor; Philips; Schneider Electric; SGS; SPb EC; Siemens; Statoil ASA; Total E&P Russie; United Technologies International Operations; Vitus Bering Management Ltd; Wintershall Holding GmbH.	
NUMBER OF COMMITTEE MEETINGS	9	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	<ul style="list-style-type: none"> ➤ The Russian-European Forum "Successful Together", Round Table "Europe and Russia: Common Ways Towards Energy Efficiency". 	September 25 th , 2010

The Energy Efficiency committee was established in 2009. From the very beginning it enjoyed great success – sixty companies signed up, from the industry, services and energy sectors. Representatives of the Committee took an active part in drafting the new legislation on energy efficiency and energy saving. Throughout 2010, Committee members received regular updates on the general situation in energy efficiency in Russia; technological EE capacities of AEB members and strategies for capitalising on the business opportunities in energy efficiency in Russia.

In 2010, the Energy Efficiency Working Group positioned itself as one of the authoritative bodies to which the AEB members can turn to, for information on the general energy efficiency environment and business opportunities in Russia. The Committee members actively participated in various EE seminars and conferences, in many cases, as speakers at these events.

FINANCE & INVESTMENTS COMMITTEE

AIM	The Finance and Investment committee's mission is to provide assistance and take an active part in improving the investment climate in the Russian Federation for European businesses, through discussions and the development of recommendations, to address outstanding problems in the area of investment and finance.
CHAIRMAN	Christian Ziegler, Partner, Rödl & Partner
DEPUTY CHAIRMAN	Vladimir Ismailov, CFO, Moscow school of management Skolkovo

AEB MEMBER COMPANIES	Allen & Overy Legal Services; Alinga Consulting and Audit; Baker & McKenzie CIS Ltd.; BEITEN BURKHARDT Rechtsanwaltsgesellschaft mbH; Capital Legal Services; Clifford Chance; CMS, Russia; De Lage Landen Leasing; Deloitte; Ernst & Young (CIS) B.V.; Goltsblat BLP; Hannes Snellman; Herbert Smith CIS LLP; IC RUSS-INVEST, ING Lease; Interexpertiza Ltd.; Institute of Business & Economics; Leitner Consulting; Moscow School of Management SKOLKOVO; KPMG; Levant & Partners Law Firm; NOERR; PBN Company Ltd.; Pepeliaev Group; Praedium Oncor International; PwC; Rödl & Partner; Russia Consulting Co. Ltd.; SG Finance, Standard & Poor's; Strategy Partners.	
NUMBER OF COMMITTEE MEETINGS	20	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ AEB Open Event: Presentation of the AEB Investment Guide – “How to Invest in Russia – 2010”.	March 22 nd , 2010
	➤ AEB Open Event – “Safeguarding shareholder value: Role of Board of Directors in M&A Activity”.	May 26 th , 2010
	➤ AEB Open Event – Presentation of the results of the Annual Survey: “STRATEGIES AND PROSPECTS OF AEB MEMBER COMPANIES IN RUSSIA”.	July 6 th , 2010
	➤ AEB Event: CFO Business Breakfast.	November 23 rd , 2010
	➤ AEB Open Event: Briefing by Mr. Igor Artemiev, Head of the Federal Antimonopoly Service of Russia.	November 24 th , 2010

As in many previous years, in 2010, the AEB Finance & Investments committee (AEB FIC) was very active and productive.

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

- Leasing WG (Arkady Gerasenko, General Director of ING lease);
- Mergers & Acquisitions (M&A) WG (Joel Lautier, CEO of RGG (Strategy Partners));
- Capital Markets WG (Vladimir Ismailov, CFO, Moscow School of Management Skolkovo);
- Corporate Governance WG (Svetlana Borodina, Director, Governance Service, Standard & Poor's).

In 2010, a new subcommittee, focused on restructuring and turnaround issues was created. The subcommittee elected Dr. Karsten Heilemann, Director Advisory, Transactions and Restructuring, KPMG, as a Chairman.

One of the most important FIC projects for 2010 was the Annual Survey – Strategies and Prospects of European Companies in Russia (Investment climate in Russia). The results of the surveys were presented to representatives of AEB companies on July 6th, 2010.

Publications/Informational Materials:

- The Annual Investment Guide – “How to invest in Russia” was again made available in 2010, with up-to-date information for companies with plans of investing in Russia.
- The AEB M&A e-Newsletter, prepared by the M&A WG in cooperation with Mergermarket, with the latest information on changes and trends in the Russian M&A Market was released in April and October, 2010.
- The Restructuring Monitor e-publication, containing the latest information on changes and trends in restructuring legislation and practice, prepared by the Restructuring and Turnaround subcommittee was released in November, 2010.

The Leasing working group presented to the Ministry of Finance of the Russian Federation (RF) proposals on amendments to the RF Tax Code regarding the improvement of taxation of leasing activities.

HUMAN RESOURCES COMMITTEE

AIM	The Committee was established to provide a platform for discussion, exchange of information and lobbying initiatives for human resource decision makers in Russia.	
CHAIRMAN	Olga Bantsekina, Chief Representative, Coleman Services UK	
DEPUTY CHAIRMAN	Anne Ramsay, Human Resources, Kellogg's (United Bakers)	
AEB MEMBER COMPANIES	Antal International; CBSD; Coleman Services; Ernst and Young (CIS) B.V.; Ecopsy Consulting; Elan Languages; Exect Group; Hay Group; Henkel; HSBC; Human Capital Solutions; IN2Matrix, LLC; IntermarkSavvils; Kelly Services; KPMG; Manpower; Mayfair Properties; PwC; SHL; Troika Relocations; Salans.	
NUMBER OF COMMITTEE MEETINGS	6 HR Core Group meetings, plus subcommittees meetings	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Business Breakfast: "How to manage HR out of the Crisis".	January 27 th , 2010
	➤ Presentation of the AEB new publication – "Step by Step: Living in Russia".	February 1 st , 2010
	➤ Open event: "Reward for recovery".	February 11 th , 2010
	➤ Fifth Annual Meeting with the Labour Inspection. Issues of Practical Implementation.	April 4 th , 2010
	➤ AEB HR conference.	May 19 th , 2010
	➤ AEB HR Barbeque Party.	June 24 th , 2010
	➤ Business breakfast: "Recruiter's Day – Latest tendencies on the HR market".	September 28 th , 2010
	➤ AEB Relocation conference: Brining expats to Russia.	October 7 th , 2010
	➤ HR Legal conference: Current issues of Russian Labour legislation. Termination of Labour agreement: advice of experienced lawyers.	October 14 th , 2010
ORGANISED	➤ Business breakfast: Salary Survey Overview.	October 29 th , 2010

In the course of 2010, the HR committee arranged a number of very well attended events. This included two major annual conferences. The May 19th conference has become a tradition and was arranged for the seventh time in 2010.

The amount of participants in 2010 was close to 250 people, which makes the conference one of the largest HR forums not just in Moscow, but Russia as a whole. Another conference – "Bringing expats to Russia", which deals with various aspect of relocating expatriates to the Russian Federation, attracted close to a 100 people.

Currently, the committee is split into four subcommittees:

- Compensation and Benefits subcommittee (chaired in 2010 by Ksenia Kamenskaya, Ernst and Young (CIS) B.V.);
- Recruitment subcommittee (chaired by Michael Germershausen, General Director, Antal Russia);
- Assessment, Training and Development subcommittee (chaired by Derk Jan Koole, Hay Group);
- Relocation subcommittee (chaired by David Gilmartin, General Director, Troika Relocations).

In 2010, in addition to the above mentioned major conferences, the committee organised several other events, including conferences, open breakfast meetings, a Christmas party, Recruiter's Day events, etc.

In 2010, the relocation subcommittee, released the 2nd edition of its highly successful booklet – "Step by Step: Living in Russia" devoted to relocation issues.

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

LEGAL COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To provide legal support services (informational briefings and seminars, regular legislation updates) to AEB Members; ➤ To participate in the Russian legislation proceedings, representing the interests of AEB member companies; ➤ To promote the exchange of companies' practical experience, related to the different legal aspects and legislation development in the Russian Federation and the EU member countries; ➤ To provide a forum for the exchange of information, analysis, and views between AEB Members on new developments in Russian law and legal practice; ➤ To prepare recommendations to the Russian legislation, i.e. motivate implementation and application of existing international standards; ➤ To participate in the Russian legislation procedure, presenting international experiences and sharing AEB members' practices with the Russian Authorities; lobbying the AEB members' interests and holding open discussions with relevant government bodies. 	
CHAIRMAN	Sergey Stefanishin, Partner, Ernst & Young (CIS) B.V.	
DEPUTY CHAIRMAN	Alex Stoljarskij, Lawyer, Beiten Burkhardt	
AEB MEMBER COMPANIES	Alinga Consulting Group; Allen & Overy; Alrud; Alstom; Baker & McKenzie CIS Ltd.; Baker Botts L.L.P.; Beiten Burkhardt; BBH Legal; CMS Russia; Clifford Chance; Deloitte; Dewey & LeBoeuf; Denton Wilde Sapte; DLA Piper; DuPont; Ernst & Young (CIS) B.V.; Ferrero Russia, CJSC; Gide Loyrette Nouel; Goltsblat BLP; Herbert Smith; KPMG; L'Oreal; Macleod Dixon ELP; Magisters; Marks & Sokolov, LLC; Mazars; Muranov, Chernyakov & Partners Law Firm; NOERR; Orrick (CIS) LLC; Padva & Epstein; Pepeliaev Group; Porsche Russland; PricewaterhouseCoopers; Roedl & Partner; Salans; Secretan Troyanov Schaer; Smithbridge Advisory Services Ltd.; Vinson & Elkins L.L.P., Vegas-Lex, Whirpool.	
NUMBER OF COMMITTEE MEETINGS	16	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Legal Committee meeting with Head of the FAS Department for Control over Foreign Investments, Mrs. Levchenko.	February 12 th , 2010
	➤ IP Conference: "Recent developments in the sphere of intellectual property: court practice, problems and solutions".	June 10 th , 2010
	➤ Legal Conference: "Recent Trends in RF Corporate legislation: Problems and Solutions".	June 12 th , 2010
	➤ Interview with Andrey Tsyganov, Deputy Head of the Federal Antimonopoly Service.	October 13 th , 2010
	➤ Legal Conference: "Investment Climate in Russia: State Support and Business Opportunities".	December 1 st , 2010

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

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

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

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

MIGRATION COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To monitor migration legislation developments in the Russian Federation; ➤ To promote the exchange of companies’ practical experience related to the migration issues in the Russian Federation (RF) and the European Union (EU) countries; ➤ To promote information exchange regarding different international practices/policies and their relevance to Russia; ➤ To build a strong relationship with various immigration and labour authorities to lobby immigration related issues and hold open discussions and share information when needed; ➤ To identify the most problematic issues in immigration that AEB member companies face; address these issues through further discussions with the authorities and resolve them; ➤ To keep the AEB member companies updated on all immigration related activities so as to avoid possible immigration related risks and promote effective business planning; ➤ To organise meetings/round tables/ joint events, involving the participation of the Russian migration authorities.
CHAIRMAN	Ludmila Shiryayeva, Director, Human Capital, Ernst & Young CIS B.V.
DEPUTY CHAIRMAN	Alexey Filipenkov, Partner, Visa Delight Liudmila Trukhmanova, IKEA, Head of Expatriate Services

AEB MEMBER COMPANIES	Air France; Alinga Consulting and Audit; Alitalia; Allen & Overy Legal Services; Baker & McKenzie CIS Ltd.; Bauer Technologie; Bayer AG; BEITEN BURKHARDT; Consulting and Visa Service; Continental Tires RUS LLC; CMS, Russia; Deloitte; Deutsche Bank Ltd.; DLA Piper; DuPont Science & Technologies; Ernst & Young (CIS) B.V.; Goltsblat BLP; Grayling Eurasia OOO; IKEA; Korean Airlines; KPMG; LegaLife; Mercedes-Benz Russia; Move One Relocations; NOERR; Orrick; Pepeliaev Group; PwC; Salans; Scania Rus LLC; Siemens OOO; Stockmann ZAO; Visa Delight; Vista Foreign Business Support; Unicredit Bank.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Briefing with Ms. Ekaterina Egorova, Deputy Director of FMS of Russia, on major changes in the work permit application procedure for highly qualified specialists introduced by the Federal law No 86 of May 19 th , 2010 – “On amendments to the Federal law “On legal status of foreign citizens”.	May 28 th , 2010
	➤ Briefing by Mr. Konstantin Romodanovsky, Director of the FMS of Russia, on the migration regime for highly qualified specialists.	July 22 nd , 2010
	➤ The Fourth AEB Annual Migration Conference.	December 3 rd , 2010

In 2010, the AEB Migration committee activities were focused on participation in the development of the Federal law introducing a new facilitated migration regime for highly qualified specialists.

Committee members took an active part in meetings of the working group set up by the Ministry of Economic Development (MED) and the Federal Migration Service (FMS) and prepared important comments and proposals, which were incorporated into the text of the law.

After the Law had come into force in July, 2010, the Committee held a series of consultations with representatives of the FMS to clarify the practical application of the Law. As a result of those discussions, the protocol, containing answers to frequently asked questions related to highly qualified specialists and other migration issues, was prepared by the AEB and placed on the FMS and AEB websites.

The Committee maintained an active dialogue with the FMS, MED and other authorities during the procedure's test run, so as to facilitate an effective resolution to any problems arising. In particular, on October 28th, 2010, Committee members took part in the round table on the migration regime for highly qualified specialists in the MED. The event was chaired by Deputy Minister Ms. Alexandra Levitskaya.

Also, the Committee continued to hold discussions on the quota system, rules of migration registration, as well as tax and visa issues, with the Ministry of Health and Social Development, the Ministry of Foreign Affairs and the Federal Tax Service.

In 2010, the Committee successfully cooperated with the Federal Migration Service on “one window approach” of work permit applications, which was established in 2008.

Apart from these, the Committee was involved in the AEB HR Committee initiative to act against the draft law on the abolishment of outstaffing, which once adopted, shall cause a considerable decrease of the inflow of highly qualified specialists into Russia.

PR AND COMMUNICATIONS COMMITTEE

AIM	To establish a platform for Communications and PR experts from European and Russian businesses and experienced consultancy representatives to discuss and exchange information and advice on the best PR & Communications practices in Russia.	
CHAIRMAN	Igor Reichlin, Managing Partner, "Reichlin & Partners" LLC	
DEPUTY CHAIRMAN	Catherine Troitin, Public Relations Manager, Mazars	
AEB MEMBER COMPANIES	Abb; Antal Russia; Banque Société Generale Vostok; Bank WestLB Vostok; BNP Paribas Retail Banking; BSGV; Buman Media; Caterpillar; Cetelem in Russia; Chartis; Deloitte; Deutsche Bank; DuPont Science & Technologies; English International School; Esmerk; Eurocopter Vostok; FE Communications; Ferrero; Fleishman-Hillard Vanguard; Grayling; Hays; ING Wholesale Banking; International Road Transport Union; IPF Bank; KPMG; Lotte Hotel; Mannheimer Swartling; Manpower CIS; Mazars; MetLife Alico; Nestlé; PBN Company; PricewaterhouseCoopers; Radisson Hotels; Reichlin & Partners; Ruperti Project Services International Ltd.; Sanofi Aventis; Sheremetyevo International Airport; SOS International Villages; Standard Bank; Swissotel; Tele2communications; The Private Counsel; Total; Zurich Insurance Company.	
NUMBER OF COMMITTEE MEETINGS	7	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ CSR Open Event at AEB Conference Room.	June 18 th , 2010
	➤ Master-Class – "How to Build and Preserve Your Reputation: Russian Investors in Europe, European Investors in Russia", within the framework of the First Russian – European Business Forum: "Successful Together" in St. Petersburg.	September 23 rd , 2010
	➤ GR workshop Open Event.	October 6 th , 2010

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

The Committee started its activities in a global economic crisis environment that created serious challenges for business across many industries. Therefore, one of the primary goals has been contributing to the effective management of AEB member-enterprises' reputational risk, by providing advice and information regarding crisis communication techniques.

REAL ESTATE COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To facilitate the exchange of information regarding real estate and development issues in Russia; ➤ To influence existing procedures in order to increase the attractiveness of foreign and domestic investment; ➤ To establish a "bridge" between the AEB, the Moscow Government, Russian Federation (RF) State Duma and other relevant governmental bodies.
CHAIRMAN	Richard Gregson, Partner, PricewaterhouseCoopers

DEPUTY CHAIRMAN	Arnaud Dubois, Founder Partner – Managing director, Imagim; Christopher Vicic, Chief Operating Officer, Jones Lang LaSalle; Olga Arkhangelskaya, Partner, Ernst & Young; Tim Millard, Managing Partner, Cushman & Wakefield	
AEB MEMBER COMPANIES	A&D Premier architectural bureau; ALPE Consulting; Alrud; AstraZeneca; BEITEN BURKHARDT; BENE RUS LLC; BNPParibas; Board Solutions and Executive Search; Burobject (K-Buro); Capital Legal Services; Clearlink; CMS; Cushman & Wakefield; Daikin Europe N.V. Representative Office; Debevoise and Plimpton; Decathlon Russia; Deloitte; Delta General Contracts Limited; Desso BV; DLA Piper; DuPont Science & Technologies; EC Harris Rus; Ernst&Young; Four Squares; Gide Loyrette Nouel; Horto; Imagim; Inov'Office; IntermarkSavills; Itella Information; Jones Lang LaSalle; Kienbaum Executive Consultants; Kinnarps; Knight Frank; KPMG; Legrand; Lindner; Lindner; Magisters; Mannheimer Swartling Ryssland Advokataktiebolag; Mayfair Properties; Merloni Progetti SpA; Moskapstroy-nedvizhimost; Move One Relocations; Noerr; Nokia-Siemens Networks; Officescape Projects Limited; Law Firm "Padva & Epshtein"; Porsche; Praedium Oncor International; PricewaterhouseCoopers; Raiffeisen Project Development; Renault; Rödl & Partner; Russian Consulting Club; Salans; Santander Consumer Bank; Sercons; Spectrum Holding Ltd; Sponda Russia Oy Ltd; Standard Bank; STEP; Sunbury Heights Project Management; Swissotel; Terrakultur Russia; TMF Russia; Troika Relocations Ltd; Turner&Townsend; WSP Finland Ltd.	
NUMBER OF COMMITTEE MEETINGS	18	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Open Event: "Green office: fancy trend or way out of the crisis?"	November 18 th , 2010
	➤ Open Event: "Banks as owners of real estate assets: risks, challenges, and ways to move forward".	November 25 th , 2010

In 2010, the Committee reorganised and several working groups were formed:

1. Finance and Investment Working Group (F&I WG)

Mission and vision

- Assist investors entering Russian real estate market at all stages of the investment process;
- Identify key issues and obstacles for investment in Russia, find and deliver solutions to eliminate or overcome them;
- Improve the image of the AEB F&I WG as an important player and supporting organisation on the Russian real estate market
- Reinforce relations with other AEB committees and AEB Real Estate WGs.

2. Operations and Membership Working Group

Main activities: Publication of the e-Real Estate Monitor; press conference to discuss results of publication.

3. Industry Sub-sectors Working Group

Event: Green Office – "A fancy trend or a way out of the Crisis", Thursday November 18th, 2010.

4. Infrastructure Working Group

Objectives:

- Create an effective group of market players and interested authorities;
- Identify and explore opportunities in infrastructural projects in Russia;
- Promote applicable international experience and best practices on the local market.

5. External Affairs Working Group

- Development of relations with the Russian Government for the implementation of the state policy to provide support to the Real Estate industry;
- Interaction with State agencies;
- Interaction with specialised state banks

In 2010, the Committee introduced a new form of social events aimed at gathering the representatives of real estate industry in a cosy informal atmosphere – “Sundowners”. The new format proved its effectiveness and 4 Sundowners were held in 2010.

SHES COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To contribute to the creation of state policy in the health and safety, environment and security sectors, creating transparent and clear rules, which should stimulate the development of the market and guarantee equal access to it for all participants; ➤ To adapt businesses of European companies in Russia by minimising operational and investment risks, administration barriers in conditions of modern Russia, to contribute to the elimination of these risks; ➤ To promote sustained, effective environmental, health and security standards and practices within the companies, operating in Russia; ➤ To advocate the Committee's position on HSES regulations and legislation; ➤ To promote the adoption of a clear system of regulations and non-overlapping roles and responsibilities on the part of the relevant authorities; ➤ To promote performance-based regulations, which provide standards and guidelines for achieving desired HSE results as opposed to prescriptive 'how to' regulations; ➤ To promote the practice of consulting and engaging industry representatives in legislative and regulatory process since it is industry that has the responsibility for implementing these proposals; ➤ To improve industry security (licensing, registration, identification, unsafe industrial objects' insurance and etc.); ➤ To promote international in-house management systems of labour protection and safety (ISO, OHSAS), exchange the experience and interact with the Russian Authorities (RostechNadzor, Rospotrebnadzor) on these issues; ➤ To monitor legal developments in the Russian market in the fields of safety, health, environment and security; ➤ To promote information exchange on various international practices/policies and their relevance to Russia; ➤ To advise the AEB members on counter-terrorism measures, anti-counterfeiting operations and anti-fraud measures in the conditions of modern Russia; ➤ To gather, encourage and participate in the development of the body of knowledge relevant to the profession.
CHAIRMAN	Oleg Babinov, Risk Advisory Group
DEPUTY CHAIRMAN	Mikhail Balev, MIG Security Services; Valery Kucherov, ERM Eurasia
AEB MEMBER COMPANIES	Baker & McKenzie CIS Ltd; BASF; Beiten Burkhardt; BP Russia; Branan; Control Risks Group Ltd.; DHL; Dupont; E.ON Russia OOO; Enel OGK – 5; ERM Eurasia Limited; International SOS; IKEA; Komatsu CIS; Lafarge; Mannheimer Swartling Russland Advokataktiebolag; MIG Security Services; Noerr; Oskord Security Group; Pepelyaev Group, LLC; Poyry Energy Oy; Royal Haskoning; Shell; Siemens OOO; SGS Vostok Limited, ZAO; Statoil ASA; PricewaterhouseCoopers; Rhodia Rus/ Sertow; Risk Advisory Group Plc.; TNT Express Worldwide (CIS) Ltd.; Toyota Motor, OOO; Upravlenie Delami – M.
NUMBER OF COMMITTEE MEETINGS	9

AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Open Committee meeting dedicated to the concept of mobile office.	June 4 th , 2010
	➤ Business meeting: “Approaching post-Kyoto: opportunities and challenges for Russia”.	October 1 st , 2010
	➤ Business meeting: “Recent Trends in Business Ethics, Compliance and Corporate Security”.	October 27 th , 2010

A multi-focused Committee by its nature, the SHESC pays special attention to new trends contributing to improvements of working environments. Thus, one of the Committee meetings was devoted to the new concept of mobile office; this was presented by Siemens.

Climate change is one of the greatest modern challenges to the humanity affecting the fundamentals of the economic, social and political life across the world. On October 1st, 2010, the SHES Committee joined its efforts with the AEB Energy Efficiency Committee to organise a business meeting on the present situation concerning the Kyoto Protocol implementation. Its prospects were described by Alexei Kokorin, a WWF expert; mechanisms of financial support were proposed by Vsevolod Gavrilov, Sberbank, and by other representatives of international and national financial institutions. Speakers representing SUEK, TNK-BP and ENEL shared their experience of carbon projects implementation.

Another important event held by the Committee on October 27th, 2010 was a business meeting titled, “Recent Trends in Business Ethics, Compliance and Corporate Security”. During the meeting, representatives of the legislature, regulatory agencies, NGO’s and the business and financial communities discussed various burning issues. Main speakers included Gennady Gudkov of the State Duma, Elena Panfilova of Transparency International and Eric Rasmussen of the EBRD. Presentations on national and international anti-corruption legislations were given by representatives from Beiten Burkhardt, Pepelyaev Group and Risk Advisory. Representatives from the Ministry of Interior Affairs talked about their ministry’s work and extended an invitation to the members of the European business community in Russia, with regard to future cooperation. Practical experiences in the fields of compliance and security were shared by the companies ABB, IKEA, TV, Daimler and Statoil.

TAXATION COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To monitor tax legislation developments, subordinate acts and court practices; ➤ To inform AEB Members on important changes to the tax legislation and tax reforms; ➤ To cooperate with the relevant authorities on tax issues, in particular, with the RF Ministry of Finance, the State Duma and other authorities; ➤ To present the AEB’s position on tax matters before the Russian Government, the State Duma and Supreme Arbitrage Court. ➤ To organise regular meetings, open events and conferences for AEB members.
CHAIRMAN	Dr. Alina Lavrentieva, Partner, PricewaterhouseCoopers
DEPUTY CHAIRMAN	Vadim Zaripov, Head of Analytical Department, Pepeliaev Group LLC; Tatiana Kirgetova, Senior Lawyer, Head of Tax Practice, Gide Loyrette Nouel
AEB MEMBER COMPANIES	Agrana Fruit Moscow Region; Akzo Nobel N.V.; Alderley NefteGaz; Alinga Consulting Group; Alex Terp LLC; Alrud; AstraZeneca Ltd.; Baker Botts L.L.P.; Baker & McKenzie CIS Ltd.; Bauke van der Meer; BBH Legal; BEITEN BURKHARDT; Boehringer Ingelheim Pharma GmbH; Boiron; BMW Russland Trading OOO; British American Tobacco Russia; Clifford Chance; CMS; Continental Tires RUS; Deloitte; Denton Wilde Sapte; Dewey & LeBoeuf; DLA Piper; DuPont Science & Technologies; Ernst & Young (CIS) B.V.; Ferrero; Gide Loyrette Nouel; GOLTSBLAT BLP; Grant Thornton Trid ZAO;

AEB MEMBER COMPANIES	Gruppo SISI; ICAR Transportation Company; IKEA; Intercomp Global Services; KempHoogstad CIS B.V.; KPMG; Law Firm "Padva & Epshtein"; Levant & Partners Law Firm; Magisters; Mazars; Messe Frankfurt Rus O.O.O; Metro Cash&Carry; Noerr Stiefenhofer Lutz; OBI Russia; Pavia & Ansaldo; Pepeliaev Group LLC; PricewaterhouseCoopers; Procter & Gamble; Rödl & Partner; Russia Consulting; Sanofi Aventis; Salans; Shell; Smithbridge Advisory Services Ltd.; Zentis Russland.	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Round table "Transfer pricing – the price of the deal".	March 31 st , 2010
	➤ Open event "Development of Tax System in Russia – quo vadis?"	June 30 th , 2010
	➤ Open event "Taxation issues in Telecommunication and other High-Technology industries".	October 20 th , 2010
	➤ Annual Conference "Development of the Russian tax system in 2010, prospects for 2011-2012".	December 7 th , 2010

In 2010, the Committee held 4 successful and well attended open events.

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

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

1. An inquiry about VAT invoices in foreign currency (an official positive clarification from the Ministry of Finance (MinFin) has been received);
2. An inquiry regarding VAT on bonuses (an official positive clarification from the MinFin has been received);
3. The AEB Taxation committee proposal regarding the improvements of the tax legislation in area of inventory losses in retail and consumer businesses (feedbacks have been received from different Russian Ministries and other state authorities);
4. Comments on the Russian Federation (RF) Government Resolution, with respect to the draft laws – "Changes to Article 264 of the second part of the Tax Code of the RF" and "Changes to Article 265 of the second part of Tax Code of the RF" (submitted to the respective Russian Ministries and the RF State Duma);
5. Proposals to the draft law on amendment to the RF Tax Code regarding transfer pricing (submitted to the respective Russian Ministries);
6. An inquiry sent to the Supreme Arbitration Court of the Russian Federation, on VAT exemption on repair services during warranty period (according to subparagraph 13 paragraph 2 Article 149 of the RF Tax Code);
7. An inquiry sent to the Supreme Arbitration Court of the Russian Federation about the 32% tax rate for the Sakhalin-2 contractors;
8. Comments to the draft law on amendments to Article 21 of the RF Tax Code (submitted to the respective Russian Ministries, the RF State Duma and the Administration of the President of the Russian Federation).

TRANSPORT AND CUSTOMS COMMITTEE

AIM	<ul style="list-style-type: none"> ➤ To lobby on the concerns of member companies through dialogue with the Federal Customs Service and other governmental bodies of the Russian Federation and to promote the application of industry standards in accordance with the best international business practices and trade facilitation principles; ➤ To provide AEB members with quality information on developments in customs regulations and facilitate focused business networking.
CHAIRMAN	Dmitry Cheltsov, CEO, Gallery

DEPUTY CHAIRMAN	Wilhelmina Shavshina, Legal Director, Head of Foreign Trade regulation practice, DLA Piper Dmitry Gromov, Head of Legal Department, TNT Express	
AEB MEMBER COMPANIES	DHL; Deloitte; DLA Piper; Ernst and Young; GM CIS; Itella; Ferrero; IKEA; International Road Transport Union; ILTS; National Customs Broker; PWC; Pepelyaev Group LLC; Shell; TNT Express; Toyota; Zentis.	
NUMBER OF COMMITTEE MEETINGS	8	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ Meetings of the TCC Editorial Board: Preparation of the AEB Position Paper.	February 10 th , 2010
	➤ Participation in the preparation of the draft law “On Customs regulation”.	Regular basis May – June, 2010
	➤ Participation in the meetings on the draft law – “On customs regulation” with the participation of E.S. Nabiullina, Minister of Economic Development of the Russian Federation at the Ministry of Economic Development and RSPP.	May – June, 2010
	➤ Meetings with the Federal Customs Service.	May 25 th , 2010
	➤ Regular meetings of foreign business associations with the Federal Customs service, moderated by Konstantin Chaika, Deputy Head of the FCS. Questions and answers sessions.	November 25 th , 2010
	➤ Meetings with EU Commissioners on Transport and Customs, exchange of opinions on the latest changes in the RF legislation.	February 25 th , 2010
AEB OPEN EVENTS ORGANISED	➤ Duma meetings: Close cooperation with the Expert Council at the State Duma’s Committee for Budget and Tax, meetings to discuss the latest changes and further development in the RussianF customs legislation.	January 28 th , 2010
	➤ AEB Customs conference.	November 11 th , 2010
	➤ The seventh annual full day Customs conference held in Moscow with over 140 participants.	November – December, 2010

In 2010, most of the Committee’s activities were in form of an internal discussion on sensitive issues in the customs clearance sphere, which AEB member companies face in Russia. For seven years running, the committee has organised an annual Customs conference with the support of the Federal Customs Service (FCS). 2010 was not an exception; the conference once again took place in St Petersburg.

The Committee organised several meetings between the AEB’s CEO, the Transport and Customs core group and the Deputy Heads of the Federal Transport Service (FTS).

The AEB Customs Conference has become an outstanding annual event, attended by important persons both from the private sector and the Russian government.

HOTELS & TOURISM WORKING GROUP

AIM	➤ To consolidate, coordinate and protect the interests of AEB Member companies working in the tourism and hotel industries.
CHAIRMAN	Gerhard Mitrovits, General Manager, Hotel Baltshug Kempinski Moscow
DEPUTY CHAIRMAN	Vladimir Efimov, General Manager, Sheraton Palace Hotel
AEB MEMBER COMPANIES	Ararat Park Hyatt Moscow; Baltshug Kempinski Hotel Moscow; Holiday Inn Lesnaya & Sushevsky; Lotte Hotel; Marriott Grand Hotel; Moscow Marriott Royal Aurora Hotel; Moscow Marriott Tverskaya Hotel; Lotte Hotel; Novotel Moscow Center; Radisson Royal Hotel; Renaissance Moscow Hotel; Savoy Hotel; Sheraton Palace Hotel; Swissôtel.
NUMBER OF COMMITTEE MEETINGS	3

3 meetings were held in 2010, which focused on getting the membership going.

One meeting was regarding Russia's application to host for the World cup 2018.

Hotels like Kempinski, also, with its future hotels being built within Russia, were cooperative in replying to the Soccer federation's contract, which demanded a commitment to the application with issues such as freezing of hotel rates; cancellation periods; availability of certain amount of hotels rooms; confirmation to cooperate for all Russia.

These signed commitments for the Soccer world cup 2018, helped show that Russia will be ready to comply.

TECHNICAL REGULATION AND STANDARDISATION TASK FORCE (TRS_TF)

AIM	➤ To identify and act on the major problems identified in the field of technical regulation and standardisation, especially in the framework of the technical regulation reform in Russia.
CHAIRMAN	Vladimir Ovcharov, Product Certification Department Manager, SGS Vostok Limited
AEB MEMBER COMPANIES	ABB; Advocate bureau Vegas Lex; AFNOR Rus; AGC Flat Glass Europe; ALD Automotive; Banque Societe Generale Vostok; Bayer ZAO; Bonduelle-Kuban; Branar; BSH Group; Caterpillar CIS; Continental Tires RUS LLC; DLA Piper; DuPont Science & Technologies; EM'Alliance; Ferrero; Groupe SEB Vostok; Hitachi Construction Machinery Eurasia Sales LLC; Honda Motor RUS LLC; IKEA; JETRO; Jones Lang LaSalle; Komatsu CIS; Legrand; Mercedes-Benz Russia SAO; Michelin Russian tyre manufacturing company; Nestle Rossiya; Noerr; Nokia-Siemens Networks; OBI Russia; PBN Company Ltd.; Philips OOO; Porsche Russland; Procter & Gamble; Renault Trucks Vostok; Rockwool Russia; Royal Haskoning; Schneider Electric; SECRETAN TROYANOV SCHAER S.A.; Sercons; SGS Vostok Limited ZAO; St. Petersburg Electrotechnical Company; ThyssenKrupp Elevator; Turner & Townsend GmbH; UMACO Group; WSP RUS.
NUMBER OF COMMITTEE MEETINGS	4

AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ AEB Open Event: Round table “Harmonisation of the EU-Russia Technical Standards”, organised by TRS_TF in cooperation with the AEB Machine Building and Engineering Committee.	March 17 th , 2010
	➤ Round table “Practical Aspects of Technical Regulation of Home Appliances” organized by Home Appliances Working Group in cooperation with TRS_TF.	May 26 th , 2010
	➤ AEB Open Event: Briefing by Gennady I. Grozovsky, Deputy Director of VNIINMASH – “Technical Regulation on Safety of Machinery and Equipment”.	June 23 rd , 2010

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

At the end of 2009, the Task Force established contacts with a consortium leaded by AFNOR and involving also DIN, BSI, Swedac that won a tender for EU funding of a TACIS (Technical Assistance for the Commonwealth of Independent States) project “Approximation of EU and Russian Federation technical regulations, standardisation and certification system”. The Ministry of Industry and Trade of the Russian Federation is an official counterpart of this project on the Russian side. In 2010, Task Force members participated actively in the activities of TACIS project working groups: Conformity assessment & accreditation; Energy efficiency; General product safety; Implementation of technical regulations: Safe operation of machinery and equipment & Safe operation of low-voltage equipment & Electromagnetic compatibility; Market surveillance; Safe operation of high pressure equipment.

In 2010, the TRS_TF members participated in several conferences and seminars organized by the RSPP Committee for technical regulation, standardisation and conformity assessment, in particular, Seminar – “Technical Regulation of the Customs Union” on July 1st. Besides, based on the recommendations from the RSPP many AEB experts were involved in expert groups working on the development of new technical requirements.

In 2010, the Task Force members were engaged in analysing and submitting their comments to the technical regulations that were worked out in the framework of the technical regulation reform in Russia. Besides, taking into account the fact that in line with the decision of the Customs Union commission, member-countries of the Customs Union were advised to, from the 21st of September, 2010, halt the coming into effect of those technical regulations, whose analogues are being developed by the Eurasian Economic Community (EurAsEC) and/or the Customs Union, the Task Force members intensified their efforts at the inter-state level. They started analysing and submitting their comments to the technical regulations of EurAsEC and the Customs Union.

The AEB Task Force allocates high priority to its role as the link between the Russian side and the representatives of the European Commission responsible for the Regulative Dialogue between Russia and the EU. On March 3rd, Vladimir Ovcharov, AEB TRS_TF Chairman, had a meeting with Norbert Anselmann, Advisor on Standardisation and Technical Harmonisation, Directorate General for Enterprise and Industry of the European Commission. The TRS_TF will continue sending its representatives to current and future subgroups within the Regulatory Dialogue.

NORTH-WESTERN REGIONAL COMMITTEE

AIM	<p>To support a favorable investment and business environment in the North – Western region for AEB member – companies through various activities:</p> <ul style="list-style-type: none"> ➤ Promoting an effective dialogue between AEB member companies and the regional authorities; ➤ Promoting the AEB within the region; ➤ Effective networking, information sharing, and best practices, including setting an example in terms of international standards for doing business. 	
CHAIRMAN	Dr. Christoph Dengler, MANNHEIMER SWARTLING	
DEPUTY CHAIRMAN	Olga Litvinova, Office Managing Partner, DLA Piper; Manfred Janoschka, General director, Konsu M	
AEB MEMBER COMPANIES	<p>Air Liquide; Akzo Nobel N.V. ALICO Insurance Company; Ariston Termo Rus; Avenir; Baker & McKenzie CIS Ltd. Bank Credit Suisse; Bene Office Furniture BMW Group BP; BSGV; Calderys OOO Calyon Rusbank; Capital Legal Services; Caterpillar; Citibank ZAO; Coleman Services UK; Credit Europe Bank; Dagopt optional solutions; Decathlon; Deloitte; Deutsche Bank Ltd.; DLA Piper; East Office of Finnish Industries; EGIS; Ego Translating; English First; Ernst & Young (CIS) B.V.; Esmerk; European Bank for Reconstruction and Development (EBRD); FAREXPO; Finnvera, Fresenius SE; General Motors; Gide Loyrette Nouel; Groupe SEB Vostok; Hammersmith Bridge Auditing & Advisory Bureau; Hannes Snellman; Hellenic Bank; HOCHTIEF; HSBC; Human Search; IF Insurance; Imperial Tobacco Sales and Marketing; Intercomp Global Services; IWM; Intelorg Worldwide Movers; J. Friisberg & Partners International; John Deere Forestry; Johnson Controls; Jones Lang LaSalle; JTI Marketing & Sales; Kelly Services CIS; Inc.; Kempinski Hotel Moika 22; Kinnarps; Knight Frank Saint-Petersburg ZAO; Konsu M; KPMG; Lenexpo; Liden & Denz Language Center; Lufthansa German Airlines / Swiss International Air Lines / Austrian Airlines; MAN Automobili Rossiya; MANNHEIMER SWARTLING; Manpower CIS LLC; MIG Security Services; Move One Relocations; MPS Enterprises Ltd NCC; Nissan Manufacturing Rus; Noerr; NORD OUTSOURCING LLC; Odgers Berndtson; OSG Records Management Centre; Ove Arup Partners International Ltd.; Pepeliaev Group / St. Petersburg practice; Petromax; Philip Morris Izhora; Philips; PricewaterhouseCoopers; Procter & Gamble; Raiffeisen Leasing; Regus; RH PARTNERS; Risk Advisory Group; ROCA; Roedl & Partner; Russia Consulting; Salans; Scania; Siemens; Smurfit Kappa St. Petersburg ZAO; SOS Children's villages; Spectrum Group of companies; St. Petersburg Electrotechnical Company; Stora Enso; Svenska Handelsbanken; Swedbank OAO; Tebodin; ThyssenKrupp AG Representative Office RF; Tieto; Volvo Cars; VR Group; Wienerberger Kirpitsch; WSP Rus; YIT Construction Ltd; Zurich.</p>	
NUMBER OF COMMITTEE MEETINGS	4	
AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	➤ First Open committee meeting: European business in the North-Western region, post crisis development.	May 20 th , 2010
	➤ European and Russian Business Forum.	September 23 rd to 25 th , 2010
	➤ Launch of the AEB North-Western Regional Committee.	November 2 nd , 2010
	➤ Open Committee meeting: Infrastructure development of St. Petersburg and the Leningrad region.	November 30 th , 2010

The AEB Executive Board approved the unanimous decision of the AEB member companies in St. Petersburg (taken at the 2nd Meeting on the 11th of February, 2010 in St. Petersburg) on the formation of the AEB North-Western Regional Committee (based in St. Petersburg). Based on the decision taken by the AEB Executive Board, on the 11th of March, 2010 the Steering Group members of the AEB North-Western Regional Committee were elected. The number of committee members increased over a hundred members by November, 2010

On September 23rd, 2010 in the course of the Russian and European Business Forum that took place from September 23rd to 25th in St. Petersburg, the Association of European Businesses and the Northern Dimension Business Council signed a Memorandum of understanding. The Memorandum was signed by the co-Chairmen of the Northern Dimension Business Council Alexey Mordashov (Chairman of board of Severstal) and Tapio Kuula (President and CEO of Fortum Corporation), on one side, and by the Chairman of the AEB executive board Reiner Hartmann and the AEB Chief Executive Officer Frank Schauf on the other side.

Recognising the need for a joint cooperation with regard to improving the business climate and investment development, amongst others, in the North-Western Region of Russia, the following measures are provided for in the framework of the Memorandum: organisation of joint events aimed at promoting a better investment climate in the Russian Federation; reviewing the investment opportunities in the North-Western Federal Region of Russia; supporting investors, including foreign organisations; experience sharing and information exchange.

SOUTH REGIONAL COMMITTEE

AIM	To support a favorable investment and business environment in the South region for AEB member – companies through various activities: ➤ Promoting an effective dialogue between AEB member companies and the regional authorities; ➤ Promoting the AEB within the region; ➤ Effective networking, information sharing, and best practices, including setting an example in terms of international standards for doing business.
CHAIRMAN	Oleg Zharko, Philip Morris Kuban
DEPUTY CHAIRMAN	Victor Volgin, Caspian Pipeline Consortium – R; Lubov Popova, KNAUF MARKETING KRASNODAR; Vasiliy Vysokov, Bank Center-Invest; Ralf Bendisch, CLAAS
AEB MEMBER COMPANIES	Advocates Bureau Yug; Alico; Austrian Airlines; Bank Center-Invest; BONDUELLE Kouban; Branch of Closed Joint Stock Company "UniCredit Bank" in Krasnodar; Cargill Yug LLC; Closed Joint Stock Company "Caspian Pipeline Consortium – R"; DPD; Exhibition Center "KrasnodarEXPO" Ltd.; "LMI-Russia"; JSC Swedbank; Krasnodarsky branch RosDorBank; South Affiliate of ZAO "Raiffeisenbank" South regional center, LLC "CLAAS"; LLC Audit company "Mauer-Audit"; Nestle Kuban LLC; OAO Philip MorrisKuban; OJSC IC ROSNO; OOO "KNAUF MARKETING KRASNODAR"; OTP Bank; Provimi Ltd; PwC; Regional direction of Southern Federal District of Bank Societe Generale Vostok (BSGV); Siemens Representative office in SFD&N-CFD; Tebodin Eastern Europe B V; Vegas Lex; Verallia (Stavropol region); Vestas; Volnaya Kuban.
NUMBER OF COMMITTEE MEETINGS	4

AEB OPEN EVENTS ORGANISED	Event Title	Event Date
	Presentations on the AEB South regional committee AEB at foreign delegations:	
	➤ Netherlands Embassy	March 3 rd , 2010
	➤ Nottingham Delegation (Great Britain)	March 25 th , 2010
	➤ Swiss Embassy	June 8 th , 2010
	Presentations of the Krasnodar city investment projects:	
	➤ Presentation, headed by the Krasnodar mayor for AEB members in Moscow	May 12 th , 2010
	➤ Business-mission to Krasnodar and meeting with region and city authorities	November 9 th , 2010
	➤ Meeting between AEB South regional Committee members and the representative of the Federal Migration Service	July 28 th , 2010
	Conferences:	
	➤ Annual Legal conference – “Building Sochi” (co-organised by leading legal companies)	July 8 th , 2010
	➤ 4-th cross regional forum of the largest South Federal district and North-Caucasian Federal district companies (co-organized by Media holding company “Expert”)	November 10 th , 2010
	➤ HR conference “Staffing of the modernized and economic development in the region”	December 7 th , 2010
	➤ “Corporate social partnership” conference	December 14 th , 2010
	Receptions:	
	➤ Summer reception	June 18 th , 2010
	➤ Christmas reception	December 17 th , 2010

A successful work relationship was established between the Committee and the regional authorities: Consultative Committee on Foreign Investments under the Mayor of Krasnodar was successfully formed; A joint event plan for 2010 was signed and realised by the AEB South Regional Committee and Krasnodar city administration;

Meetings between the vice-governor of the Krasnodar region and members of the AEB South Regional committee were organised.

Key partners for organising joint events were chosen:

Non-profit partnership – “Regional Development Council”, became a long-term partner in the program – “Social Partnership territory”;

Media Holding company “Expert” became a long-term partner in the program – “Social Partnership territory” and the annual cross regional Forums of the largest South Federal district and North-Caucasian Federal district companies.

More than 50 publications and TV-appearances in regional media featured AEB South Regional Committee events.

The number of member companies increased from 21 to 31.

The South Regional committee became an expert in the field of foreign investments to the Krasnodar region for government and non-government organisations and the mass media.

Association of European Businesses and its subsidiary
Statement of financial position as at 31st December, 2010

	31 December 2010 (in EUR'000)	31 December 2009 (in EUR'000)
ASSETS		
Non-Current Assets		
Intangible assets	2	5
Property and equipment	89	82
Deferred tax assets	19	2
Total non-current assets	110	89
Current Assets		
Inventories	12	5
Deferred expenses	34	15
Accounts receivable	126	76
Advances paid	137	104
Other debtors	19	7
Cash and cash equivalents	1,799	1,362
Total current assets	2,127	1,569
Total assets	2,237	1,658
UNRESERVED FUND BALANCE AND LIABILITIES		
Unreserved Fund Balance	761	371
Current Liabilities		
Prepaid memberships fees	1,314	1,131
Accounts payable	22	38
Payroll accruals	68	16
Social funds and taxes payable	7	26
Advances received	52	63
Audit fees accrued	12	12
Other payables	1	1
Total current liabilities	1,476	1,287
Total unreserved fund balance and liabilities	2,237	1,658

Association of European Businesses and its subsidiary

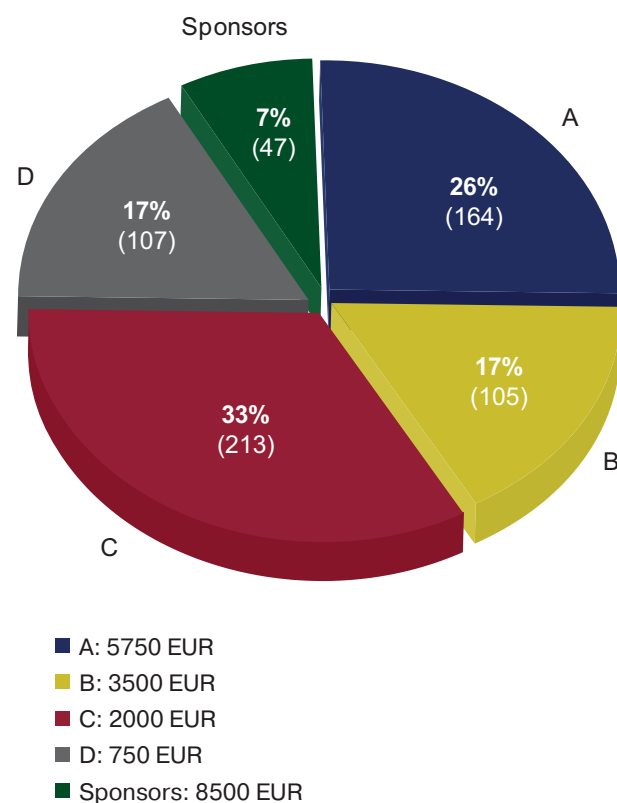
Statement of revenues and expenditures for the year ended 31st December, 2010

	2010 (in EUR'000)	2009 (in EUR'000)
Membership fees	2,153	1,706
Events	521	349
Publications	141	75
Projects	178	92
Other revenues	89	34
Total revenues	3,082	2,256
Total expenditures, net	(2,704)	(2,073)
Excess of revenues over expenditures before tax	378	183
Current income tax expense	(34)	(17)
Deferred tax recovery	17	8
Net excess of revenues over expenditures, after tax	361	174

MEMBERS BY COUNTRY

Austria	21
Belgium	14
Canada	1
Cyprus	10
Czech Republic	5
Denmark	19
Estonia	1
Finland	35
France	67
Germany	103
Hungary	6
Iceland	1
Ireland	9
Israel	1
Italy	15
Japan	8
Lithuania	2
Luxembourg	2
Malta	1
Netherlands	36
Norway	5
Poland	2
Qatar	1
Republic of Korea	3
Russia	89
South Africa	1
Spain	3
Sweden	24
Switzerland	27
Turkey	4
UK	89
United Arab Emirates	1
USA	30
Total	636

MEMBERS BY CATEGORY



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

