



russ·invest
investment
company

annual report

2008

Dear Shareholders,

Last year was one of the most difficult during the past decade for the global economy and the financial sector. The Russian stock market lost almost three quarters of its capitalisation, having become one of the leaders in terms of rate of decline. The economic problems were aggravated by the crisis in the Russian banking system and mass non-payments in the real sector of the economy. In such a difficult period, our company managed to preserve its positions on the market and the reserves accumulated during the previous years enable us to face the future with optimism. From 1999 through 2008, the average annual growth rate of the asset value of OJSC «IC RUSS-INVEST» amounted to 25.57%. In addition, the Company maintains its leading position among Russian investment companies. For seven consecutive years OJSC «IC RUSS-INVEST» has been a top four Russian investment company in terms of equity capital. From 1999 through 2008, the average annual growth rate of OJSC «IC RUSS-INVEST» equity capital amounted to 23.21%.

The company has sufficient free capital to implement long-term investment projects in spite of the instability on the world financial markets. The capital accumulated during previous years allows us to maintain the Company's stability and take advantage of emerging investment opportunities.

The Company's management bases its activities on an optimal combination of risk, liquidity and profitability of its business operations. In order to ensure balanced development of the Company, steps are being taken to diversify business. In particular, last year the Company entered the security market of the European Union. In recent years, the Company has been successfully developing mutual investment funds, increasing the volumes of client operations and actively working in the sphere of corporate finance and advisory services.

The Board of Directors of OJSC «IC RUSS-INVEST» is grateful to the shareholders for their understanding, trust and support and will do its best to ensure reliable protection of their interests and to increase the value of their shares.



Alexander BYCHKOV
President - General Director



The morning will come

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BACKGROUND

OJSC «IC RUSS-INVEST» was founded on **December 3, 1992**, and was initially registered as a voucher investment fund. On **January 29, 1993**, the Ministry for State Property of the Russian Federation issued licence No. 58 to operate on the securities market as an investment fund. The licence was subsequently renewed on **May 10, 1995**, and **March 15, 1996**. Securities brochures were registered by the Ministry for State Property of the Russian Federation on **February 1** and **September 1, 1993**.

Owing to new legal acts regulating the activities of joint stock companies and investment funds, as well as the securities market in Russia, OJSC «Voucher Investment Fund RUSS-INVEST» was reorganised into OJSC «IC RUSS-INVEST». On **December 30, 1999**, the Federal Commission for Securities and Exchanges (FCSE) issued a three-year broker's and dealer's licence No. 000-02275-110000 of a professional participant on the securities market. In **December 2002**, the Company obtained a broker's and dealer's licence for an indefinite term and a depository licence for a term of three years. In **March 2004**, the FCSE authorised the Company to act as a financial consultant. In **December 2005**, the Company obtained a depository licence for an unlimited term, as well as a securities management licence for a term of three years. In **November 2006**, the Company obtained an exchange intermediary licence to perform trade futures and option transactions in exchange trade.

On **November 8, 2006**, the Federal Financial Market Service issued OJSC «IC RUSS-INVEST» a licence of an Exchange intermediary performing trade futures and option transactions in exchange trade (licence No. 906, valid until November 8, 2009).

In **1999**, OJSC «IC RUSS-INVEST» joined the National Association of Stock Market Participants (NAUFOR) and later (in **2001**), the Company became a member of the Stock Market Section of the Moscow Interbank Currency Exchange (MICEX) and a member of the RTS (in **2002**) in the regime of trade. The Company is currently a member of CJSC «RTS Stock Exchange» and CJSC «MICEX Stock Exchange».

In **2008**, OJSC «IC RUSS-INVEST» occupied the 154th place on the List of the Top-200 biggest companies of Russia in terms of market value (capitalisation). This result is the best so far, the Company having improved its rating in comparison with the previous year by 19 points. This market survey is carried out annually within the scope of the “Expert – 400. The Biggest Ones” rating of the biggest Russian companies, which is prepared by the “Expert RA” rating agency in conjunction with one of Russia’s most reputable business weeklies – *The Expert* magazine. The “Expert – 400. The Biggest Ones” rating is currently the most representative list of leading Russian companies. It shows the results for companies in all industries. Since its inception, the rating has been recognised both in Russia and beyond its borders and is widely cited by Russian and foreign media.

According to the rating “Biggest Investment Companies (on the basis of the results of the first six months of 2008)”, which was published in the October issue of *The Kommersant. Dengi* magazine, OJSC «IC RUSS-INVEST» was listed third with respect to the size of its equity capital, with only IG Capital and GC Otkrytie surpassing it. *The Kommersant. Dengi* rating is a long-standing one, published twice a year. In addition, the Company became the leader among the most public Russian companies. The number of shareholders in the Company, according to the results for the first six months of 2008, exceeded 2.24 million. *The Kommersant. Dengi* rating includes companies from various branches of the economy: the oil and gas industry, power industry, telecommunications, machine building, non-ferrous and ferrous metallurgy, finance, etc.

The Company took the second place in the 11th Annual contest of annual reports organised by OJSC «RTS Stock Exchange» in the category “Best

Information Disclosure in an Annual Report by Companies with Capitalisation of up to 10 billion roubles). 128 representatives of various Russian industries participated in the contest: oil and gas industry, power industry, metallurgy, banking, as well as telecommunications, investment, mining, car manufacturing and construction companies. The competent jury was made up of representatives of state authorities, professional communities and participants on the securities market.

Highly-profitable and controlled-risk operations with securities on the futures market enabled OJSC «Investment Company IC RUSS-INVEST» to expand the range of services offered and maintain its place among the leaders on the Russian investment market.

OJSC «IC RUSS-INVEST» has the status of a listing agent in the innovative and growing companies sector on the «MICEX Stock Exchange» and of an authorised financial consultant in OJSC «RTS Stock Exchange».



BOARD OF DIRECTORS OF OJSC «IC RUSS-INVEST»



The Chairman of the Board of Directors is Georgiy SUMIN

(born 1961, graduated from Moscow State University of Economics, Statistics and Informatics (MESI), currently Executive Director of CJSC «PRC»).

Ownership interest in the authorised capital of the Company: 0.001%.



The Vice-Chairman of the Board of Directors is Aleksander ARUTYUNYAN

(born 1959, graduated from Lomonosov Moscow State University (MSU), Candidate of Science (Economics) and MBA (Oriental College, USA), currently Senior Vice-President – Deputy General Director, Head of the Stock Market Department of OJSC «IC RUSS-INVEST»).

Ownership interest in the authorised capital of the Company: 0.0102%.

MEMBERS OF THE BOARD OF DIRECTORS:



Anatoliy POROKHOVSKIY

(born 1943, graduated from Lomonosov Moscow State University (MSU), D. Sc. (Economics), currently Head of the Political Economy Department of the Economics Faculty of Moscow State University).

Ownership interest in the authorised capital of the Company: 0.000007%.



Alexander BYCHKOV

(born 1961, graduated from Lomonosov Moscow State University (MSU), D.Sc. (Economics) and MBA University of Chicago School of Business, USA, currently President - General Director of OJSC «IC RUSS-INVEST»).

Ownership interest in the authorised capital of the Company: 0.1792%.

Elena BABKO

(born 1955, graduated from the All-Union Correspondence Polytechnic Institute, currently Head of Group for work with shareholders of CJSC «PRC»).

Ownership interest in the authorised capital of the Company: 0.00025%.



Lubov GONCHARENKO

(born 1957, graduated from Moscow Financial Institute, currently Professor, Candidate of Science, Head of the “Taxes and Taxation” Department of the Financial Academy under the Government of the Russian Federation).

Ownership interest in the authorised capital of the Company: 0.000015%.



Lidia KAPRANOVA

(born 1953, graduated from Moscow State Law Academy, currently a Moscow City Bar Association attorney).

Ownership interest in the authorised capital of the Company: 0.0022%.



Svetlana TEPLYASHINA

(born 1971, graduated from Moscow State University of Civil engineering (MGSU) and the Financial Academy under the Government of the Russian Federation, currently Senior Vice-President and Deputy General Director, Head of the Back-Office of OJSC «IC RUSS-INVEST»).

Ownership interest in the authorised capital of the Company: 0.0115%.



Tatyana TIPUNINA

(born 1947, graduated from Moscow Aviation Institute, currently Deputy General Director of OJSC «Berezka v Luzhnikah»).

Does not hold any shares in OJSC «IC RUSS-INVEST».





PRESIDENT – GENERAL DIRECTOR OF OJSC «IC RUSS-INVEST»



Alexander BYCHKOV

(born 1961, graduated from Lomonosov Moscow State University (MSU), D.Sc. (Economics) and MBA, University of Chicago School of Business, USA), currently President - General Director of OJSC «IC RUSS-INVEST»).

Ownership interest in the authorised capital of the Company: 0.1792%.

MANAGEMENT BOARD OF OJSC «IC RUSS-INVEST»

Alexander BYCHKOV

(brief information is given in the section “President – General Director”).

Alexander ARUTYUNYAN

(brief information is given in the section “Board of Directors”).



Vladimir ALENICHEV

(born 1973, graduated from Lenin Moscow Pedagogical State University and the Graduate School for International Business of the Academy of the National Economy under the Government of the Russian Federation, MBA (corporate finance), currently Vice-President and Deputy General Director for Corporate Finance of OJSC «IC RUSS-INVEST»).

Does not hold any shares in OJSC «IC RUSS-INVEST».

The remuneration paid to members of management bodies of the Company in 2008 totalled 6,618.27 thousand roubles.

AUDITING COMMITTEE OF OJSC «IC RUSS-INVEST»

Galina TROFIMOVA, Chairperson of the Auditing Committee

(born 1954, graduated from Lomonosov Moscow State University (MSU), currently Professor in the Social Science Department of the Juridical Institute of Moscow State Railway Engineering University (MIIT)).

Nadezhda VISHNEVSKAYA– Member of the Auditing Committee

(born 1965, graduated from State Management Institute, currently Chief Accountant of Procter & Gamble Distribution Company Ltd, Candidate of Science (Economics)).

Elena SHAIKINA - Member of the Auditing Committee

(born 1962, graduated from Moscow Timiryazev Agricultural Academy, Candidate of Science (Economics), currently is Assistant Professor in the Statistics Department of the Russian State Timiryazev Agricultural University).

AUDITORS OF OJSC «IC RUSS-INVEST»

CJSC «KPMG»

holds auditing licence No. E003330, dated January 17, 2003, issued by the Finance Ministry of the Russian Federation for a term of ten years.

Address: 11 Gogolevskiy Boulevard, 119019, Moscow,

Tel.: +7 495 937 4477.

Baker Tilly RUSAUDIT Ltd

holds auditing licence No. E006075, dated June 24, 2004, issued by the Finance Ministry of the Russian Federation for a term of five years.

Address: 95 Prospekt Mira, 129085, Moscow,

Tel.: +7 495 788 0906, +7 495 217 2329.

REGISTRAR OF OJSC «IC RUSS-INVEST»

CJSC «PRC»

register maintenance licence No. 10-000-1-00293, dated January 13, 2004, issued by the Federal Service for the Financial Markets for an unlimited term.

Postal address and reception of shareholders: 28B Balaklavskiy Prospekt, 117452, Moscow.

Tel.: +7 495 318 1434. Fax: +7 495 318 1434.

SHAREHOLDERS IN OJSC «IC RUSS-INVEST»

As of January 1, 2009, the Shareholders' Register of shareholders of OJSC «IC RUSS-INVEST» included 2,244,018 shareholders, 157 of them being legal entities.

Their ownership interest in the authorised capital of the Company amounted to 60.21%.

BOARD OF DIRECTORS ACTIVITIES

The Board of Directors of OJSC «IC RUSS-INVEST» focuses particularly on the Company's long-term development. During the reporting period, owing to the onset of the global economic crisis, the Board of Directors considered in detail the fulfilment of OJSC «IC RUSS-INVEST» strategic plan for 2008-2010 several times and concluded that this plan required adjustment in consideration of current trends. Special attention was paid to the tasks involved in the Company's business development.

The Committees of the Board of Directors render direct assistance to the Board of Directors and the Management Board of the Company in determining the development strategy and resolving specific problems. There are currently five committees of the Board of Directors, for Finance and Auditing, Personnel and Remuneration, Strategic Planning, Risk Management and Ethics.

For the purpose of exercising control over the Company's activities, the Board of Directors regularly heard reports from chairpersons of Board of Directors committees, the President – General Director and heads of structural subdivisions of the Company. One of the main functions of the Board of Directors is to approve the financial and business plan and the budget of the Company for the next business year.

It should be noted that, as of the end of the reporting year, all decisions of the General Meeting and the Board of Directors had been fulfilled. In accordance with a resolution of the General Meeting of Shareholders, in 2008 the Company started paying dividends for 2007.





COMPANY DEVELOPMENT STRATEGY

Objective: TURNING THE COMPANY INTO A COMPACT, HIGHLY EFFICIENT, DIVERSIFIED INTERNATIONAL INVESTMENT GROUP COMBINING EFFICIENT ASSET MANAGEMENT WITH PROVISION OF A WIDE RANGE OF FINANCIAL SERVICES ON THE BASIS OF AN EXTENSIVE BRANCH NETWORK.

At the end of 2007, the Board of Directors of OJSC «IC RUSS-INVEST» approved a new strategic plan for 2008-2010 for turning the Company into a compact, highly efficient, diversified international investment group combining efficient asset management with provision of a wide range of financial services on the basis of an extensive branch network.

To this end, over the next three years, the Company is to fulfil the following tasks:

- ◆ Maintain high economic value of the company through equity capital management.
- ◆ Attain higher equity capital growth rates than those of competitors.
- ◆ Cooperate actively with international and domestic rating agencies in order to maintain and raise the current credit and the corporate governance ratings.
- ◆ Actively expand the client base, focusing on attracting corporate clients.
- ◆ Develop new spheres of business.

The most appropriate strategy for fulfilling the set tasks is one of intensive growth of OJSC «IC RUSS-INVEST» by combining establishment of an international financial holding, business and income source diversification by both type of business activity and region.

At the same time, the Company needs to attain and maintain competitive advantages. These include, first, leadership in cost terms. So far, Company costs have been quite low compared to those of other leading Russian investment companies of Russia and this level must be maintained. This is an absolutely correct approach considering the current economic crisis. Second, the range of invest-

ment services provided must be diversified and the Company must focus on the services it can provide of the highest quality at the least cost. Third, the Company is to create a consolidated team consisting of highly professional specialists loyal to the Company, sharing the Company's corporate culture able to fulfil the set tasks in a creative manner.

The crisis on the stock market and the dramatic changes in the economic situation in Russia have prompted the Board of Directors of OJSC «IC RUSS-INVEST» to entrust the Strategic Planning Committee with analysing the current situation and the results of the Company's 2008 financial and business activities and making appropriate adjustments to the existing strategic plan.

Tasks:

MAINTAIN HIGH ECONOMIC VALUE

OF THE COMPANY THROUGH EQUITY CAPITAL MANAGEMENT.

ATTAIN HIGHER EQUITY CAPITAL GROWTH

RATES THAN THOSE OF COMPETITORS.

COOPERATE ACTIVELY WITH INTERNATIONAL AND

DOMESTIC RATING AGENCIES IN ORDER TO MAINTAIN AND RAISE THE CURRENT CREDIT AND THE CORPORATE GOVERNANCE RATINGS.

ACTIVELY EXPAND THE CLIENT BASE,

FOCUSING ON ATTRACTING CORPORATE CLIENTS.

DEVELOP NEW SPHERES OF BUSINESS.




The rain will cease

RUSSIAN CAPITAL MARKETS IN 2008 AND THE COMPANY'S INVESTMENT STRATEGY

BOND MARKET

For the Russian debt securities market (as for the Russian market as a whole), 2008 can be divided into two periods: that of substantial growth during the first six months, when the indices reached their historical maxima, oil prices approached 150 dollars a barrel; and that of quotation collapse during the second half of the year, when non-residents withdrew from the Russian market and the overall demand for securities dropped. During the first six months, against a background of obvious problems in the US economy and an overall slowdown in economic growth rates in the developed countries the developing countries played the lead role in world GDP growth. Yet the situation changed dramatically in the summer.

The first signs of a deterioration on the domestic debt market emerged in the summer: the trend towards yield enhancement (in particular, the big Russian Railways offer much higher than the yield curve at the time), expansion of spreads and the armed conflict in Ossetia, which entailed a mass withdrawal of assets from the Russian market by non-residents. Even so, at the very beginning of autumn this negligibly prevalent negative mood blew up into a genuine tsunami after the news broke of the biggest US banks going bankrupt. Fears of the crisis and its potential consequences developing further entailed a literal collapse of the prices of various assets all over the world. The daily yield growth of rouble bonds (owing to a rapid drop in quotes) could be measured by percent and not base points, as is usually the case. A yield growth of 3-5 percentage points in a single day on individual issues became quite



FOR THE RUSSIAN DEBT SECURITIES MARKET, 2008 CAN BE DIVIDED INTO TWO PERIODS: THAT OF SUBSTANTIAL GROWTH DURING THE FIRST SIX MONTHS, AND THAT OF QUOTATION COLLAPSE DURING THE SECOND HALF OF THE YEAR, WHEN NON-RESIDENTS WITHDREW FROM THE RUSSIAN MARKET AND THE OVERALL DEMAND FOR SECURITIES DROPPED.



ONE OF THE MOST IMPORTANT CONSEQUENCES OF THE DROP IN QUOTATIONS AND THE CREDIBILITY GAP WAS THE TOTAL CLOSURE OF THE PRIMARY MARKET FOR VIRTUALLY ALL ISSUERS, WITH THE EXCEPTION OF A VERY FEW THAT MANAGED TO AGREE DIRECTLY WITH ORGANISERS ABOUT RAISING ASSETS AND THEN MAKE AN OFF-THE-MARKET TECHNICAL PLACEMENT.

common. The return on the Russian sovereign issue maturing in 2030 reached about 15% per annum, and the spread to yield of ten-year US treasury bonds reached almost 1000 base points, i.e., the same level as in the early 2000s. The quotes of Russian Eurobonds and sovereign securities of other developing countries demonstrated similar dynamics. The drop in the quotes of Russian Eurobonds was so significant that they were hardly affected at all by the reduced Standard&Poor's sovereign rating for Russia from BBB+ to BBB. It may be assumed that, at the time, the quotes included a further decrease in the sovereign rating by several levels. One of the most important consequences of the drop in quotes and the credibility gap was the total closure of the primary market for virtually all issuers, with the exception of a very few that managed to agree directly with organisers about raising assets and then make an off-the-market technical placement.

Besides everything else, the continuing fall in oil prices exerted strong pressure on loan prices in roubles; quotes of Russian grade Urals oil nearly reached \$32 in December (the historical maximum having been \$142.94 six months before). Such a sharp drop in oil prices meant a substantial decline in budget revenues and, accordingly, the volumes of potential government aid to banks and companies. Moreover, the weakening of the national currency associated with the falling oil prices reduces the attractiveness of rouble bonds for foreign investors. Thus, the mass withdrawal of foreign capital from the Russian debt market was caused by a substantial revaluation of risks, a desire to seek out a safe haven and an opportunity to wait out the storm quotation collapse (in US dollars, Yens, American treasury bonds) and anticipation of a further weakening of the rouble.

According to the annual results, the IFX-Cbonds index (one of the main rouble bond market indicators) amounted to 201.87 points (217.78 at the beginning of the year). This appears an insignificant decline compared to that in Russian share indices but it is more than substantial for the far less volatile debt market.

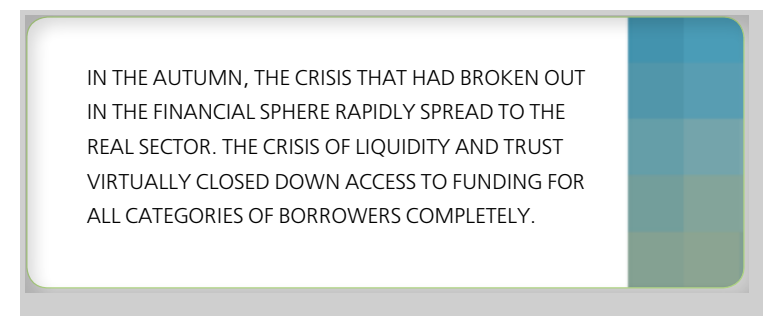
In the autumn, the crisis that had broken out in the financial sphere rapidly spread to the real sector. The crisis of liquidity and trust virtually closed down access to funding for all categories of borrowers. Yet, while first and second credit tier companies enjoyed certain government support in debt refunding, third tier borrowers were not able to obtain additional funding even from

strategic banks. Hence an endless succession of defaults of third tier issuers became a new characteristic feature of the Russian bond market. As of the end of the year, public defaults were worth about 25 billion dollars, resulting in failure to discharged obligations on security markets (though defaults were only extensive on the rouble bond market). The quantity of securities in a state of real default was about 25 billion roubles according to the results for the year. Defaults of companies engaged in servicing debenture loans were often connected not only with loan repayment on maturity or with non-performance of an offer, but also with coupon yield payment.

Accordingly, during 2009, third tier issuers in general might vanish from the bond market, since most issues by such issuers include an annual offer and, accordingly, should be repurchased within 12 months. In fact, offers remain the only means for selling non-liquid third tier bonds, so the total volume of an issue, irrespective of the set coupon rate, is offered virtually to all issuers. Another factor encouraging investors to offer bonds is the continuing deterioration in the credit quality of borrowers.

In addition, issuers' attitudes to discharge of their obligations given financial difficulties impact on the decision to offer the maximum number of bonds. Maintenance of a company's reputation, which had restrained defaults on the market in previous years, was not longer a factor of any significance. Given the large number of defaults, it is not longer so disastrous for an issuer to default as when corporate defaults did not occur at all. Thus, in order to prevent issuers from abusing their position, special provisions should be added to issue conditions prohibiting issuers from taking certain actions (changing the shareholding structure, taking on new debts) and including obligations that prevent certain financial rates from being exceeded. Such practice is common on the world market, including with respect to Russian Eurobonds.

Timely and efficient actions on the part of the Government and the monetary authorities provided substantial support for the financial market as a whole and the debt obligations market in particular. The Central Bank of the Russian Federation, following Central Banks of developed countries, provided varied and extensive support to the financial sector. Assets were provided to commercial banks in the form of resources placed on deposit, unsecured credits and subordinated loans. Even so, Russian banks (including strategic ones, which were provided with the maximum amount of funds) were in no





THE CENTRAL BANK OF THE RUSSIAN FEDERATION, FOLLOWING CENTRAL BANKS OF DEVELOPED COUNTRIES, PROVIDED VARIED AND EXTENSIVE SUPPORT TO THE FINANCIAL SECTOR. ASSETS WERE PROVIDED TO COMMERCIAL BANKS IN THE FORM OF RESOURCES PLACED ON DEPOSIT, UNSECURED CREDITS AND SUBORDINATED LOANS.

hurry to pass on the resources to the real sector of economy owing to fears concerning the future development of the economy and the credit efficiency of manufacturing enterprises. At the beginning of the acute stage of the crisis, for instance, the main task facing the financial authorities was to ensure liquidity and stabilise the banking system, while toward the end of the year, the focus shifted to helping assets reach the real sector. Thanks to anti-crisis measures in corporate and banking sectors and to support of the national currency, the gold and foreign currency reserves of the Russian Federation amounted to about 455 billion US dollars as of the end of the year (a drop of over 140 billion US dollars since August).

In conclusion, it should be noted that the mass sale of bonds by some investors (non-residents and medium-sized banks) to maintain their own liquidity has probably come to an end, as is confirmed by the relatively quiet bond market lasting recent months, in spite of strong fluctuations on the stock market and continuingly unfavourable forecasts for the world economy. Thus, 2009 may be a year of unique investment opportunities that might not be repeated for many years to come. Even so, discretion must not be forgotten given the current conditions.

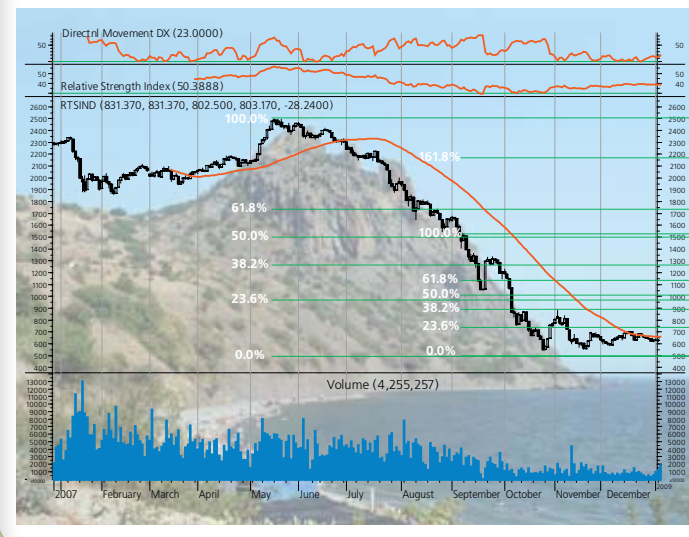
STOCK MARKET

Last year was a difficult one for investors. Russian stock indices declined substantially for the first time in a decade. Russian companies lost more in value than their competitors from the other BRIC countries (Brazil, India and China). For instance, over the year, the RTS index dropped by 72% from its peak figures, while the decline in regional MSCI indices for Asia and Latin America did not exceed 52%. In spite of the negative dynamics of the Russian market, Russian companies are listed at a discount with respect to basic market indices as compared to assets in the other BRIC countries. The average price/earnings index for Russian companies included in the RTS index fell to 4.7, compared to 11.5 for China, 11.4 for India and 6.8 for Brazil. The average capitalisation/equity capital index of Russian companies is 1.1, against 1.7 for China and India and 1.3 for Brazil. By the way, in spite of the rally, Russian banks are still listed well below their equity capital. For example, VTB is listed at 0.5 of its capital value, the respective figure for Sberbank being 0.7. The current spreads of sovereign credit default swaps (CDS) indicating issuers' default risk, show how the risk of investment in Russian securities is inflated by foreign investors: 5-year CDS were listed at the end of 2008 at over 700 points against 400 points for Brazil, 500 points for Turkey and 550 points for Hungary.

The caution demonstrated by investors might be explained by the risk of a further decline in the Russian economy, which has been dropping faster than the developed countries and, judging from the results for the first quarter of 2009, has not yet bottomed out. Though industrial production in Russia fell more slowly in February 2009: by 13.2% against 16% in January, the drop is still faster than those of the developed countries, let alone China. The rouble devaluation, against a background of rising unemployment, is exacerbating the fall in consumer demand, which will be felt particularly sharply from the second quarter of 2009.

The most substantial risks are connected with the drop of prices on the primary markets as a result of intensification of the global economic recession. Under these conditions, the shortage of sources for funding investment in fixed capital, where the obsolescence and wear and tear have reached a critical level, will become particularly acute. State reserves will cover the constantly growing state budget deficit and corporations will implement a policy of cost-saving

FIGURE 1. DYNAMICS OF THE RTS INDEX IN 2008.



Source: RTS



YET THE RUSSIAN ECONOMY HAS GOOD OPPORTUNITIES FOR OVERCOMING THE CRISIS PHENOMENA. THE DEVALUATION OF THE ROUBLE BY 40% BY JUNE 2008 ENHANCES THE INFLUENCE OF IMPORT SUBSTITUTION AS THE FACTOR SUPPORTING DOMESTIC PRODUCTION. MEASURES TO SUPPORT THE BANKING SYSTEM HAVE STABILISED THE SITUATION ON THE CREDIT MARKET, WHICH SHOULD NORMALISE THE SITUATION WITH RESPECT TO WORKING CAPITAL FINANCING IN THE ECONOMY.

and scale down investment programmes. The shortage of funds will slow down development of the infrastructure as well.

Yet the Russian economy has good opportunities for overcoming the crisis phenomena. The devaluation of the rouble by 40% by June 2008 enhances the influence of import substitution as the factor supporting domestic production. Measures to support the banking system have stabilised the situation on the credit market, which should normalise the situation with respect to financing of working in the economy. Expectations of a further devaluation of the rouble have weakened against the background of oil price stabilisation on the world market and pursuit by the Bank of Russia of a tough credit and monetary policy. NDF rates are only a third to a quarter of those in November 2008. The rouble stabilisation should encourage an increase in investment in the real sector. In spite of high growth rates in recent years, the indebtedness of Russian companies and banks is at an acceptable level. The currency expansion by the US Administration is whetting the appetite for risk on financial markets and is capable of fuelling a capital inflow on to developing markets.

Even so, the current exaggeration of Russian risks by foreign investors results in Russian companies being among the cheapest assets in the world in terms of market indices. For instance, the cost of a barrel of oil reserves of Russian oil companies is less than 30% of that of similar companies on developing markets. With respect to ratio of share price to profit, Russian companies are over 30% cheaper than Brazilian companies and over 60% cheaper than Indian and Chinese companies. With respect to the share price/equity capital ratio, Russian companies are 18% cheaper than Brazilian ones, the respective figure for Indian and Chinese companies being 55%.

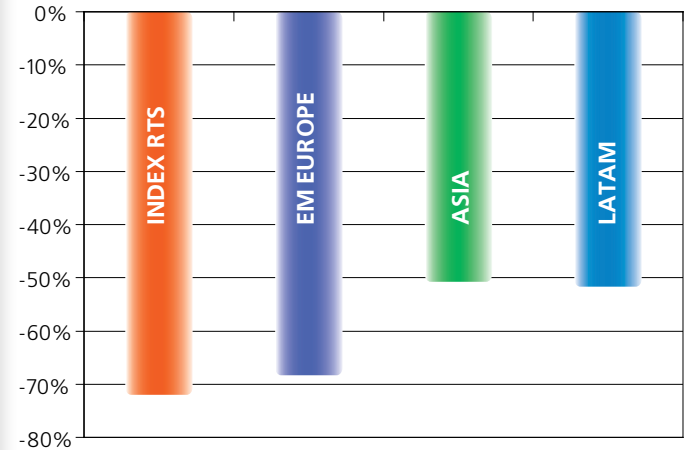
In addition to the undervaluation of Russian companies, the structural aspect should be noted. The main problems remain on the Russian stock market, including the following:

- ◆ Low proportion of institutional investors against a background of dominance by short-term speculators.
- ◆ Low investment commitment by the population.
- ◆ Low proportion of shares in free circulation (about 30%) and a comparatively small number of companies listed on stock exchanges (nearly 80% fewer than in China and over 90% fewer than in India).

- ◆ Low market liquidity (70% of stock turnover accounted for by 3 companies, with the oil and gas sector responsible for over half of the entire market capitalisation).
- ◆ Low corporate governance standards of public companies.

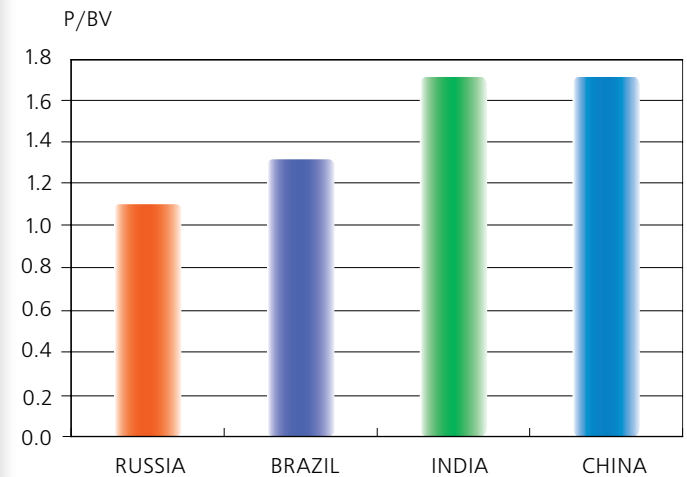
Last year, the focus was on the global economic recession and the crisis on the financial market. Considering the difficult situation, the coming year may be expected to be just as difficult as last year for the Russian market. The situation in the global economy will maintain the stress on investors. Even so, our Company sees reserves for supporting the market through realisation of the growth potential of the power industry, telecommunications sector and the oil and gas industry.

FIGURE 2. DECLINE IN THE RTS INDEX AND REGIONAL MSCI INDICES IN 2008.



Source: Bloomberg

FIGURE 3. PROPORTION OF A SHARE PRICE TO BOOK VALUE OF THE BRIC COUNTRIES.



Source: Bloomberg



The Sun will smile

FINANCIAL AND BUSINESS ACTIVITY IN 2008

THE COMPANY'S POSITION IN THE INDUSTRY

The growth of the Russian financial and investment intermediary industry has outstripped that of other industries for a decade. This institution is represented by licensed investment companies, investment funds, commercial banks, insurance companies and pension funds. The improvement of the macroeconomic situation led to accelerated development of Russia's financial market. In 2008, the quantitative characteristics of the financial intermediary industry deteriorated dramatically as a result of the financial crisis, meaning that the industry's development had already peaked.

High monopolisation of the investment industry remains a characteristic feature. According to the results for the first nine months of 2008, Russia's 20 top investment companies accounted for 90% of the aggregate turnover, 94% of the net income and 68% of the assets of all investment companies in the country.

Under these conditions, the main strategic goal of OJSC «IC RUSS-INVEST» is to preserve and, if possible, increase its market share. According to the National Rating Agency (NRA), as of the end of the third quarter of 2008, OJSC «IC RUSS-INVEST» held 1.2% of the assets and 6.5% of the equity capital of the 100 biggest investment companies in Russia. Table 1 shows OJSC «IC RUSS-INVEST»'s place among other investment companies from 2002 to 2008.

The financial crisis is opening up new opportunities for companies with a sound financial status. The competition for free financial resources and client base expansion has become fiercer in the industry. OJSC «IC RUSS-INVEST» enjoys ad-

TABLE 1. OJSC «IC RUSS-INVEST» PLACE AMONG OTHER INVESTMENT COMPANIES.

Index	2002	2003	2004	2005	2006	2007	2008*
Aggregate turnover	77	67	62	40	53	55	71
Stock exchange turnover	40	35	47	28	44	47	64
Turnover on dealer operations	47	26	20	12	18	23	39
Assets	5	7	7	9	14	20	16
Equity capital	2	3	2	2	2	2	4
Profit	1	3	2	3	3	n/a	n/a.

Source: National Rating Agency
* as of the end of the third quarter of 2008



ONE OF THE COMPANY'S MAIN COMPETITIVE ADVANTAGES IS THE AMOUNT OF ITS EQUITY CAPITAL AND ITS FINANCIAL SOUNDNESS. OJSC «IC RUSS-INVEST» SEEMS RELIABLE AS COMPARED TO OTHER INVESTMENT COMPANIES WITH A WIDER CLIENT BASE.

vantages in its comparatively high level of financial reliability and availability of reserves for growth of the brokerage business.

The positive financial results achieved by OJSC «IC RUSS-INVEST» lasting recent years have been highly appraised by the leading international rating agency Fitch. In 2008, Fitch Ratings confirmed OJSC «IC RUSS-INVEST»'s ratings as follows: a long-term issuer default rating (IDR) – “B”, national long-term rating “BBB-(BBB minus)(rus)” and short-term IDR – “B”. The forecast for the long-term IDR and national long-term rating is “Stable”.

It should be noted that, among Russian non-banking financial institutions, only six companies have been awarded a Fitch rating (Table 2).

One of the Company's main competitive advantages is the amount of its equity capital and its financial soundness. OJSC «IC RUSS-INVEST» seems reliable as compared to other investment companies with a wider client base. In order to maintain its position in the industry, the Company should further develop its business activity, implement advanced technologies and management methods, improve tariffs, develop new investment products and services for its customers.

COMPANY STOCK MARKET OPERATIONS

During the reporting year, the Company operated actively with corporate bonds, shares of Russian issuers, derivatives and other financial instruments. Most operations were carried out on the main Russian stock exchanges, such as MICEX, RTS

TABLE 2. FITCH RATING OF RUSSIAN NON-BANKING FINANCIAL INSTITUTIONS (AS OF THE END OF 2008).

Issuer	Long-term IDR* of issuer default in foreign currency	International rating forecast	Short-term IDR* in foreign currency	National scale rating	National rating forecast
IG Renaissance Capital	BB-	Stable	B	–	–
IC RUSS-INVEST	B	Stable	B	BBB-(rus)	Stable
VKM-Leasing	CC	Negative	C	–	–
VTB-Leasing	BBB+	Stable	F2	–	–

* - IDR – issuer default rating
Source: Fitch Ratings

and OAL Saint Petersburg Stock Exchange. The unfavourable situation on the securities market caused by sharp intensification of global risks and expanding global economic crisis affected the Company's operating results for 2008 (Table 3).

In accordance with its adopted development strategy, the Company strives to maintain the diversified asset structure depicted in Figure 4 in order to minimise market risk. The structure of the share portfolio as of the end of 2008 is shown in Figure 5.

In 2008, in the sphere of brokerage servicing of customers OJSC «IC RUSS-INVEST» provided access to all major Russian trading floors. The main emphasis was made on increasing the number of customers and their turnover and improving client servicing. During 2008, the amount of client assets attracted rose 1.63-fold over 2007 (Figure 6). The Company stressed attracting sub-brokers, servicing legal entities and asset trust management. At the same time, the internal infrastructure of the Company was being improved and its hardware and software systematically renewed.

In 2009, the Company will continue to expand the line of services offered to clients, while focusing on maintaining and expanding its market share.

CORPORATE FINANCING AND FINANCIAL CONSULTING

In 2008, the Company paid significant attention to developing its business in the sphere of corporate financing and consulting in spite of the onset of the global financial crisis. OJSC «IC RUSS-INVEST» took part in ten big bonded loan syndicates together with leading banks and investment companies for IPOs of the securities listed in Table 4.

Owing to the onset of the financial crisis, the Company initiated work, among other things, with problem assets. In particular, OJSC «IC RUSS-INVEST» conducted serious work with some issuers and managed to obtain either early repayment of debts resulting from issuer default or the signing of an amicable settlement with an approved payment schedule for obligations.

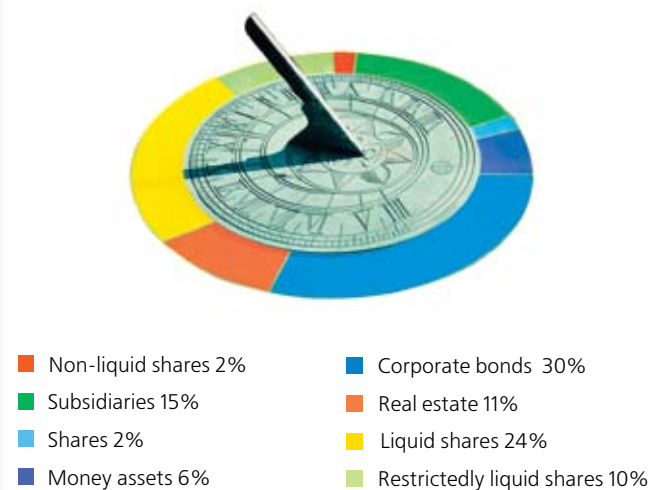
Being a listing agency in the sector of innovative and growing companies on the «MICEX Stock Exchange» and an authorised financial consultant for OJSC «RTS

TABLE 3. OJSC «IC RUSS-INVEST» GROSS PROFIT STRUCTURE IN 2008 (BY TYPE OF FINANCIAL INSTRUMENT), THOUSAND ROUBLES.

Income item	2006	2007	2008	Change over 2007, %
Share operations	337 688	298 949	225 354,9	- 24,6%
Operations with corporate bonds (including ACI)	161 101	136 822	124 251,1	- 9,19%
Operations with derivative financial instruments	0	- 17 697	7 551,4	+ 100%
Interest yield on deposit operations	1 041	323	222,4	- 31,1%
Income from participation in other organisations (dividends, etc.)	6 473	20 589	43 213,8	+ 109,9%

Source: OJSC «IC RUSS-INVEST»

FIGURE 4. OJSC «IC RUSS-INVEST» ASSETS STRUCTURE.



Source: OJSC «IC RUSS-INVEST»



Stock Exchange», the Company provided financial consulting services, including the following:

- ◆ agreements on provision of paid services for preparing the requisite documents for registration of security issues and reports on the results of security issues by Russian issuers;
- ◆ agreements on provision of listing agent services;
- ◆ agreements on provision of financial consulting services, including those of an authorised financial consultant.

TRUST MANAGEMENT AND MUTUAL FUND SERVICES

For the purpose of expanding the range of services provided to clients, in 2004 OJSC «IC RUSS-INVEST» established CJSC «Management Company RUSS-INVEST». Since its inception, this management company has set itself the basic task of providing high-quality and accessible financial services aimed mainly at improving the wellbeing of Russian citizens. One such service consists in mutual investment funds, allowing the Company's clients to invest free monetary assets efficiently in securities of leading domestic companies.

TABLE 4. PARTICIPATION BY OJSC «IC RUSS-INVEST» IN BONDED LOAN SYNDICATES IN 2008

#	Issue	Offer closure date	Company status	Issue volume (roubles)	Contractual partner/ Head of syndicate
1	Amurmetall, 3	18.04.2008.	Co-Underwriter	3 000 000 000	Raiffeisenbank
2	United Confectioners-Finance, 2	23.04.2008.	Co-Underwriter	3 000 000 000	Raiffeisenbank
3	Zheldoripoteka, 2	24.04.2008	Co-Underwriter	2 500 000 000	TransCreditBank, IB Trust, BFA
4	Sevkabel-Finance, 4	27.05.2008	Co-Underwriter	2 000 000 000	VTB Bank, IG Capital
5	Severo-Zapadny Telecom, 5	27.05.2008	Co-Underwriter	3 000 000 000	Svyaz-Bank, Raiffeisenbank
6	Tatfondbank,4	04.06.2008	Co-Underwriter	1 500 000 000	BK Region, Svyaz-Bank
7	Regional mortgage agency of the Tomsk Region, 1	06.09.2008	Underwriter	507 500 000	ALOR INVEST, Promsvyazbank,
8	Promtraktor-Finance, 3	30.07.2008	Co-Underwriter	5 000 000 000	Bank Petrokommerts, Deutsche Bank
9	TransCreditBank, 3	10.07.2008	Co-Underwriter	5 000 000 000	TransCreditBank, Sberbank, ING Bank, Morgan Stanley
10	Sinterra, 1	07.08.2008	Co-Underwriter	3 000 000 000	Promsvyazbank, Deutsche Bank
TOTAL issues with participation of OJSC «IC RUSS-INVEST» in 2008				28 507 500 000	

According to the National Rating Agency (NRA), CJSC «Management Company RUSS-INVEST» is included in the “BBB” group (adequate reliability). CJSC «Management Company RUSS-INVEST» holds licence No. 21-000-1-00158, dated April 16, 2004, issued by the Federal Securities Commission of the Russian Federation for management of investment funds, mutual investment funds and private pension funds and securities management licence No. 077-07805-001000, dated June 22, 2004, of a professional participant on the securities market.

CJSC «MC RUSS-INVEST» provides the following services:

- ◆ management of mutual investment fund assets;
- ◆ management of private capital.

According to the independent analytical resource Investfunds, judging from the results for 2008, CJSC «Management Company RUSS-INVEST» improved its position from 46th to 40th in the TOP-50 rating of the biggest management companies with respect to the net asset value of the open and interval mutual investment funds under its management. The Management Company currently manages the assets of five mutual investment funds. As of December 31, 2008, the net assets under the management of CJSC «MC RUSS-INVEST» amounted to 161.2 million roubles.

INTERNATIONAL ACTIVITIES

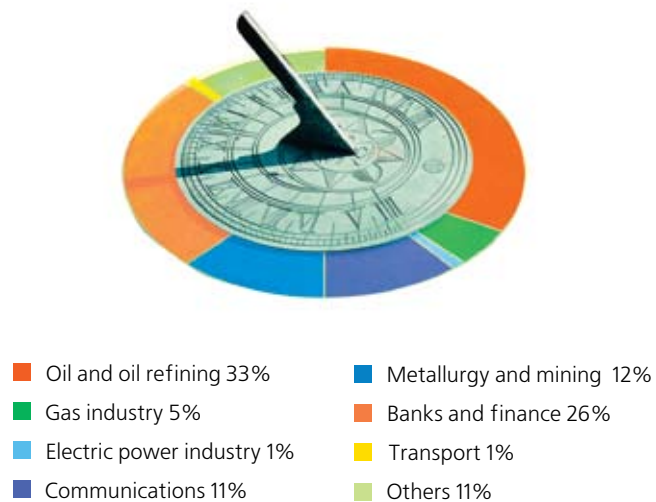
In order to develop its business further, in 2007 OJSC «IC RUSS-INVEST» established a subsidiary called ABR Financial B.V. which in 2008 obtained a licence from the Netherlands financial market regulator (AFM) for:

- ◆ providing financial services;
- ◆ conducting investment activities;
- ◆ conducting supporting activities on financial markets in the country of registration.

The subsidiary has so far achieved major results in developing its business:

- ◆ Membership has been obtained of the Stock Exchange NYSE EURONEXT (Amsterdam, Brussels, Paris) in the sector “derivatives markets” for the purpose of trading in futures and option contracts at its own expense within the LIFFE CONNECT@ trading system.

FIGURE 5. SECTORAL STRUCTURE OF OJSC «IC RUSS-INVEST» SHARE PORTFOLIO.



Source: OJSC «IC RUSS-INVEST»



SUCCESS OF THIS PROJECT WILL ENABLE OJSC «IC RUSS-INVEST» TO DIVERSIFY ITS BUSINESS SUBSTANTIALLY, TO MITIGATE THE RISK OF INVESTMENT OPERATIONS CONDUCTED AND, AT THE SAME TIME, EXPAND ITS SOURCES OF INCOME.

- ◆ Membership (broker-dealer status) has been obtained of the Stock Exchange NYSE EURONEXT in the so-called “money market” sector, where the shares and rights are traded.
- ◆ Direct access to the London Stock Exchange (LSE), multilateral trading system Chi-X, and Nasdaq OMX Europe Stock Exchange is being arranged for the subsidiary.
- ◆ Applications have been submitted for rendering investment services in the following countries of the European Union: Germany, Great Britain, France, Belgium, Denmark, Norway, Sweden and Finland.

Success of this project will enable OJSC «IC RUSS-INVEST» to diversify its business substantially, to mitigate the risk of investment operations conducted and, at the same time, expand its sources of income.

INTERESTED-PARTY TRANSACTIONS, MAJOR TRANSACTIONS

During 2008, the Board of Directors of OJSC «IC RUSS-INVEST» adopted the following resolution approving interested-party transactions:

1) At its meeting on July 5, 2008, the Board of Directors of OJSC «IC RUSS-INVEST» (Minutes No. 02/08-09) approved an interested-party transaction, specifically the lease agreement for non-residential premises at: 5-3/12, Bldg.4, Nashchokinskiy Per., Moscow, between CJSC «Nashchokin» and OJSC «IC RUSS-INVEST» for a term of 11 months; the total area of the rented premises is 712.7 square metres, the price is 13,800 (thirteen thousand, eight hundred) roubles per square metre, VAT included, for the provided premises situated on the 1st and 2nd floors and for the provided premises situated in the basement, the lease price being 12,980 (twelve thousand, nine hundred and eighty) roubles per square metre, VAT included.

2) At its meeting on September 16, 2008, the Board of Directors of OJSC «IC RUSS-INVEST» (Minutes No. 06/08-09) approved the following interested-party transactions:

- 2.1** Agreement on provision of services on the securities and derivatives markets between OJSC «IC RUSS-INVEST» and member of the Board of Directors A.T. Arutyunyan.

- 2.2** Agreement on provision of services on the securities and derivatives markets between OJSC «IC RUSS-INVEST» and member of the Board of Directors L.F. Kapranova.
- 2.3** Agreement on provision of services on the securities and derivatives markets between OJSC «IC RUSS-INVEST» and member of the Board of Directors S.M. Teplyashina.
- 2.4** Depositary agreement between OJSC «IC RUSS-INVEST» and member of the Board of Directors A.T. Arutyunyan.
- 2.5** Depositary agreement between OJSC «IC RUSS-INVEST» and member of the Board of Directors L.F. Kapranova.
- 2.6** Depositary agreement between OJSC «IC RUSS-INVEST» and member of the Board of Directors S.M. Teplyashina.

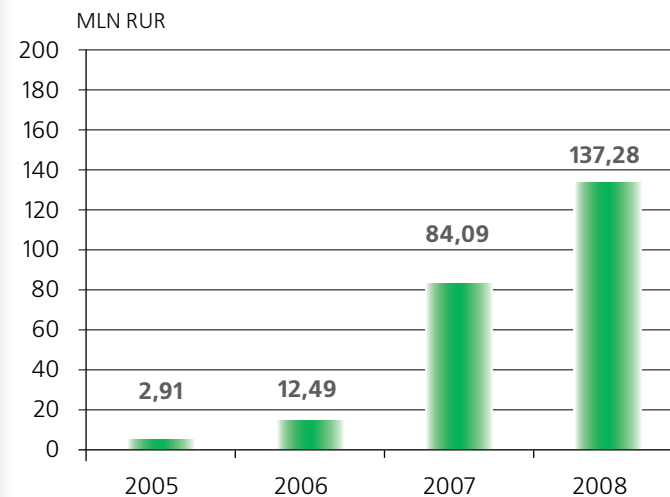
3) At its meeting on December 30, 2008, the Board of Directors of OJSC «IC RUSS-INVEST» (Minutes No. 10/08-09) approved an interested-party transaction, specifically a sublease agreement for non-residential premises with a total area of 12.1 square metres, situated at: 5-3/12, buil.4, Nashchokinskiy Per., Moscow, between OJSC «IC RUSS-INVEST» and CJSC «NOVODEVICHIIY», for a term of 5 months, for a rental of 13,800 (thirteen thousand, eight hundred) roubles per meter (VAT included) for 1 square metre of the total area per annum.

No transactions recognised as major transactions in accordance with the Federal Law “On Joint Stock Companies” or other transactions covered by the procedure for approval of major transactions in accordance with the Articles of Association of the Company were concluded in 2008.

DIVIDENDS

The Company carried out considerable work on payment of dividends from 2002 to 2007, as well as on repeat payment of dividends in the event of monetary funds being returned to the Company’s current account. At the time of initial payment of dividends, only taxes are withheld from the sum of accrued dividends in accordance with the effective legislation. The costs of the initial remittance of dividends are to be borne by the Company in accordance with the Regulations on the Dividend Policy of OJSC «IC RUSS-INVEST» approved on July 26, 2006.

FIGURE 6. AMOUNT OF ATTRACTED CLIENTS' MONEY ASSETS IN 2005-2008.



Source: OJSC «IC RUSS-INVEST»



THE COMPANY CARRIED OUT CONSIDERABLE WORK ON PAYMENT OF DIVIDENDS FROM 2002 TO 2007, AS WELL AS ON REPEAT PAYMENT OF DIVIDENDS IN THE EVENT OF MONETARY FUNDS BEING RETURNED TO THE COMPANY'S CURRENT ACCOUNT.

Under the Regulations on the Dividend Policy of OJSC «IC RUSS-INVEST», dividends are to be paid to shareholders on the condition of availability of net profit, absence of restrictions on payment of dividends provided by the effective legislation, and a positive recommendation by the Board of Directors of the Company that dividends be paid. When discussing whether to recommend payment of dividends, the Board of Directors shall take into consideration the financial status and development prospects of the Company. The funds recommended by the Board of Directors for dividend payment shall constitute at least 15% of the net profit determined on the basis of the Company's financial statements for the reporting period.

A resolution on payment of dividends and the dividend payment procedure shall be adopted by the General Meeting of Shareholders.

According to the Regulations on the Dividend Policy of OJSC «IC RUSS-INVEST», each shareholder may choose the most convenient way to receive dividends: transfer of the funds by postal order or to a bank account.

Shareholders in the Company shall inform the Company registrar in a timely manner on changes to their addresses, passport details, bank accounts and other data. Should shareholders fail to inform of changes to their details, they will subsequently face the problem of not being able to receive dividends because the Company lacks information about the shareholders' new details.

Over the last six years, the Company has repeatedly paid dividends to its shareholders. For instance, dividends for 2002 were approved by the General Meeting of Shareholders in the amount of 3 roubles and 50 kopecks per ordinary share. The total sum of accrued dividends amounted to 195.97 million roubles. On the basis of the results for 2003, the General Meeting of Shareholders approved dividends in the amount of 1 rouble 75 kopecks per ordinary share with a par value of 1 rouble to a total sum of 122.48 million roubles. On the basis of the results for 2004, the General Meeting of Shareholders approved dividends in the amount of 1 rouble per ordinary share with a par value of 1 rouble to a total sum of 69.989 million roubles of the value of the share capital and Company share investment yield. On the basis of the results for 2005, the General Meeting of Shareholders approved dividends in the amount of 1 rouble and 50 kopecks per ordinary share with a par value of 1 rouble to a total sum of 163.500 million roubles of the value of the share capital and Company share investment yield. On the basis of

the results for 2006, the General Meeting of Shareholders approved dividends in the amount of 1 rouble 20 kopecks per ordinary share with a par value of 1 rouble to a total sum of 130,800 million roubles of the value of the share capital and Company share investment yield. In spite of the drop in net profit in 2007, the Board of Directors recommended, and the General Meeting of Shareholders approved dividends in the amount of 1 rouble 00 kopecks per ordinary share with a par value of 1 rouble to a total sum of 109,000 million roubles of the value of share capital and Company share investment yield (Table 6).

Unfortunately, many shareholders do not notify the OJSC «IC RUSS-INVEST» registrar of changes in their place of residence and passport details in a timely manner. As a result, the Company's dividend payment indebtedness is growing, as are the costs of processing information and paying out dividends.

RISK MANAGEMENT POLICY

The sector in which OJSC «IC RUSS-INVEST» operates and, accordingly, the Company itself, is subject to various risks: market, settlement, credit, currency, operating and others. The Russian securities market is greatly dependent on the global economic situation. The economic recession in the developed countries, the fall in global stock indices and the deterioration in the social, economic and political situation inside Russia, the critical fall in prices on the global market for raw materials and metals are having an adverse effect on the prospects of the Russian economy and the Russian stock market. Many corporate borrowers are refusing to service their debts. There are risks of a fall in liquidity due to a reduction in the number of shares in free circulation in connection with the sharp drop in prices. A further deterioration in the situation on the securities market might prompt some business partners to refuse to discharge their obligations and, accordingly, entail losses for the Company.

A Risk Management Committee of the Board of Directors has been set up in order to reduce the existing risks. It develops the risk management system and determines the risk management procedure. The Risk Management Committee operates on the basis of the Regulations on Risk Management and the Internal Rules on Risk Management, which specify the Committee's powers in more detail and establish the procedures for eliminating deviation by the scale of an individual type

TABLE 6. DYNAMICS OF OJSC «IC RUSS-INVEST» DIVIDENDS.

Year	2000	2001	2002	2003	2004	2005	2006	2007
Dividend per share (rouble)	1.51	–	3.50	1.75	1	1.5	1.2	1

Source: OJSC «IC RUSS-INVEST»



A RISK MANAGEMENT COMMITTEE OF THE BOARD OF DIRECTORS HAS BEEN SET UP IN ORDER TO REDUCE THE EXISTING RISKS. IT DEVELOPS THE RISK MANAGEMENT SYSTEM AND DETERMINES THE RISK MANAGEMENT PROCEDURE.

of risk from the standard figures. During its meetings, the Committee considers the Company's risk status from the viewpoint of compliance with established standards for the reporting period and changes therein, discusses proposals by Committee members for enhancing the efficiency of risk control and management and elaborates recommendations for the Company's management.

As a result of the onset of the global economic crisis, in May-June 2008 the Company decided to change the structure of its own securities portfolio by selling some of the share portfolio and increasing the proportion of free monetary funds in the overall structure of assets. In addition, at the end of 2007, the Company withdrew from the repo market and closed the limits for its partners. The crisis that occurred on the repo market in September 2008 did not, therefore, affect the Company's financial status. Within the first six months of 2008, the Company consistently reduced the proportion of the third tier issuers in the structure of its bond portfolio, thereby enabling it to reduce significantly any losses incurred through issuers' refusal to service their bonds and support the Company's liquidity.

In order to preclude any potential losses from refusal by corporate borrowers to repay their bonds on time, the Company establishes a credit limit for every borrower. This approach also made it possible to limit potential losses on the results of 2008. The management of OJSC «IC RUSS-INVEST» also took all requisite measures, among others legal prosecution of insolvent debtors, to ensure repayment of indebtedness occurring at the fault of issuers.

Even so, in consideration of the 2008 results, the Company believes that, in the future, it needs to review its business partners' limits once a quarter with the aim of controlling settlement and operating risks. If suspicions with respect to the financial status of a business partner prove substantiated, the Company will close the limit for it and stop concluding transactions therewith. If the currency risk goes up and rouble devaluation rates accelerate, the Company will continue to change its asset structure and will increase the proportion of foreign currency and currency instruments in order to prevent a devaluation of its own assets.

The increased volatility on the stock market meant that control over current operating risks had to be tightened. For these purposes, starting from 2005, the Company began to apply the risk assessment method based on calculation of the "Value-at-Risk" (VaR) index for the portfolio of liquid shares. The VaR index for

an asset or a portfolio means the maximum losses (in roubles or as a percentage of the value of an asset or a portfolio) that might occur with a certain degree of probability at the given level of instrument liquidity (the term an asset or portfolio is held) and the given type of market behaviour. The VaR of an asset is calculated on the basis of the quotation history of the asset for a specific period (depth of the calculation period). This index is used to determine the optimal structure of a trading portfolio from the viewpoint of profitability for the given risk level and shows the potential losses in the event of unfavourable changes on the market.

SHAREHOLDER RELATIONSHIP


The Company focuses particular attention on working with its shareholders. In order to keep shareholders informed about operating results and significant corporate events, a company website has been set up at www.russ-invest.ru, on which information about the Company's activities is posted. The site is also used by the Company for posting and publishing such documents as the Articles of Association of OJSC «IC RUSS-INVEST» and internal documents of the Company: Regulations on Meetings, Regulations on the Dividend Policy, Regulations on the Information Policy of OJSC «IC RUSS-INVEST», Regulations on the Board of Directors, and others.

The necessary information on the Company's activities, notices of General Meetings of Shareholders, ballot sheets, resolutions of General Meetings of Shareholders, reports on the financial activities of the Company are published in the newspaper *Trud*.

In the event of enquiries, the Company provides full information on its activities to the Fund for Protection of Rights of Depositors and Shareholders and other non-government organisations.

The Company is very attentive to enquiries from shareholders, in form of both letters and phone calls and direct visits by shareholders. During 2008, 3,617 letters from shareholders were received by the Company, 2,544 of them were answered (the other 1,073 contained documents from shareholders); there were over 4,000 telephone calls and about 300 shareholders visited the Company.

The duties of employees supervising this sphere include explaining complex aspects of interaction between shareholders and the Company, submission of ap-



IN ORDER TO KEEP SHAREHOLDERS INFORMED ABOUT OPERATING RESULTS AND SIGNIFICANT CORPORATE EVENTS, A COMPANY WEBSITE HAS BEEN SET UP AT WWW.RUSS-INVEST.RU, ON WHICH INFORMATION ABOUT THE COMPANY'S ACTIVITIES IS POSTED.



IN 2008, THE MARKET FOR SHARES IN OJSC «IC RUSS-INVEST» CONTINUED TO GROW RAPIDLY. MARKET CAPITALISATION AS OF THE END OF 2008 AMOUNTED TO 4.01 BILLION ROUBLES. IN ADDITION, THE COMPANY'S SHARES DEMONSTRATED A HIGH RESISTANCE TO THE SUBSTANTIAL DROP ON THE RUSSIAN STOCK MARKET.

plications for payment of dividends and the requisite documents for introducing changes into the shareholders' register, and formulating additional enquiries to the shareholders' register, post offices, banks, etc.

A Commission for work with shareholders, which considers enquiries submitted by shareholders, has been set up within OJSC «IC RUSS-INVEST» for the purpose of closer interaction with shareholders.

Disputes arising between shareholders and the Company are presented for consideration by the Commission for work with shareholders; comprehensive checking and final decision-making are carried out in accordance with the effective legislation and the Company by-laws.

COMPANY'S SHARES

In 2008, the market for shares in OJSC «IC RUSS-INVEST» continued to grow rapidly. Market capitalisation as of the end of 2008 amounted to 4.01 billion roubles. In addition, the Company's shares demonstrated a high resistance to the substantial drop on the Russian stock market. According to the results for 2008, for example, the prices of the Company's shares dropped by 22.9%, compared to a drop of 72.5% in the RTS reference index and of 79.1% in the RTS-Finance Index. These results testify to a rise in the liquidity of investment in OJSC «IC RUSS-INVEST» shares for shareholders and a high fundamental value of the Company's securities.

Since June 2006, ordinary registered shares of OJSC «IC RUSS-INVEST» have been listed on Russia's oldest organised security market – the Classical Market of OJSC «RTS Stock Exchange» (in the List section “Securities listed but not included on quotation lists”, the code of OJSC «IC RUSS-INVEST» shares on the OJSC «RTS Stock Exchange» Classical Market being RUSI). (Figure 6).

Starting from June 28, 2006, ordinary registered shares in OJSC «IC RUSS-INVEST» have been listed on the OJSC «RTS Stock Exchange» Stock Market. Shares in OJSC «IC RUSS-INVEST» are included in the List section “Securities listed but not included on quotation lists”. On March 7, 2007, ordinary registered shares in OJSC «IC RUSS-INVEST» were transferred to Quotation list “B” on the OJSC RTS Classical and Stock Markets from the List section “Securities listed but not included into quotation lists”. The code of OJSC «IC RUSS-INVEST» shares on the OJSC RTS Stock Market is RUSIG. (Figure 7).

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has a Corporate Code of Conduct developed in accordance with recommendations of the Russian Government on application of a corporate code of conduct. The current Articles of Association of the Company and internal regulatory documents (Regulations on the Board of Directors of OJSC «IC RUSS-INVEST», Regulations on the Management Board, Regulations on Convening and Holding General Meetings of Shareholders of OJSC «IC RUSS-INVEST», Regulations on the President – General Director of OJSC «IC RUSS-INVEST», Regulations on the Activities of the Auditing Committee, Regulations on the Dividend Policy) comply fully with the corporate organisation principles provided for in the Code. The management of the Company focuses particularly on compliance with high standards of corporate governance.

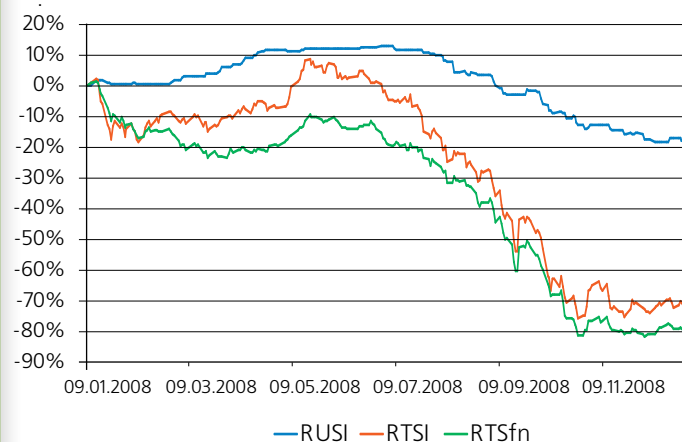
Improvement of the internal standards of corporate governance is an important part of the Company's long-term strategy aimed at raising its financial performance, increasing the value of its share capital and the yield on investments in Company shares. At the same time, the main attention is paid to fulfilment of the following tasks:

- ◆ improvement of the procedures for holding General Meetings of Shareholders, meetings of the Board of Directors and executive bodies of the Company;
- ◆ improvement of information openness with respect to the Company's activities, including regarding conclusion of major transactions;
- ◆ improvement of the information disclosure and financial compliance systems;
- ◆ enhancement of the role of the Board of Directors in the management of the Company by means of the institute of independent directors and the work of Board of Directors committees;
- ◆ introduction of a system of regular reporting by the executive bodies of the company to the Board of Directors and the General Meeting of Shareholders;
- ◆ setting of a dividend policy and development strategy of the Company comprehensible to shareholders.

Adoption of the internal Code of Conduct has changed some corporate procedures, resulting in:

- ◆ improvement of the procedure with respect to tightening of require-

FIGURE 7. IC RUSS-INVEST'S SHARE PRICE PERFORMANCE (RTS CLASSICA) VS. RTS INDEX AND THE RTS-FINANCE INDEX IN 2008



Source: RTS



- ments, reporting and appointment of the President – General Director of the Company;
- ◆ enhancement of control and the management role of the Company Board of Directors;
 - ◆ greater independence of the Board of Directors, which includes five independent directors;
 - ◆ substantially expanded functions of the Company Corporate Secretary;
 - ◆ functioning of five committees of the Board of Directors: for Finance and Audit, Strategic Planning, Risk Management, Personnel and Remuneration and Ethics.

The achievements of OJSC «IC RUSS-INVEST» in promoting corporate governance advanced standards have been noted by leading domestic and international rating agencies. In March 2008, the Company was recognised in the 2008 edition IR Global Rankings as the company with the best corporate governance practice in terms of the technical criteria for information disclosure in the category of companies with small/medium capitalisation. IR Global Rankings™ (2008) is the tenth edition of global rankings of investor relations with 160 participants from seven sectors of the economy in 32 countries. The assessment criteria are based on a globally recognised methodology that is both transparent and widely accessible.

THE COMPANY WAS RECOGNISED IN THE 2008 EDITION IR GLOBAL RANKINGS AS THE COMPANY WITH THE BEST CORPORATE GOVERNANCE PRACTICE IN TERMS OF THE TECHNICAL CRITERIA FOR INFORMATION DISCLOSURE IN THE CATEGORY OF COMPANIES WITH SMALL/MEDIUM CAPITALISATION. IR GLOBAL RANKINGS™ (2008) IS THE TENTH EDITION OF GLOBAL RANKINGS OF INVESTOR RELATIONS WITH 160 PARTICIPANTS FROM SEVEN SECTORS OF THE ECONOMY IN 32 COUNTRIES.

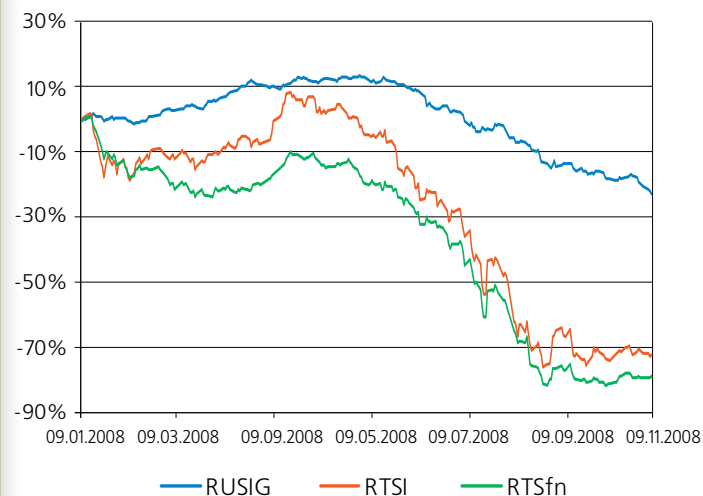
In July 2008, a consortium of the Russian Institute of Directors and the rating agency “Expert RA” – “RID – Expert RA” confirmed the corporate governance rating of OJSC «Investment Company RUSS-INVEST» as NRKU 7+ - “Developed Practice of Corporate Governance” on the National Rating of Corporate Governance scale. In the opinion of these leading organisations in the sphere of corporate governance, OJSC «IC RUSS-INVEST»’s corporate governance risk is low. The accuracy of the Company’s financial reporting is ensured by the tender mechanism used for selecting external auditors, engagement of highly professional auditors to perform the external audit of the financial reporting according to the IFRS and RAS and highly-developed mechanisms for exercising control over their independence. OJSC «IC RUSS-INVEST» prepares financial accounting in accordance with the IFRS and discloses it on its website.

The Russian Institute of Directors and Expert RA have stressed that OJSC «IC RUSS-INVEST» maintains advanced corporate governance standards with re-

spect to the payment of dividends. In particular, the dividends are paid 60 days from when the decision on payment of dividends is made and the Company website contains a detailed procedure for shareholders to receive dividends. The experts have also remarked on the high level of transparency of OJSC «IC RUSS-INVEST».

At the same time, the Board of Directors intends to improve further both the regulatory base and the procedures for determining the interaction between the Company's management bodies and its shareholders for the purpose of ensuring the fullest possible protection of the interests and rights of the shareholders.

FIGURE 8. IC RUSS-INVEST'S SHARE PRICEPERFORMANCE (T+0 MARKET) VS. RTS INDEX AND THE RTS-FINANCE INDEX IN 2008



Source: RTS

The wind will swell the sails



OPINION OF THE AUDITING COMPANY TO THE OWNER AND OTHER USERS
OF THE FINANCIAL ACCOUNTING OF OJSC «INVESTMENT COMPANY IC RUSS-INVEST»

(10) We have performed an audit of the enclosed accounting of OJSC «INVESTMENT COMPANY IC RUSS-INVEST» (drawn up on March 16, 2009) for 2008. This accounting was prepared by the executive body of OJSC «INVESTMENT COMPANY IC RUSS-INVEST» on the basis of principles and methods for accounting and preparing financial reporting determined by regulatory and legal acts of the Russian Federation.

(11) The accounting of OJSC «INVESTMENT COMPANY IC RUSS-INVEST» consists of:

- Balance Sheet;
- Profit and Loss Statement;
- attachments to the Balance Sheet and the Profit and Loss Statement;
- Explanatory Note.

(12) Responsibility for preparing this accounting is borne by the executive body of OJSC INVESTMENT COMPANY IC RUSS-INVEST. Our responsibility is to express our opinion regarding the accuracy of this accounting in all essential respects and compliance by the keeping of the accounts with the legislation of the Russian Federation on the basis of the audit performed.

We performed the audit in accordance with

- Federal Law of the Russian Federation No. 307-FZ, dated December 30, 2008 “On Auditing”;
- Federal auditing regulations (standards);
- internal auditing regulations (standards) of NP Institute of Professional Auditors;
- auditing regulations (standards) of Baker Tilly Rusaudit OOO;
- regulations of the Ministry of Finance of the Russian Federation and on the basis of Agreement No. 762/2007A, dated September 4, 2007, entered into with OJSC «INVESTMENT COMPANY IC RUSS-INVEST».

(14) The Audit was planned and performed in such a manner as to allow us to be sufficiently certain that the attached financial accounting does not contain substantial distortions.

(15) The Audit was performed on a sample basis and included a study based on testing of evidence confirming the financial accounting figures, assessment of compliance with the accounting principles and rules during preparation of the financial accounting, consideration of the main values obtained by the management of the audited entity, as well as assessment of the presentation of the financial accounting.

(16) We believe that the Audit performed presents sufficient evidence for us to express an opinion on the accuracy of the financial accounting.

(17) In our opinion, the financial accounting of OJSC «INVESTMENT COMPANY IC RUSS-INVEST» accurately reflects, in all material respects, the financial status as of December 31, 2008, and the results of its financial and business activities for the period from January 1 through December 31 2008 in accordance with the requirements of the Law of the Russian Federation regarding preparation of financial accounting.

Baker Tilly Rusaudit OOO

Moscow, March 25, 2009

**Deputy
General Director**

M.B. PAVLOVA

*(Auditor's Certificate No. 011191,
dated February 29, 1996
(Minutes No. 104 dated March 28, 2002)
Prolonged for an unlimited term)*

Head of Audit

E.V. SHIROKOVA

*(Auditor's Certificate No. K020502,
dated November 29, 2004
(Order No. 330 dated November 29, 2004)
Issued for an unlimited term)
(Auditor's Certificate of right to audit stock exchanges,
extra-budgetary funds and investment institutions
No. K027079, dated January 12, 2007
(Order No. 16, dated January 12, 2007)
Issued for an unlimited term)*



FINANCIAL STATEMENTS IN ACCORDANCE WITH RUSSIAN ACCOUNTING STANDARDS

ACCORDING BALANCE SHEET

ASSETS	Index code	As of the beginning of reporting year	For the end of reporting period	Disclosure of information
1	2	3	4	5
I. NON-CIRCULATING ASSETS				
Intangible assets	110	188	55	f.5, page 010+040
gr.6-050 gr.4				
Fixed assets	120	12789	12838	f.5 page 100 gr.6-140, gr.4
Construction in progress	130	–	353	
Income-bearing investment in tangible assets	135	–	–	
Long-term financial investments	140	453428	751600	f.5, page 540, gr.4, PZ P-11
Investment in subsidiaries	141	251736	549909	
Other long-term financial investments	142	201692	201691	
Deferred tax assets	145	333	284814	
Other non-circulating assets	150	–	–	
Total by section I	190	466738	1049660	
II. CIRCULATING ASSETS				
Inventories	210	6957	7029	PZ R-13
Including:				
Raw materials and other similar stocks	211	1192	1242	PZ R-13
Rearers and fatteners	212	–	–	
Expenses in work-in-progress	213	–	–	
Finished products and goods for resale	214	–	–	
Shipped goods	215	–	–	
Accrued costs	216	5765	5787	PZ R-13
Other inventories and costs	217	–	–	
Incoming Value Added Tax	220	–	–	
Accounts receivable (due to be settled more than 12 months after the reporting date)	230	3645	10	f.5, page 618, gr.4
Including: Buyers and customers		–	–	
Accounts receivable (due to be settled within 12 months of the reporting date)	240	69528	126599	f.5, page 610, gr.4, PZ R-15
Including: Buyers and customers	241	43243	42	f.5, page 611 gr.4, PZ R-15,
Advances made	242	6718	10904	f.5, page 612 gr.4, PZ R-15,
Short-term financial investments	250	3706544	1744762	f.5, page 540, gr.6
Cash, including	260	596496	195545	f.4, page 600
Cash of clients	261	180196	63105	
Other circulating assets	270	21598	28152	PZ R-14
Total of section II	290	4404768	2102097	
BALANCE	300	4871506	3151757	

LIABILITIES	Index code	As of the beginning of reporting year	For the end of reporting period	Disclosure of information
1	2	3	4	5
III. CAPITAL AND RESERVES				
Authorised capital	410	109000	109000	f.3, page 140, gr.3
Own shares repurchased from shareholders		(-)	(-)	
Additional capital	420	376294	376294	f.3, page 140, gr4
Reserve capital	430	109000	109000	f.3, page 140, gr5
Including:				
Reserves created in accordance with the legislation	431	54500	54500	f.3, page 151, gr6
Reserves created in accordance with the foundation documents	432	54500	54500	f.3, page 161, gr6
Undistributed profit (uncovered loss) of previous years	470	3619440	3508440	f.3, page. (100-103-106+107-110) gr.6
Undistributed profit (uncovered loss) of reporting year	471		(1479418)	f.3, page 105, gr.6
Total of section III	490	4213734	2627816	f.3, page 140, gr.7
IV. LONG-TERM LIABILITIES				
Loans and credits	510	-	-	
Deferred tax liabilities	515	580	677	f.5, page 627, gr.7
Other long-term liabilities	520	-	-	
Total of section IV	590	580	677	
V. SHORT-TERM LIABILITIES				
Loans and credits	610	-	-	
Accounts payable	620	252586	75431	f.5, page 20, gr.4, PZ R-15
Including:				
Suppliers and subcontractors	621	30	500	f.5, page 621, gr.4
Advances received	622	174	6966	f.5, page 622, gr.4
Payroll debt	623	22	33	
Debt to state extra-budgetary funds	624	-	-	
Tax and duties payable	625	68183	635	f.5, page 23, ge.4, PZ R-15
Other creditors	626	1841771	67297	
Income debt to participants (founders)	630	404606	447833	
Income of future periods	640	-	-	
Reserves for future expenses	650	-	-	
Other short-term liabilities	660	-	-	
Total of section V	690	657192	523264	
BALANCE	700	4871506	3151757	



Index name	Index code	As of the beginning of reporting year	For the end of reporting period	Disclosure of information
1	2	3	4	5
Rented fixed assets	910	10000	10000	-
including on lease	911	-	-	-
Materials accepted for custody	920	-	-	-
Goods accepted for commission	930	-	-	-
Debts of insolvent debtors written off to losses	940	-	-	-
Security for obligations and payments	950	-	-	-
Security given for obligations and payments	960	-	-	-
Wear and tear on housing	970	-	-	-
Wear and tear on land improvement facilities and other similar facilities	980	-	-	-
Intangible assets received for use	990	-	-	-

PROFIT AND LOSS STATEMENT

thousand roubles

Index name	Index code	For reporting period	For the same period of the previous year	Information disclosure for the reporting period
1	2	3	4	5
INCOME AND EXPENSES FROM ORDINARY ACTIVITIES				
Revenue (net) from sales of goods, products, works, services (net of value added tax, excise duties and similar mandatory payments)	010	7260503	32864179	PZ R-21
Including from sales of:				
Corporate securities—shares	011	6052762	27467517	
Corporate securities—bonds	012	1101739	4483306	
Municipal securities—bonds	013	101373	909306	
Other services	014	4629	4050	
Production cost of sold goods, products, works, services	020	(7031701)	(32610881)	PZ R-21
Including sold:				
Corporate securities—shares	021	(5826407)	(27090438)	
Corporate securities—bonds	022	(1102581)	(4591084)	
Municipal securities—bonds	023	(102713)	(929359)	
Other services	024	()	()	
Gross profit	029	228802	253298	PZ R-21
Commercial expenses	030	(-)	(-)	
Administrative expenses	040	(159760)	(176878)	PZ R-21, f.5, page760
Profit (loss) on sales	050	69042	76420	PZ R-21
OTHER INCOME AND EXPENSES				
Interest receivable	060	154255	253941	PZ R-21
Interest payable	070	(27600)	(111175)	PZ R-21
Income from participation in other organisations	080	43214	20589	PZ R-21
Other income	090	66394	1093336	PZ R-21
Other costs	100	(2666613)	(1212769)	PZ R-21
Pre-tax profit (loss)	140	(1758308)	120342	PZ R-21
Deferred tax assets	148	284481	148	PZ R-21
Deferred tax liabilities	149	(96)	(76)	PZ R-21
Income tax and other similar mandatory payments	150	(995)	(113898)	PZ R-21
Current profit tax	150a	(-)	(113865)	
Tax on operations with municipal securities	150b	(995)	(33)	
Net profit (loss) for the reporting period	190	(1474918)	6216	PZ R-21, f.3Page 105, gr.6
FOR REFERENCE:				
Permanent tax liabilities (assets)	201	139200	84964	
Provisional profit tax cost (income)	202	423585	28862	
Basic profit (loss) per share	203	(14)	-	
Diluted profit (loss) per share	204	-	-	



Index name	Index code	For the reporting period		For the same period of the previous year	
		Profit	Loss	Profit	Loss
1	2	3	4	5	6
Penalties, fines and default interest recognised or with respect to which court (arbitration court) enforcement rulings have been issued	210	-	-	288	9
Profit (loss) of previous years	220	-	-	5	6
Reimbursement of losses caused by failure to perform or duly perform obligations	230	-	-	-	-
Exchange rate difference on foreign currency operations	240	964	1091	271	379
Allocations to valuation reserves	250	X	-	X	-
Writing off of accounts payable and receivable with expired statutes of limitations	260	-	-	-	-

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OJSC
INVESTMENT COMPANY IC RUSS-INVEST

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of OJSC INVESTMENT COMPANY IC RUSS-INVEST and its subsidiaries (the "Group"), which comprise the consolidated balance sheet as of 31 December 2008, and the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2008, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

CJSC KPMG

25 May 2009



FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

CONSOLIDATED INCOME STATEMENT FOR 2008

	Notes	2007 RUR'000	2008 RUR'000
Interest income	4	151 791	162 647
Net securities trading loss	5	(2 112 080)	(122 216)
Gain on sale of share subsidiary		–	31 852
Net realized gain on financial instruments available-for-sale		–	224 124
Net foreign exchange loss	6	(1 467)	(2 529)
Dividend income		44 045	21 190
Other income	7	20 101	26 023
Operating income		(1 897 610)	341 091
Impairment losses	8	(91 805)	(3 911)
General administrative expenses	9	(223 703)	(225 611)
Operating expenses		(315 508)	(229 522)
(Loss)/Income before income taxes		(2 213 118)	111 569
Income tax benefit/(expense)	10	476 171	(27 479)
Net (loss)/ income		(1 736 947)	84 090
Attributable to:			
Equity holders of the parent		(1 731 265)	82 962
Minority interest		(5 682)	1 128
(Loss)/ Earnings per share attributable to equity holders of the parent company (expressed in Russian Rubles per share)	28	(15,88)	0,76

CONSOLIDATED BALANCE SHEET

	Notes	2007 RUR'000	2008 RUR'000
ASSETS			
Cash		8	19
Placements with banks and other financial institutions	11	310 636	617 489
Financial instruments held for trading	12	1 976 695	4 153 001
Financial instruments available-for-sale	13	21 597	54 321
Investment in associate		29 040	29 040
Other assets	14	119 288	72 327
Property and equipment	15	126 280	128 680
Deferred tax asset	18	316 748	1 280
Total Assets		2 900 292	5 056 157
LIABILITIES AND SHAREHOLDERS' EQUITY			
Dividends payable	16	447 833	404 606
Other liabilities	17	62 091	223 506
Deferred tax liability	18	4 060	171 626
Total Liabilities		513 984	799 738
Shareholder's Equity			
Share capital	19	1 492 376	1 492 376
Revaluation surplus		8 334	8 334
Revaluation of available-for-sale-assets		(5 098)	-
Treasury shares		(6 045)	-
Retained earnings		846 942	2 674 689
Total equity attributable to equity holders of the parent		2 336 509	4 175 399
Minority interest		49 799	81 020
Total Shareholders' Equity		2 386 308	4 256 419
Total Liabilities and Shareholders' Equity		2 900 292	5 056 157
Contingencies	21		



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