

Rosexpertiza LLC in brief

1. General information

Full name of the company	Limited Liability Company Rosexpertiza
Registration certificate	No. 183142, issued by Moscow Registration Chamber On September 23, 1993
Website	www.rosexpertiza.ru
Head office	127055, Moscow, Tikhvinsky per. 7, bldg. 3 Phone (495) 721-38-83, fax (495) 721-38-94
Major branches	in Saint Petersburg, Rostov-on-Don, Krasnoyarsk

2. Key spheres of business

Rosexpertiza provides a full range of auditing, accounting, legal, tax, financial-analytical and other auxiliary services. Precisely, the sphere of Rosexpertiza's business comprises such services as:

□ Auditing and accounting services

- Auditing financial reports of enterprises of different forms of ownership, according to Russian and international standards
- Diagnosing and analyzing internal control and management systems
- Transforming financial reports according to the international and foreign accounting standards
- Conducting special examinations in order to identify tax and legal risks (Due Diligence)
- Organizing, restoring and maintaining accounting, preparing financial reports
- Providing day-to-day advice on tax accounting issues
- Developing and unifying accounting policies for the purposes of tax accounting
- Organizing taxation, in particular using automated data processing devices

□ Tax and legal services

- Consulting on legal entities taxation
- Consulting on physical persons taxation
- International tax services
- Protection of interests in court and arbitration institutions
- Registration of legal entities and representations
- General legal consulting
- Labor law consulting
- Consulting on the issues of intellectual property
- Customs law consulting
- FX law consulting
- Consulting on the issues of bankruptcy, liquidation and restructuring

□ Appraisal

- Appraisal of businesses
- Appraisal of real property
- Appraisal of machinery, equipment and vehicles
- Appraisal of intangible assets and intellectual property
- Reappraisal of assets

□ Corporate finances

- Search for strategic and financial investors
- Search for investment items
- Structuring transactions and operations of merger and acquisition
- Raising funds
- Developing feasibility studies for investment projects and preparing business plans
- Consulting in the sphere of restructuring and reorganizing holding companies

□ Management consulting

- Developing strategic system plans
 - Modernizing business processes
 - Optimizing management structure
 - Developing marketing strategy
 - Research in the sphere of profitability increase
 - Developing systems for management accounting and control
- Unification of budget schemes and implementation of a unified budgeting process

□ Professional training services for accountants and auditors

Rosexpertiza provides professional services in conformity with the Russian applicable law and regulations that govern the auditing and consulting business in Russia, as well as with the internal standards of the Company.

3. Rosexpertiza Company overview

Rosexpertiza is one of the national leaders in auditing, accounting, management, financial, legal and tax consulting, informational technologies and property appraisal. Russian specialists who are presently working in the company founded the company in 1993.

The company regularly occupies leading positions in industrial ratings. According to the latest rating based on business results of 2006, Rosexpertiza holds the second place among Russian auditing companies¹.

Rosexpertiza holds all government licenses required to provide professional services in its core business:

- Auditing (license issued by the Russian Ministry of Finance);

¹ Rating by the *Kommersant Dengi*, April 2007

Член Moores Rowland International,
международной ассоциации
независимых бухгалтерских
и аудиторских фирм

- Appraisal (license issued by the Russian Ministry of Property Relations);
- Operation with access to state secret information (license issued by Federal Security Service (FSB) of Russia Office in Moscow and Moscow region).

In August 2005 Rosexpertiza LLC was registered with the US Public Company Accounting Oversight Board - PCAOB.

In April 2006 the Company obtained license to operate under Moores Rowland international brand allowing the company to present reports of its customers at international markets.

Rosexpertiza is Russia's only auditing institution to rank among the top 100 highly reputed companies characterized by public and economic stability (Expert-100 Reputation Rating) for four years in a row.

The Company participates in the work of professional public associations and organizations; it is a member of the Institute of Professional Auditors (IPAR), the National Federation of Consultants and Auditors (NFCA), the Institute of Professional Accountants and Auditors of Russia (IPA).

Since 2004 the Company is a member of Moores Rowland International network.

MOORES ROWLAND INTERNATIONAL is an international association of accounting, audit and consulting companies with 180 member companies from 100 countries of Europe, Asia and North and South Americas. With its aggregate USD 2.1 bln in annual revenues (2006) MRI is in the 6 position of the world rating of international audit networks.

Membership in the international network allowed Rosexpertiza to extend the range of services and provided new opportunities for professional development of staff along with the benefits related to access to the potential of highly reputed partner companies across the globe.

4. External quality audits

Audit services of Rosexpertiza LLC are provided in full conformity with license terms and are based solely on regulations of the Russian Federation including the existing Federal Standards of Audits.

The audit of the quality of our audit services and documents (July 2003) by a Quality Inspector from the Institute of Professional Auditors of Russia was conducted in accordance with the Standard Program of auditing for compliance with license terms and conditions and for the quality of audit services provided by organizations (Approved by Russian Ministry of Finance on 17.05.03). The audit showed that operations of Rosexpertiza are in conformity with the provisions of the Federal Law *On Audit Operations* and with other standards that regulate audit sector in Russia.

The quality of the Company's audit services is certified with Audit Services Quality Certificate No. 31 dated 23.10.03.

In addition, the quality of services provided by Rosexpertiza's specialists was tested many times by international entities such as the Moores Rowland International Association and the World Bank.

Upon the expiry of the aforementioned Audit Services Quality Certificate the following services quality audit was held by accredited professional association of auditors in October 2006 featuring performance by experts from the Institute of Professional Accountants (IPA) of Russia. These specialists highly regarded the quality of audit services provided by Rosexpertiza's specialists.

A Statement On the Auditing Services Quality and Professional Ethics No. A4-2/2006 dated 15.11.06 was issued to the Company following the audit.

5. Human resources

As at the beginning of 2007, the number of employees in Rosexpertiza exceeds 500. All of them have vast practical experience in different sectors of the economy, working for leading international and local auditing companies, major industrial enterprises and banks.

As of now, the Company has 327 employees, of which 122 are certified auditors. The average age of the personnel is 30 years.

The Company's management permanently focuses on professional development of its staff. The current Comprehensive Training Plan combined with individually tailored employee training includes all essential subjects and spheres of training for auditors and consultants.

The level of employee qualification is assessed during annual evaluation, traditionally conducted in summer, and intended for the analysis of employees' professional achievements and for making adequate decisions to motivate their efficiency and further professional growth.

6. Business experience

The Company has comprehensive experience of providing auditing and related services to Russian major groups of companies representing the key sectors of the Russian economy. The list of our customers includes:

Fuel & Energy

- Surgutneftegaz (1995-2006);
- Norilskgazprom (1998-2006);
- Siberian Coal Power Company (2001-2004);
- Zarubezhneft (1999-2003, 2005-2006);
- Yuzhkuzbassugol (2003-2004) and others;

Metallurgy

- MMC Norilsk Nickel (1997-2006);
- Kuznetsk Ferroalloys (1999-2002);
- EurasHolding (2003-2006);
- Lenzoloto (2002-2006);
- CJSC Poluys Gold mining Company (2002-2006) and others;

Electric power

- Vladimirenergo (2005);
- Ivenergo (2005);
- Dalenergo (2005-2006);

- Kirishskaya GRES (2004-2006);
- Mosenergo (2004-2006) and others;

Atomic energy and nuclear fuel sector

- Rosenergoatom, including six nuclear power plants (2000-2002);
- Electrochemical Plant, Zelenogorsk (1999-2006);
- Ural Electrochemical Plant, Novouralsk (1999-2006);
- Mining Chemical Plant, Zheleznogorsk (1999-2006);
- Angarsk Electrolysis Chemical Plant (2000-2006) and others;

Machine manufacturers

- Northern Dockyard Shipbuilding Plant (2002-2006);
- Power Machines (1998-2006);
- Korolev RKK Energiya (1999-2006);
- Machine-Building NPO (1999-2006);
- Sevmash (2005);

Electronics and instrument engineering

- Kaluga Research Institute for Telemechanical Equipment (2000-2006);
- Kaluga Electromechanical Plant (1999-2006);
- Elektrokhimpribor Plant (1999-2006);
- Electromechanics NPO (2003-2004);
- Topaz Plant (2003-2006) and others;

Transport and communications

- SG-trans (2002-2006);
- North-West Shipping Company (2001-2006)
- North-West Fleet (2001-2006)
- Post of Russia (2003-2006);
- Vimpelkom (2003-2006);

Other sectors

- Rosspirtprom (2004-2006);
- Rosgosstrakh (2002-2006);
- Roskhleboprodukt (1999-2006);
- Eurocement Group (2004-2006);
- RFBR (1998-2006);
- Rosprom (2004-2006) and others.

Expert-200 rating lists twenty-nine customers of Rosexpertiza among 200 major Russian companies with total book value of assets reaching USD 88 billion.

Six out of 20 Russian companies listed in Forbes Global 2000 are customers of Rosexpertiza.