

April 2011

Economic and Market News

- Ministers from BRICS met in China at their annual summit to discuss issues of common concern and to deepen cooperation by setting up a liaison group. The countries also signed an agreement that allowed them to provide credit to each other in local currencies and collaborate in capital markets and other financial services.
- Prime Minister Vladimir Putin sought to lure Ukraine into a Russian-led customs union and away from trade talks with the EU by promising \$9bn in annual savings and trade benefits. The previous week Valery Golubev, deputy head of Gazprom, Russia's gas giant, offered Ukraine an \$8bn annual discount on natural gas prices if it joined the customs union.
- President Dmitry Medvedev announced plans to remove government ministers and senior officials from the boards of state-owned companies in a bid to stoke investors' interest in the Russian economy and to improve corporate governance.

Private Equity News

- Russia hopes to attract \$60 to \$90 billion in foreign investment over five years with a new government-backed fund aimed at private equity investors. Vladimir Dmitriev, head of Vneshekonombank, the state bank responsible for its set-up, revealed details of the new fund, called the Russia Direct Investment Fund. The Fund will invest within Russia and foreign partners will be invited to take stakes alongside it.
- Nomos, Russia's second-largest privately owned bank and eighth largest by assets, raised \$718m in its London-Moscow offering. The listing will give Nomos a market capitalisation of \$3.2bn and an initial free float of 22 per cent. The majority of the bank's shares are owned by ICT, a Russian investor group, and PPF, a Czech private equity firm. Both are long term investors in the Group and neither are selling any of their stake.

AURR Portfolio – Some Recent Developments

Unistream

- Unistream's mobile transfers continued to show strong growth with February's volume at 217m RUB, up from volumes of 192m RUB in January.
- Unistream's volume in self-service payment terminals showed acceleration of growth in March reaching 49m RUB and more than doubling in volume since January.

Superstroy

- Superstroy opened its largest hypermarket in Yekaterinburg on 22nd of April. The store has trade space of 22,000 m² taking the company's total trade space to approximately 110,000 m².

OSG

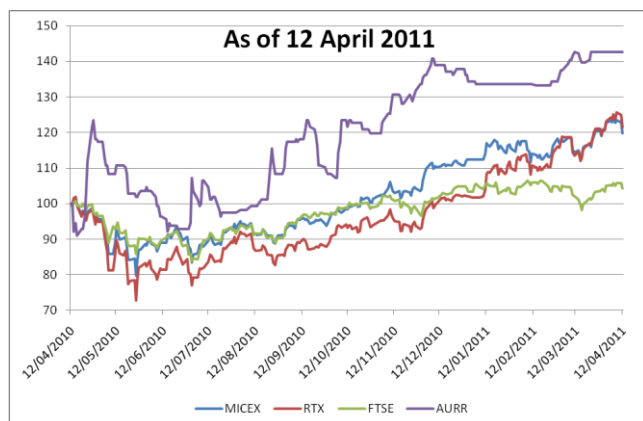
- Sales in Russia in 2010 increased 28% YoY and reached half a billion RUR while net income reached 1.5m RUR.

Foreign exchange movements

As of 13th of April	Price	1 Week % Change	1 Month % Change	3 Months % Change
RUR/US\$	28.14	-0.6%	-1.7%	-7.4%
RUR/€	40.52	0.9%	2.5%	2.6%
RUR/£	45.86	0.3%	-0.2%	-3.6%

Source: Bank of Russia

AURR v Market Indices



Source: Datastream

