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**Investors' Handbook
for Russia's
Urals Federal District**

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This analytical yearbook is compiled based on information from the comprehensive Business Information Agency statistical database. This database is updated throughout the year using different statistical sources such as government central and regional statistical agencies; ministries of economics and development; economical, social and demographic research institutions; trade associations; and our continued dedication to directly contacting industry experts to assure that the database reflects the most current information available at press time.

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From the Publisher

Russia has a unique geopolitical and geo-economic situation. It boasts enormous natural resources and intellectual potential, and all its regions offer potential investors various possibilities for effective investment. Agriculture in the black-soil areas of the Russian south, resort areas of the Krasnodar Territory, minerals and natural resources of North-West, Siberia, and Far East, advanced technologies in the Siberian “cities of science” – all of these offer great investment opportunities.

Moreover, Russia enters the World Trade Organization in 2007 and has updated all of its commercial and financial laws in accordance with international norms and agreements. Without a doubt, the challenges and opportunities exploding in Russia for investors makes the Russia of today more attractive than ever before and much more appealing than other emerging markets, like China, Brazil, or India.

The first step investors need to make is to find reliable and accurate information about the Russian markets in which they will invest, particularly about the specific regions in which he is interested. PlanetInform supplies investors more extensive information about the Russian market than any other information company, information which can highlight great regional economic opportunities based on the trends and forecasts of each region.

The each of the eight volumes in the *Investor's Handbook* series presents five important regional parameters for Russian federal districts and major industrially-developed regions: socioeconomic details for the region, the tax system, regional and foreign investment companies and banks, regional and federal authorities operating in the region, and listings of investment-attractive companies in the region. These books give a precise, up-to-date picture of today's economy in Russia and throughout the Russian regions and is an invaluable tools for investors to analyze and create business plans.

The *Investor's Handbook* series is a part of a larger collection of statistical yearbooks and business directories for the Russian market. Annually, we publish 43 statistical yearbooks in three major series, *Business Profiles*, *Market Forecasts*, and *Investor Handbooks*, and 60 industrial and regional business directories. Taken together, this collection is an encyclopedia of the Russian market for the foreign investors. This collections is well-known among the domestic and foreign businessmen.

Working in close collaboration with governmental statistical agencies, premier think tanks, and state research institutions in Russia for 16 years, we have conducted in-depth industry- and territory-specific research in diverse areas ranging from the most successful to the smallest industries. We are sure our analytical materials for the Russian market are a necessary any investor, business researcher, library, think tank, governmental agency, business, or firm seeking current and accurate economic analysis to evaluate business opportunities and market conditions of Russia. We are ready to serve any business and meet its needs.

The main activity of Business Information Agency is to help our customers succeed when they expand their companies into Russia. We provide our customers support at all stages of expanding into the Russian market: formulating company aims and objectives; creating profiles of potential business partners within the target market and selecting business partners; analyzing the Russian market; and providing local support such as temporary office space, business registration, and legal support.

We provide the most cost-effective ways to promote goods, equipment, and services in Russia through our comprehensive business resources:

- Our reliable company profile database of companies in Russia and the former Soviet republics, one of the best informational databases in the world.
- Our own regional network of agents who permanently work with companies – potential customers – in all Russian regions.
- High-quality professionals with rich experience promoting goods, equipment, and services from foreign companies to the Russian customers.
- Thousands of contacts, promotions, and advertising campaigns by ADI Biznes-Karta, spanning two decades, promoting foreign businesses in Russia.
- Our known and trusted brand-name as one of the best information companies for the Russian market.

With the help of Business Information Agency –
Welcome to the Russian market!

Guide to Using the Investor's Handbook for the Urals Federal District of Russia

1. Scope of the Investor's Handbook

Investor's Handbook for the Urals Federal District of Russia is an analytical yearbook of business and marketing information, featuring over 494 pages of up-to-date and detailed marketing statistics in 5 principal subject areas. These statistics are stored on a database of marketing information for Russia and the former Soviet republics which is regularly updated by Business Information Agency's research team.

In the 2006 *Investor's Handbook* series, each statistical table presents comparative data from 2001 to 2005 and projected trends from 2006 to 2010 or single-year data for the latest year available. All indicators are presented in both table and chart formats.

The units for the data have been generally left in national currencies and calculated. However, the spreadsheets in which the data are stored can convert to US dollars. In addition, calculations have been made where appropriate to show growth rates over the defined period and per capita data. These calculations permit easy comparisons between the national, district, and regional levels.

Using *Investor's Handbook for the Urals Federal District of Russia* is easy. For the topic of interest, simply look up the tables using the contents or index. The tables and charts show the relevant data for each region. The heading shows the relevant section, title summary, title of the table and the chart, and unit. The sources used to compile the data appear at the foot of the table, while any relevant notes are collected at the end of each section.

The goal of *Investor's Handbook for the Urals Federal District of Russia* is to collect in one book the essential data relevant to the different regions in the district so that an investor can see trends of any indicator on all regions simultaneously and make analysis quick and easy.

This *Investor's Handbook* saves investors hours of time trawling through statistics from many sources and provides a wealth of hard-to-get information from the many reports and studies reviewed by Business Information Agency's research team over the last 15 years – many based on original extrapolations. Also, this analytical yearbook is useful to students who want to study the one of the fastest-growing and most attractive markets in the world.

2. Subject Coverage

Investor's Handbook for the Urals Federal District of Russia has five separate sections which have all been specially compiled by Business Information Agency. The main sections: Crucial Investment Data, Essential Information for Investors, Most Attractive Industries for Investment, and Practical Tips for Investors cover the main area to help investors to make a final decision. The chapters include detailed information discussed below.

3. Sources of Information

Business Information Agency, as a think tank, has been gathering and analyzing socioeconomic indicators since 1980. Today, our research team owns a rare and unique source that differs from similar information products both in depth and breadth of information. It represents not only traditional national indicators, but also in-depth indicators on regional, municipal, and industrial level for all regions and industries for the Russian Federation. This source is updated each year. Specialized data can be updated with greater frequency as a special premium service for our

clients. The Business Information Agency research team derives this information from different sources, such as national and regional statistical agencies; regional government departments of economics, labor and social development; ministries of economics and development; national and regional institutes; and industrial associations.

Section 1 Crucial Investment Data

Investment Opportunities

These data include the investment opportunities and federal and regional economic and social development programs for each region of the Urals Federal District: the Chelyabinsk, Kurgan, Sverdlovsk, and Tyumen regions.

Regional Programs and Regional Agencies

These data include regional programs and agencies which are responsible for raising investments in each region. This chapter covers data on capital investment from 1997 to 2004 by industry sector and foreign investment trends from 1997 to 2004.

Investment

These data include the fixed capital investment, per-capita fixed capital investment, and total investment in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Section 2 Essential Information for Investors

This section contains ten chapters describing the economic, social, and demographic situation in each region of the Urals Federal District: the Chelyabinsk, Kurgan, Sverdlovsk, and Tyumen regions.

General Information

This chapter includes maps of the four region of the Urals, briefly describes the geography and climate of each region, and summarizes data for economic sector of the Urals Federal District in the last year: agriculture, mining, and construction; industrial resources and output by main industries; communication and transportation; finance; retail and wholesale trade; and investment and foreign trade activity. It includes social indicators such as income, wages and pensions, food consumption and consumer prices, housing, health, education and cultural activities, population, labor, and employment at the national, district, and regional levels.

Companies and Corporations

These data covers total companies and corporations in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Small Businesses

These data include the number of businesses with foreign capital investment; private, state, and municipal unitary businesses; production output of small businesses; and the total number of small businesses in the each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Economic Indicators

These data include total GDP, consumption and expenditures per capita, and the wealth in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

National Wealth

These data include a value of industrial fixed assets and depreciation rates of fixed assets as a percentage of total fixed assets in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Agricultural Indicators

These data include agricultural output by crop (potatoes, vegetables, fruits and berries, and land use), farm product (dairy products, meat and poultry, eggs, and wool), and livestock (cattle, sheep and goats, and hogs and pigs) in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Plant Growing

These data cover farms growing fruits and berries, grains, land use, potatoes, sugar and beans, sunflower seeds, and vegetables in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Farm Products

These data cover farms producing dairy products, eggs, meat and poultry, and wool in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Number of Livestock

These data cover farms raising cattle, hogs and pigs, and sheep and goats in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Mining and Energy

These data include oil and gas extraction and coalmining in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Construction Industry

These data include all new construction (out-patient facilities, hospitals, preschools, homes, and schools and new construction contracts) in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Manufacturing

These data include industrial output, primary energy production, and production profit rates in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Food Production

These data cover food production for butter, meat, bread and baked goods, and dairy products in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Beverages

These data cover production of beverages, wine (grape), alcoholic beverages, and brandy (cognac) in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Clothing, Textiles, and Footwear

These data include production of footwear, fabric, knitwear, and hosiery in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Household Appliances Output

These data cover production of washing machines, TV sets, refrigerators and freezers in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Chemical Production

These data cover production of mineral fertilizers, synthetic resins and plastics, and tires in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Lumber and Wood

These data cover production of paper, commercial wood, plywood, sawed wood, and pulp in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Building Materials Output

These data cover production of cardboard, prefabricated reinforced concrete, building bricks, and cement in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Metallurgical Production

These data cover production of steel, ferrous rolls, and steel pipes in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Machine Manufacturing

These data cover production of metal-cutting machines and tractors in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Communication Service

These data include communication service revenue per capita and ground-line telephone users per 1,000 people for both urban and rural populations in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Transportation

These data include the public bus passengers, railroad freight, railroad passengers, and trucking freight in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Finance

These data include consolidated budget revenue by subject and consolidated budget expenses by subject in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Retail Trade

These data include the restaurant sales, per-capita retail sales, and total retail sales in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Foreign Trade

These data include the imports from countries outside the CIS, imports with CIS countries, exports to countries outside the CIS, and exports to other CIS countries from each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Service

These data include the volume of service per capita, total volume of service, personal service per capita, and total personal service in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Section 3 Social Outlook

Income, Wages and Pensions for the Population

These data include the per-capita income, standard wage, pensions, and number of private cars per 1,000 people in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Food Consumption

These data include the consumption of potatoes, milk and dairy products, meat and meat products, vegetables, sunflower seed oil, sugar, bread and baked goods, and eggs in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Consumer Prices and Cost Indicators

These data include the consumer, food, non-food, and service prices as a percentage of the previous year's spending in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Housing and Household Facilities

These data include the housing per capita in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Health Care

These data include morbidity per 1,000 people, number of medical doctors per 10,000 people, number of nurses per 10,000 people, total number of hospital beds, and number of hospital beds per 10,000 people in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Education

These data cover education, including the number of schools of higher education, the number of students in university per 10,000 people, the number of secondary schools, and the number of secondary students per 10,000 people in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Culture Activities

These data include the number of books in public libraries, newspaper circulation, number of theatre patrons, and museum visitors per 1,000 people in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Crime Rates

These data include the crimes per 100,000 people, number of homicides and attempted homicides, and number of crimes committed by juveniles in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Labor Market Structure

These data include the percent population increase from births, percent population increase from population movement, infant mortality death per 1,000 live births, birth rate per 1,000 people, death rate per 1,000 people, male/female ratio of the population, number of forced resettlement of refugees, and total population in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Labor and Employment

These data include total labor force, total employed and total unemployed in each region of the Urals Federal District from 2007 to 2010. Data are represented as both tables and charts.

Section 4 Companies with Premium Opportunities for Partnerships and Investments

Major Companies with Foreign Investment

These data include a list of major companies with foreign investment in each region of the Urals Federal District: the Chelyabinsk, Kurgan, Sverdlovsk, and Tyumen regions.

Investment-Attractive Companies of the Chelyabinsk Region

These data include a list of the most attractive companies for investors in each region of the Urals Federal District: the Chelyabinsk, Kurgan, Sverdlovsk, and Tyumen regions.

Section 5 Doing Business in Today's Russia Practical Tips for Investors

Russian Markets for Investors

This chapter covers the main reasons why the Russian market is becoming more and more attractive to for the foreign investors.

Tax System

This chapter covers the main parts of the Russian tax system: tax structure, certain aspects of the tax legislation, anti-tax avoidance legislation, tax penalties, tax refunds, tax administration bodies, corporate taxes, individual taxes, corporate profit tax, value added tax, excise taxes, customs duty, unified social tax, personal income tax, income exempt from personal income tax, and tax treaties.

Foreign Investments Laws

This chapter contains a list of government laws within four major areas, legal environment and principal guarantees for foreign investors in the Russian Federation, investments in various industry sectors (specific aspects of foreign investor activities), foreign investments and special economic zones, terms and conditions for foreign investors, and the delineation of powers in foreign trade between the government of the Russian Federation and regional government.

International Investment Institutions

This chapter contains company profiles for the international investment institutions with the company name, addresses, contact data, and contact person, descriptions of service, and more.

Federal and Regional Authorities

This chapter contains a list of the regional authorities from administrative district to region and city government with agency names, addresses, contact data, and contact person.

Introduction

Investor's Handbook for the Urals Federal District of Russia is one of eight statistical yearbooks in the series covering Russia and the seven federal districts of Russia. Published annually, this statistical compendium is the valuable research for investors in order to have the whole picture of business and the socio-economic conditions in the Urals Federal District. Handbook gives a detailed economic structure, a level of live of population, demographic trends, consumption of population, and more from 2000 and with prognosis to the year 2010.

Published annually since 2000, *Investor's Handbook for the Urals Federal District of Russia* is now its fifth edition. This handbook includes four main sections: Crucial Investment Data, Most Attractive Industries for Investment, Essential Information for Investors, and Practical Tips for Investors Doing Business in Today's Russia. All data sections have been thoroughly revised for this new edition. This statistical yearbook provides a wealth of detailed and up-to-date statistical information relevant to the regional markets within the Urals Federal District: the Chelyabinsk, Kurgan, Sverdlovsk, and Tyumen regions.

The Urals Federal District is a major industrial region with vast reserves of mineral resources and featuring an advantageous geographical location, a high level of industrial development, considerable research and development and technology potential, a developed market infrastructure, and a highly professional workforce. One of the major focuses of the region's investment strategy is improving business conditions and coordinating the operations of all investment-related state authorities to streamline bureaucratic processes.

Investor's Handbook for the Urals Federal District of Russia gives not only the wealth and detail information about each region in the given district but compares the trends in the Urals Federal District and the Russian Federation. The data are presented in tables, and a number of extrapolated tables have been included. The data coverage includes long-term trends, dating as far back as 1990 when available and includes statistical data from 2001 to 2005 and prognosis to 2010. This range of information enables analysis of socioeconomic trends over a longer time span as a basis for forecasting. Including charts for each table illustrates each indicator as dynamic trends. The Investor's Handbook contains a full alphabetical index to make it easy for you to find the information you need.

User comments are welcomed concerning the *Investor's Handbook for the Urals Federal District of Russia*. While the editors have made every effort to ensure accuracy, Business Information Agency cannot accept responsibility for any errors.

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Chapter 1. Chelyabinsk Region

Chapter 1.1 Crucial Investment Data

Investment Opportunities

With a view of creating a favorable investment climate in the Region, the Chelyabinsk Region has passed the Law On Stimulation of Investment Activity in the Chelyabinsk Region and the Resolution of the Governor of the Chelyabinsk Region On Partial Reimbursement of Bank Interest on Russian Commercial Bank Loans to Parties Involved in Investment Projects. State guarantees, tax preferences, and investment tax credits with regard to regional taxes and duties are regulated by the Russian tax and budget legislation.

Federal programs

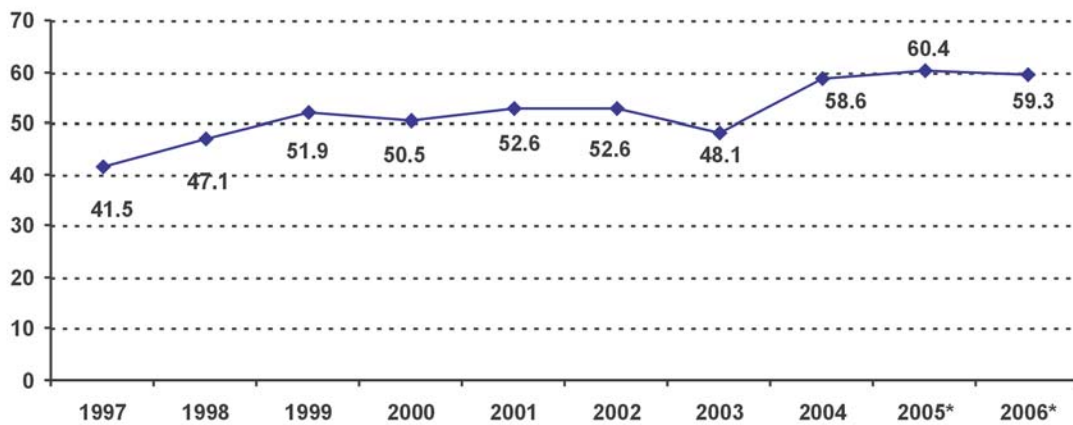
The following programs are of the biggest importance for the economic and social development of the Chelyabinsk Region: Federal Address Investment Program; Creation of an Automated State Land Cadastre and Real Estate Registration System (2002–2007); Housing, 2002–2010; Upgrade of Russia's Transport System (2002–2010); Soil Fertility Enhancement in Russia, 2002–2005; Development of Russia's Judicial System (2002–2006); and Overcoming the Consequences of Radiation Accidents through 2010.

Regional programs

In 2005, the Chelyabinsk Regional Administration planned to finance 23 regional programs focusing on public health, social policy, enforcement of the law, and improvement of ecology. The priority programs focus on the medicine sector (Development of Donorship and Blood Service in the Chelyabinsk Region, 2001–2005 and Prevention of Viral Hepatitis in the Region, 2002–2005), social sector (Children of the Southern Urals, 2001–2005; Unimpaired Access by the Disabled and Low-Mobility Population to Social Infrastructure Facilities and Information, 2003–2006; and Measures Against Drug Abuse and Drug Trafficking, 2004–2006), and ecology (Measures to Improve Environment in the Chelyabinsk Region, 2001–2005 and Overcoming Consequences of Radiation Accidents in the Mayak Industrial Association, 2003–2005).

Capital Investment by Industry Sector, \$ million

	1997	1998	1999	2000	2001	2002	2003	2004	2005*	2006*
Total capital investment										
Including major industries (% of total)	310.0	300.2	435.7	772.3	1,050.4	1,159.5	1,196.6	1,742.8	1,951.9	2,244.7
Industry	41.5	47.1	51.9	50.5	52.6	52.6	48.1	58.6	60.4	59.3
Agriculture and forestry	1.4	2.7	2.7	2.1	1.9	3.6	4.0	2.5	3.0	3.1
Transport	14.2	13.0	10.9	13.7	17.4	13.7	16.5	10.6	12.0	11.1
Communications	1.8	4.2	4.0	1.7	2.8	4.6	6.9	5.5	6.0	6.2
Trade and public catering	3.1	1.0	0.5	1.3	1.2	1.3	2.1	1.1	1.2	1.3
Construction	4.1	0.9	1.3	1.2	2.2	1.9	2.8	2.7	3.0	3.2
Housing and communal services	24.5	21.7	18.5	16.3	9.6	7.9	8.6	6.5	6.7	6.5
Health care, physical culture, and welfare	3.2	3.9	5.1	7.9	7.0	4.5	4.7	5.8	4.0	3.2
Other	6.2	5.5	5.1	5.3	5.3	9.9	6.3	6.7	3.7	6.1



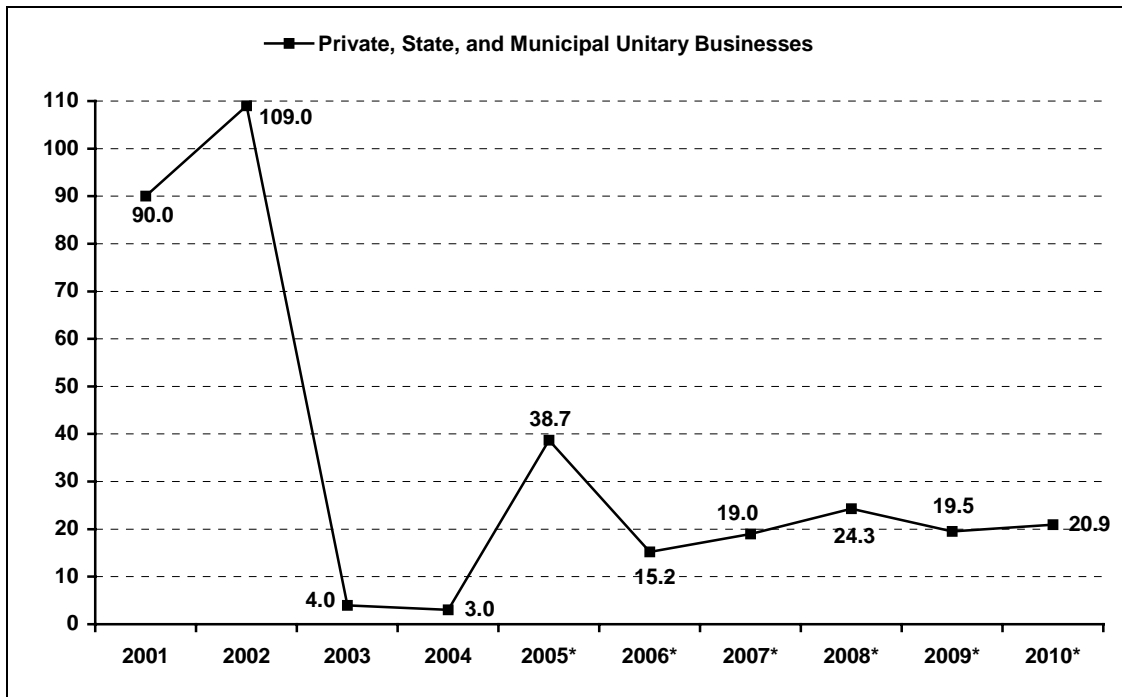
Small Businesses

Table 1.2

Forecast for Small Businesses in the Chelyabinsk Region, 2007-2010

Date	Total Number of Small Businesses, in thousands	Production Output of Small Businesses, in millions	Number of Businesses with Foreign Capital Investment	Private, State, and Municipal Unitary Businesses
2001	20.4	\$660	99.0	90.0
2002	19.8	\$650	100.0	109.0
2003	19.4	\$896	82.0	4.0
2004	16.6	\$1,171	81.0	3.0
2005*	16.3	\$1,361	70.7	38.7
2006*	14.7	\$1,591	62.6	15.2
2007*	13.1	\$1,820	54.5	19.0
2008*	11.5	\$2,049	46.4	24.3
2009*	9.9	\$2,278	38.3	19.5
2010*	8.4	\$2,507	30.2	20.9

Chart 1.2 Forecast for Small Businesses in the Chelyabinsk Region, 2007-2010



Sources: Regional Committee of Statistics
* Business Information Agency

Sales(Est): US\$ < 1MM
Year of Foundation: 1991

PRODUCT DESCRIPTION:
kaolin

14. RATSIOFARM JOINT ENTERPRISE

Volodina St, 6
Trekhgornyi, Chelyabinsk Region 456080, Russia

Key Personnel: I.A. CHulkov, President

Int. Phone: +7(35111) 6-97-15

Int. Fax: +7(35111) 6-97-15

No. of Employees(Est): 1-9

Sales(Est): US\$ < 1MM

Year of Foundation: 1994

PRODUCT DESCRIPTION:
medicaments

15. SONA LTD

Beregovaya Vetluga St, 27
Zlatoust, Chelyabinsk Region 456206, Russia

Key Personnel: Stoycho Gochev, President

Int. Phone: +7(3513) 67-16-19

No. of Employees(Est): 20-49

Year of Foundation: 1995

PRODUCT DESCRIPTION:
groceries and provisions; groceries; dairy products; bakery products; confectionery; alcoholic beverages; non-alcoholic beverages; tobacco products

16. URAL RESEARCH AND PRODUCTION UNION

Muzrukova St, 43
Ozersk, Chelyabinsk Region 456785, Russia

Key Personnel: V.V. SHatsillo, President

Int. Phone: +7(35171) 7-04-32

No. of Employees(Est): 50-99

Sales(Est): US\$ < 1MM
Year of Foundation: 1989

PRODUCT DESCRIPTION:
metal-roll

17. VENA OJSC

Ryleyeva St, 16
Chelyabinsk, 454087, Russia

Key Personnel: Vladislav Gusev, President

Int. Phone: +7(351) 239-16-00

Int. Fax: +7(351) 239-16-00

No. of Employees(Est): 200-499

Year of Foundation: 1970

PRODUCT DESCRIPTION:
beer; brewing malt; non-alcoholic beverages

18. VITA-TEKNIKA JOINT ENTERPRISE

Mira St, 44-a
Trekhgornyi, Chelyabinsk Region 456080, Russia

Key Personnel: Lyudmila Rudakova, President

Int. Phone: +7(35111) 6-23-60, 4-04-04

Int. Fax: +7(35111) 4-04-06

E-mail: vita-t@shel.surnet.ru

No. of Employees(Est): 10-19

Year of Foundation: 1995

PRODUCT DESCRIPTION:
medical equipment

19. ALEKSANDRINSKAYA ORE MINING COMPANY

Tsentralnaya St, 5
Poselok Nagaybasky, Nagaibasky District Chelyabinsk Region 457662, Russia

Key Personnel: Natalya Bondarenko, President

Int. Phone: +7(35157) 5-31-25, 5-31-49; (3519) 28-50-80, 28-50-10 (Magnitogorsk)

Int. Fax: +7(3519) 28-50-01, 28-50-00 (Magnitogorsk)

E-mail: agk@mgn.ru

No. of Employees(Est): 500-999

Sales(Est): US\$ < 1MM

Year of Foundation: 1995

PRODUCT DESCRIPTION:
copper ore; precious metal ores

20. CHELYABINSKY AFFILIATE OF INTERREGIONAL COMMERCIAL BANK SVYAZ-BANK

Tsvillinga St, 25
Chelyabinsk, 454091, Russia
Key Personnel: Nadezhda Bogdanova, President

Int. Phone: +7(351) 263-89-30, 260-54-55, 263-88-67

Int. Fax: +7(351) 260-54-52

Website: www.sviaz-bank.ru

PRODUCT DESCRIPTION:
banking activities; exchange of currency; reception of deposits from physical persons; cash and settlement services; opening of settlement accounts

21. CHELYABINSKY AFFILIATE OF JOINT-STOCK COMMERCIAL BANK AVTOBANK-NIKOYL

Lenina Ave, 42
Chelyabinsk, 454000, Russia
Key Personnel: Aleksandr Kireyev, President

Int. Phone: +7(351) 266-65-01, 266-43-68, 266-68-59, 265-27-54

Int. Fax: +7(351) 266-65-01, 266-43-68

Website: www.avtobank.ru

PRODUCT DESCRIPTION:
banking activities; exchange of currency; reception of deposits from physical persons; cash and settlement services; opening of settlement accounts

Investment – Attractive Companies of the Chelyabinsk Region

1. AGREGAT OJSC

Pushkina St, 1
Sim, Ashinsky District Chelyabinsk Region
456022, Russia

Key Personnel: Vasily Izyumov, President

Int. Phone: +7(3472) 35-89-90, 35-90-05 (Ufa)

Int. Fax: +7(3472) 35-89-90, 35-90-05 (Ufa)

E-mail: info@agregat-avia.ru

Website: www.agregat-avia.ru

No. of Employees(Est): 1000>

Sales(Est): US\$ < 1MM

Year of Foundation: 1993

PRODUCT DESCRIPTION:

emergency-saving tools; gear-type pumps; spare parts for automobiles; ball cocks; sewing machines; units of aircraft and technical purpose; automatic machines for antiskidding braking systems of aircraft technique; units for aircraft engines; regulators of air rotors speed; regulators of nozzle and acceleration speed; regulators of fuel expenditure; hydrovalves; pressure relays; hydro pneumatic switches; fuel filters

2. BULAT OJSC

Ili Internatsionala Sq.

Zlatoust, Chelyabinsk Region 456200, Russia

Key Personnel: Rinat Galin, President

Int. Phone: +7(3513) 79-13-04, 79-13-20, 79-15-62, 79-11-01, 79-11-02

Int. Fax: +7(3513) 79-15-50, 79-11-10, 67-01-90

E-mail: bulat@chel.surnet.ru

Website: www.bulat.zlatoust.ru

No. of Employees(Est): 1000>

Sales(Est): US\$ < 1MM

Year of Foundation: 1754

PRODUCT DESCRIPTION:

steel castings; excavators; knives; hunting knives; tourist knives; hunting hatchets; blasing cartridges-detonators

3. CHELYABENERGOREMONT OJSC

Rossiyskaya St, 1
Chelyabinsk, 454006, Russia

Key Personnel: Eduard Trenkle, President

Int. Phone: +7(351) 772-80-80

Int. Fax: +7(351) 267-89-37

E-mail: market@energoremont.ru

Website: www.energoremont.ru

No. of Employees(Est): 1000>

Year of Foundation: 1953

PRODUCT DESCRIPTION:

repair of boiler equipment; repair of electric turbine equipment; repair of electrical engineering equipment; installation and adjustment of power equipment; boiler plant heat transfer surfaces; pipeline units; enameled wires; beaters and refractory lining

plates for coal-pulverizing mills; steel castings; iron castings

4. CHELYABINSKIE DOROZHNO-STROITELNYE MASHINY CJSC

S.Razina St, 1

Chelyabinsk, 454005, Russia

Key Personnel: Viktor Materov, President

Int. Phone: +7(351) 260-40-72, 260-40-94

Int. Fax: +7(351) 260-40-94

No. of Employees(Est): 1000>

Sales(Est): US\$ < 1MM

Year of Foundation: 1898

PRODUCT DESCRIPTION:

loaders; motor graders; road building machines

5. CHELYABINSKSTROYMATERIALY OJSC

97-b Engelsa St

Chelyabinsk, 454048, Russia

Key Personnel: Leonid Slepnev, President

Int. Phone: +7(351) 280-00-11

Int. Fax: +7(351) 280-00-11

No. of Employees(Est): 1000>

Year of Foundation: 1994

PRODUCT DESCRIPTION:

wall materials; bricks

6. CHTZ-URALTRAK LTD

Lenina Ave, 3

Chelyabinsk, 454007, Russia

Key Personnel: Valeriy Platonov, President

Int. Phone: +7(351) 775-17-60, 779-81-56

Int. Fax: +7(351) 772-95-83

E-mail: tractor@chtz.chel.su

Website: www.chtz-uraltrac.ru

No. of Employees(Est): 1000>

Year of Foundation: 1933

PRODUCT DESCRIPTION:

tractors; tractor parts; pipe layers

7. DELSOT CJSC

Grazhdanskaya St, 1-a

Miass, Chelyabinsk Region 456306, Russia

Key Personnel: Leonid Zvezdin, President

Int. Phone: +7(3513) 57-60-76

Int. Fax: +7(3513) 57-68-29, 57-68-80

E-mail: market@delsot.miass.ru

Website: www.delsot.ru

No. of Employees(Est): 500-999

Year of Foundation: 1991

PRODUCT DESCRIPTION:

electric heating resistors; instantaneous water heaters; electric boilers; oil electric radiators; electric convectors; electric air heaters; electric furnaces

8. ELEKTROREMONT CJSC

Pr. Pushkina, 7
Magnitogorsk, Chelyabinsk Region
455000, Russia

Key Personnel: Aleksandr Krepkogorsky, President

Int. Phone: +7(3519) 24-53-25, 24-29-74, 24-28-16

Int. Fax: +7(3519) 24-29-74, 24-28-16

E-mail: energocom@magnitka.info.ru

No. of Employees(Est): 1000>

Sales(Est): US\$ < 1MM

Year of Foundation: 1995

PRODUCT DESCRIPTION:

repair of metallurgical equipment

9. EMAL CJSC

93 Kirova St
Magnitogorsk, Chelyabinsk Region
455002, Russia

Key Personnel: Yuriy Grekov, President

Int. Phone: +7(3519) 24-16-64

Int. Fax: +7(3519) 24-16-64, 24-02-80

E-mail: emal@mgn.ru

No. of Employees(Est): 500-999

Sales(Est): US\$ < 1MM

Year of Foundation: 1954

PRODUCT DESCRIPTION:

enameled steel tableware; pans; metal kettles; tableware with parting coating

10. KARABASHMED CJSC

Osvobozhdeniya Urala St, 27
Karabash, Chelyabinsk Region 456540, Russia

Key Personnel: Nikolai Azarov, President

Int. Phone: +7(35153) 2-36-10; (351) 261-38-07

Int. Fax: +7(351) 237-06-14

E-mail: info@karabash.ru

Website: www.karabash.ru

No. of Employees(Est): 1000>

Sales(Est): US\$ < 1MM

Year of Foundation: 1998

PRODUCT DESCRIPTION:

copper; iron castings; copper alloys

11. KEDR CJSC

Ob'ezdnaya avtodoroga
Miass, Chelyabinsk Region 456300, Russia

Key Personnel: Vladimir Ivanov, President

Int. Phone: +7(3513) 24-28-59

Int. Fax: +7(3513) 24-28-41

No. of Employees(Est): 500-999

Sales(Est): US\$ < 1MM

Year of Foundation: 1989

PRODUCT DESCRIPTION:

forgings; spare parts for cars

12. KHLEBPROM OJSC

Molodogvardeitsev St, 2-a
Chelyabinsk, 454138, Russia

Chapter 5 Doing Business in Today's Russia

Russian Markets for Investors

The Russian economy has been successfully growing during the last few years. This is confirmed by the fact that the world's leading agencies such as Moody's, Fitch, and Standard & Poor's, have given Russia high investment ratings. This is also confirmed by an Ernst & Young's survey, which ranked Russia as one of the most attractive countries for investors in Europe. Moreover, Russia is becoming more competitive with China, India, Brazil, and other emerging markets as a magnet for foreign direct investment.

A favorable image of Russia is steadily forming in minds of the international community as foreign governments and organizations take real steps to enter the Russian market. Foreign investors are finding more and more good reasons to invest in the Russian economy. Today, over 7,200 fully or partially foreign-owned companies are doing business in Russia. We have seen this growing interest of the foreign business for the Russian market – the number of orders for our information resources have tripled over the last year.

So why is Russia becoming so attractive to foreign businesses?

Political Condition

For the last five years, Russia has created favorable conditions to consolidate their civil society, to reform their federal relationship, and to promote autonomy of the regions and the budget system, which is very important for development of the Russian economy. As a result, we can say today that these favorable conditions have been secured to create a single, integrated economic space, a unified economic policy for both federal and regional business, lower transaction costs and risks in the economy, and higher macroeconomic stability.

Natural Resources

No other country in the world has such huge reserves of natural resources as Russia. According to research conducted in 2005 by the British oil company BP, Russia's natural gas reserves are the largest in the world, and its oil reserves are seventh in the world. Russia boasts huge deposits of iron, copper, aluminum, nickel, and titanium ores, diamonds, and precious metals. Russia's supplies of raw chemicals are largest in the world, as are its forest resources (23% of the world's wood supply). Thanks to these huge natural resources, Russia has great potential for foreign investments.

Economic and Domestic Market Growth

For the last five years, Russia has seen continuous economic growth, averaging a 6-7% increase a year. That is the one of the highest levels of growth among all emerging markets. While Russia had a 33.6% increase in foreign investments in 2005, China's foreign direct investment growth was flat; India had modest growth of 15.2%; and Brazil's foreign direct investment declined from \$18.1 billion to \$15.7 billion.

High oil prices help to achieve a considerable budget surplus, a stabilizing factor which is continuing to grow and is estimated to reach \$45.1 billion by the end of this year. This enables Russia to pay its foreign debts early. Thanks to the early discharge in 2005 of Russia's debts to the International Monetary Fund and the Paris Club (over \$17 billion), the Russia's national debt was reduced to 12% of GRP by the beginning of 2006, which is much lower than the average

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