

## Brief Information on Rosexpertiza LLC

### 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	<a href="http://www.rosexpertiza.ru">www.rosexpertiza.ru</a>
Head office	127055, Moscow, Tikhvinsky per. 7, bldg. 3 Phone (495) 721-38-83, fax (495) 721-38-94
Major branches	Saint Petersburg, Rostov-on-Don, Krasnoyarsk

### 2. Audit License

**Audit License No. E 000977 issued on June 25, 2002 by the Russian Finance Ministry for the five-year term and extended on June 25, 2007 for the next five year term (Order of the Finance Ministry of 22.06.2007 No. 436).**

### 3. Additional Information

#### 3.1 Key spheres of business

Rosexpertiza provides a full range of auditing, accounting, legal, tax, financial-analytical and other related 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
- Fund-raising
- 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.

### **3.2. 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.

**This year the Company will celebrate 15-year anniversary of its performance on the market of audit and consulting services.**

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

- Audit activities

License No. E 000977 issued on June 25, 2002 by the Russian Finance Ministry for the five-year term and extended on June 25, 2007 for the next five year term (Order of the Finance Ministry of 22.06.2007 No. 436).

- Work with information classified as state secret
- License issued by the Federal Security Service (Moscow and Moscow Area Office) No. ГТ 0002798 on 25.03.2008, valid to 10.01.2013.

### **3.3 Reputation and membership in professional associations**

Rosexpertiza is Russia's only auditing institution ranked among the top 100 highly reputed companies characterized by public and economic stability (Expert-100 Reputation Rating) three 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 (MRI), and in April of 2007 it became member of a new international alliance Praxity AISBL formed by MRI merger with Mazars.

*PRAXITY is an international alliance of accounting, audit and consulting company organized as a non-profit entity under Belgium law. PRAXITY currently unites over 23 thousand experts from 135 firms and 69 countries of Europe, Asia, Africa, Latin America, USA and Canada, along with Russia. With its aggregate turnover of USD 2.9 bln (in 2007), PRAXITY occupies top lines in the ratings of international audit organizations.*

Membership in the international network in no way impairs Rosexpertiza's legal and professional independence but allows extending the range of services and providing new opportunities for the personnel professional development and access to the potential of highly reputed international partners.

Almost all Russian audit firms rated among top twenty in the domestic ratings, are members of international professional associations.

### **3.4 Independent quality control**

Rosexpertiza LLC auditing activity is being carried out in full compliance with license requirements and is based solely on the Russian legal acts and regulations including federal rules (standards) on auditing.

Rosexpertiza documentation and audit practices were checked in July of 2003 by the quality control inspector of the Russian Institute of professional auditors for their compliance with licence requirements and conditions. The inspection was carried out in accordance with the Standard Program approved by the Russian Finance Ministry on 17.05.03. Its results confirmed that Rosexpertiza operation was conform to the provisions of the Federal Law "On auditing activities" and other acts regulating auditor performance in Russia.

The Company was awarded with Audit Service Quality Certificate No. 31 of 23.10.03.

Besides, the quality of work being performed by Rosexpertiza specialists is checked on a regular basis by such international organizations as Moores Rowland International, Praxity, and the World Bank.

Since the validity of the aforementioned Quality Certificate has expired, the Company initiated a new quality audit, which was carried out in October 2006 by the specialists of the Russian Institute of Professional Accountants (RIPA). The quality of audit services being rendered by Rosexpertiza was highly appreciated by these experts, who issued The Report on Quality and Professional Ethics Compliance No. A4-2/2006 dtd 15.11.2006.

Next year a new inspection was conducted by the RIPA specialists, and the Company obtained Audit Services Quality Certificate No. 150 of 07.11.2007.

### 3.5 Ratings

The Company occupies leading positions in the industry ratings: in 2007 Rosexpertiza was the third in terms of total revenues from audit services and the first in terms of revenues from general audit services.

The Company also participates in the Russian Audit and Consulting Project of the Expert Rating Agency. In 2006, when the Project's 10-year anniversary was celebrated, the Company was awarded Diploma of Honour and a winner medal in the nomination "Leader of the Russian Market of Audit and Consulting".

On March 26, 2007 the Expert RA issued a Certificate confirming that based on 2006 results Rosexpertiza entered the list of the largest Russian audit and consulting companies.

Using the data from Kommersant-Money the following table was compiled to demonstrate demand for Rosexpertiza services from the part of major Russian companies.

Company	Clients from the list of top 300		Clients' capitalization as of 29.06.07	
	Number	Place	USD mln	Place
PricewaterhouseCoopers Audit	35	1	502 050,2	1
Earnst and Young	24	2	186 719,8	2
BDO Unicon	20	3	34 474,5	6
Auditinform	17	4	7 878,4	9
KPMG	16	5	100 193,7	4
<b>Rosexpertiza</b>	<b>12</b>	<b>6-7</b>	<b>113 541,8</b>	<b>3</b>
Deloitte and Touche CIS	12	6-7	59 793,8	5
FBC	11	8	14 304,3	7
HLB Vneshaudit	10	9	13 490,9	8

### 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. Among our clients are:

#### Fuel and Energy sector

- Surgutneftegas (1995-2007);
- TNK-BP (2005-2007);
- SUEC (2001-2004);
- Zarubeshneft (1999-2003, 2005-2007);
- Uzhkuzbassugol (2003-2005) etc.

#### Metallurgy

- MMC Norilsk Nickel (1997-2007);
- Krasnoyarsk Non-ferrous Metal Plant (2002-2007);
- Mechel(2006-2007);
- OJSC Polyus Gold (2005-2007), etc

#### Power sector

- Vladimirenergo (2005)
- Ivenergo (2005)
- Dalenergo (2005-2007)
- Kirishskaya GRES (2004-2006)
- Mosenergo (2004-2006), etc.

#### Nuclear power 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), etc.

#### Machine manufacturers

- Northern Dockyard Shipbuilding Plant (2000-2007);
- Power Machines (1998-2007);
- Korolev RKK Energiya (1999-2005);
- Machine-Building NPO (1999-2005);
- Sevmash (2005), etc.

#### Electronics and instrument making industry

- Kaluga Research Institute for Telemechanical Equipment (2000-2007);
- Kaluga Electromechanical Plant (1999-2007);
- Russian Electronics HC (2004-2005);
- Electromechanics NPO (2003-2004);
- Topaz Plant (2003-2004), etc

#### Transport

- CG-Trans (2002-2006)
- North-West Shipping Company (2001-2007)
- Sovtransavto (2000-2006)
- Rostov-na-Donu Airport (2001-2007)
- UTAir (2004-2007)

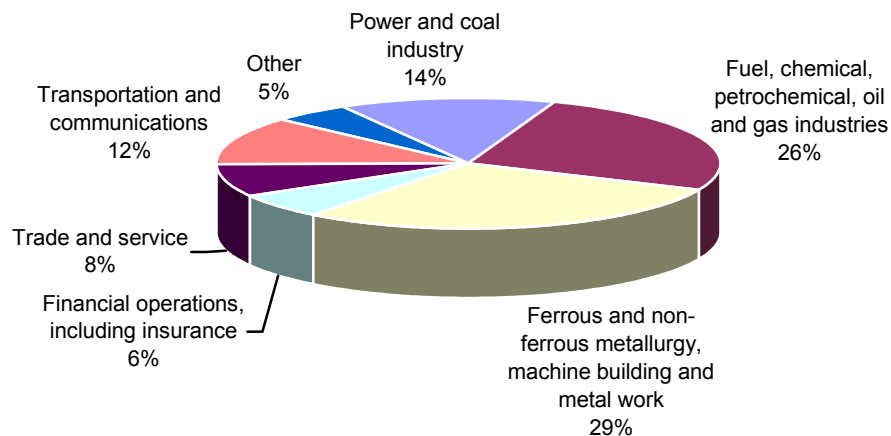
#### Telecommunications

- Russian Post (2003-2007)
- Vimpelcom (2003-2007)
- Sinterra (2004-2007)
- SkyLink (2005-2007)
- RTComm.ru (2004-2007), etc.

#### Other industries

- ZAO ALROSA (2006-2007);
- VO Technopromexport (1998-2005, 2007);
- Rosspirtprom (2004-2006);
- Rosgosstrakh (2002-2007);
- Roskhleboproduct (1999-2007);
- Eurocement (19 companies) (2004-2007)
- State Registration Company of the RF (2006-2007)
- Finance Academy of the Russian Government (2006-2007)
- RFFI (1998-2007), etc.

Below is a diagram showing the distribution of Rosexpertiza (MRI) incomes by its clients from different industrial groups.



To four out of 20 Russian companies included in the Forbes Global 2000 list Resexpertiza' provides audit services, and to other three – other services.