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MARKET SURVEY

RUSSIA'S INDUSTRY: COMPARATIVE PROFITABILITY OF INDUSTRIES, SUBINDUSTRIES, MAJOR ENTERPRISES

November 2004

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Introduction

The main goal of the research effort was to find out what industries, subindustries and major enterprises were the most profitable in 2003

The main goal of the research effort was to find out what industries, subindustries and major enterprises were the most profitable in 2003. The research was made possible thanks to creation of SPARK database. The SPARK (Russian acronym for the System of Professional Analysis of Markets and Companies) is a unique database and tools for a comparative analysis of data on all legal entities registered in Russia

The analysis focuses on industrial producers – companies that produce goods. Consolidated financials of holding companies are ignored because various activities contribute to sales revenues.

The research includes several key stages

The research covering more than 1 million Russian companies includes several key stages:

1. Ranking of 100 top companies by sales revenue, net income, ROS, ROA, ROE in 2003 in each of 11 major industries was carried out. A company is included in an industry in accordance with Russian Classification of Economic Activities.

- Power utilities
- Fuel
- Ferrous metallurgy
- Non-ferrous metals
- Chemical and petrochemical
- Engineering and metal works and metal work
- Timber, wood processing and pulp-and-paper
- Construction materials
- Light
- Food
- Flour-and-cereals

2. Total financial results of an industry were calculated using financials of 100 top companies: total sales revenue, net income, average ROS in 2002-2003.

3. Financial structure of an industry by subindustries was worked out using financial results of companies operating in respective subindustries. Each subindustry got total sales revenue, net income, average ROS in 2002-2003. Besides, ROS calculation was also made using financials of 1000 major companies.

4. Ranking of industries by sales revenue, net income, ROS in 2002-2003 was carried out.

5. Ranking of subindustries by ROS in 2002-2003 was carried out.

Light industry

Table 1 Total Financial Results of 100 Top Companies of Russia's Light Industry in 2002-2003

Sales revenue, \$ mln			Net income, \$ mln			Return on Sales (ROS)	
2002	2003	2003/2002	2002	2003	2003/2002	2002	2003

Source: SPARK Database, Interfax-CNA's analysis

Table 2 Breakdown of Russia's Light Industry by Subindustries' Financial Results and Profitability in 2002-2003

Subindustry	Share in total sales revenue		2003/2002	Return on Sales (ROS) (100)*		Return on Sales (ROS) (1000)**
	2002	2003		2002	2003	2003
Cotton industry						
Ready-made garments						
Genuine leather						
Footwear						
Flax industry						
Wool industry						
Imitation leather						
Silk industry						
Knitted wear						
Textile fancy goods						
Nonwoven fabrics						
Fur and fur products						
Carpets						
Hemp and jute products						
Bags and fancy goods from Imitation leather						

*ROS (Return on sales) based on financials of 100 top companies of related industry

** ROS (Return on sales) based on financials of 1000 top companies of related industry

Source: SPARK Database, Interfax-CNA's analysis

Table 3 100 Top Companies of Russia's Light Industry by Sales Revenue in 2003

Company	Region	Subindustry	Sales revenue, \$ mln			Net income, \$ mln		ROS	ROA	ROE
			2002	2003	2003/2002	2002	2003			
1. Gloria Jeans Corporation										
2. Russkaya Kozha										
3. Shuyskie Sitsy Cotton Factory										
4. Textil-Vostok-Service										

-
5. Baltic Trade House
 6. Ostashkovsky Kozhevenny Zavod
 7. Iskoz
 8. Dargez Trade House
 9. Cheboksarsky Cotton Factory
 10. Komitex
 11. Serpukhovskiy Tekstil
 12. Firma Tekhnoavia
 13. Zvorykin Flax Association
 14. Khrom
 15. Parizhskaya Kommuna Shoe-Manufacturing Factory
 16. Cheboksarsky Trikotazh
 17. Kalandr
 18. Bolshevichka
 19. Yakovlevskaya Manufaktura
 20. Roskontrakt-Kamyshin
 21. Yakovlevskiy Textile Holding
 22. Gavrilov-Yamskiy Flax Factory
 23. Kupavna Textile Firm
 24. Troitskaya Worsted Factory
 25. Unichel Shoe Company
 26. TFOka
 27. Bereg Production Association
 28. Kompaniya Splav
 29. Gloria Production And Trade Company
 30. Tverskoy Tekstil
 31. Avangard
 32. Ruslana
 33. Kirov Thread-Spin Factory
 34. Clothes Factories Of St.Petersburg
 35. Melita
 36. Melanzhist Altaya - Barnaulskiy Blended Yarn Fabric Factory
 37. Krasnodarskiy Affiliate Of PG ILS
 38. Rodteks
 39. Detskaya Odezhda
 40. Slavia Tekstil
 41. Nomatex
 42. Kanat
 43. Altro
 44. Trekhgornaya Manufaktura
-

-
45. Seltex
 46. Kurskaya Kozha
 47. Ulan-Udenskaya
Fine Woolen
Manufactory
 48. Sok Vestfalika
 49. Slavyanka
 50. Gorodischenskaya
Finishing Factory
 51. Baltex
 52. Suvorovskaya Nit
 53. Slavyanskaya
Clothes Factory
 54. Tpk Orentex
 55. Donobuv
 56. Egoryevsky
Cotton Factory
 57. Salamander
Vostok
 58. Egorievsk Cotton
Combine
 59. Frant
 60. Krasavinsky Flax
Factory
 61. Teykovotekstil
 62. Kuznetskobuv
 63. Gamma
 64. Kineshemsкая
Spinning And
Weaving Factory
 65. Kurskaya Fabrika
Tekhtkaney
 66. Smolenskaya
Hosiery
Manufacturing
Factory
 67. Donetskaya
Manufaktura M
 68. Tverskaya Clothes
Factory
 69. Pervomaiskaya
Zarya
 70. Belka Trade
House
 71. Vympel
Production
Association
 72. Furmanovskaya
Factory N2
 73. Sinar
 74. Novaya
Ivanovskaya
Manufaktura
 75. Novosibirskaya
Cotton And Flax
Company
 76. Medvedkovo
 77. Krasny Pereval
 78. Polet
 79. Raskom
 80. Antilopa PRO
 81. Ryazanvest
 82. Mark-Contract
Holding Company
 83. Vyshnevolotsky
Tekstil
 84. Teikovskiy Cotton
Combine
-

85. Alekseev Fine
Woolen Factory
 86. Samtex
 87. Melenkovsky Flax
Factory
 88. Shagov Factory
 89. Roden
 90. Slavyanka
 91. Navtex
 92. Krasnaya Talka
 93. Orton
 94. Moscow Wool
Mill
 95. Kalita
 96. Krasny Perekop
 97. Gigro-Vata
St.Petersburg
 98. Nevskaya
Manufactura
 99. Pike Fabrika
 100. Special Materials
Company
-

ROS - Return on Sales

ROA - Return on Assets

ROE - Return on Equity

Source: SPARK Database, Interfax-CNA's analysis

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The survey provides information on major trends in Russia's agriculture in 2003-2004, export performance, import penetration, fixed-capital and foreign investments, financials, holdings' structure, performance of key industries (plant growing, livestock agriculture) as well as ranking of major agricultural companies by sales revenue, ROS, ROA, ROE.

Russia's Chemical and Petrochemical Industry in 2003-2004. September 2004

The survey provides information on major trends in Russia's chemical and petrochemical industry in 2003-2004, export performance, import penetration, fixed-capital and foreign investments, financials, holding's structure, performance of key industries (mineral fertilizer, synthetic rubber, plastic products, organic synthesis products, tire, synthetic resin and plastic) as well as operation summary on 25 top companies. The survey also includes ranking of top companies by financial and production indicators.

Russia's Automotive Industry in 2003-2004. August 2004

The survey provides information on major trends in key segments of Russia's automotive market (cars, trucks, buses) in 2003-2004, local production, import penetration, regulation, holding's structure, performance of major automakers (Avtovaz, GM-Avtovaz, KAMAZ, GAZ, Ford Motor Company, AMO ZIL, UAZ, Uralaz, Pavlovo Avtobus, Likinski Avtobus, Izhmash-Avto, SeAz, Nefaz, Avtotor) as well as sales figures of top world automotive producers.

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Russia's Non-Ferrous Metals Industry in 2003-2004. June 2004

The survey provides information on major trends in Russia's non-ferrous metals industry in 2003-2004, fixed-capital and foreign investments, financials, holding's structure, performance of key industries (aluminum, nickel, copper, zinc, lead, tin, titanium, magnesium) as well as operation summary on key holdings and top companies (RusAl, Sual, Norilsk Nickel, Ural Mining and Metallurgical Company, Chelyabinsk Zinc Works, Verkhnyaya Salda Metallurgical Production Association, Novosibirsk Tin Combine, Avisma Titanium and Magnesium Plant).

Russia's Real Estate Market: Key Drivers, Segments, Construction Sector Trends. May 2004

The survey provides information on key drivers of Russian real estate boom, regulation, attractiveness of major segments (residential homes, cottages, country houses, offices, retail, warehouses). The report also covers major trends in Russia's construction sector (growth, regional construction, fixed-capital and foreign investments, financials) as well as recent performance of the industry of construction materials.

Russia's Timber, Woodworking, Pulp and Paper Industry in 2003. April 2004

The report contains data on major trends in Russia's timber, woodworking, pulp and paper industry and its key sectors (production of timber, saw-timber, fiberboard, plywood, pulp, paper, cardboard) as well as export performance, regulation, fixed-capital and foreign investments, financials, ranking of major producers, holdings structure, recent performance of 11 top companies.

Russia's Ferrous Metallurgy in 2003. March 2004

The report contains data on major trends in Russia's ferrous metallurgy in 2003 (production and exports of iron ore, pig iron, steel, rolled stock, steel pipes, metalware, regulation, fixed-capital and foreign investments, financials), holdings structure as well as performance of 18 top steel, pipe and metalware producers.

Russia's Telecommunications in 2003. March 2004

The survey contains data on major trends in Russia's telecommunications in 2003-2004, the sector's regulation, financials, foreign investments, key holdings as well as performance of top traditional and new operators (Svyazinvest, Rostelecom, CenterTelecom, Uralsvyazinform, SibirTelecom, VolgaTelecom, YuzhTelecom, MGTS, Northwest Telecom, Dalsvyaz, Mobile Telesystems, Vimpelcom, Megafon).

Russian Oil Industry in 2003. February 2004

The report provides information on major trends in Russia's oil industry in 2003 (oil reserves, production, exports of oil and oil products, transportation issues, regulation, investment, financials, stock market), performance of 8 Russian oil companies (Lukoil, Yukos, Surgutneftegaz, TNK-BP, Sibneft, Tatneft, Rosneft, Bashneft) as well as structure of oil holdings and general information on key companies within them.

Major Russia's Holdings, Groups and Alliances. January 2004

The report provides an insight in structure and business directions of the biggest Russian holdings (Gazprom, RAO UES, Lukoil, Interros, Menatep, Alfa-Group, Bazovy Element, Millhouse Capital, Surgutneftegaz, Avtovaz, AFK Sistema, Severstal, MDM Group). The report also discloses information (operational data, financials) on key companies within the holdings.

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Russia's Mineral Fertilizers Industry in 2002-2003. November 2003

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Belarus's Telecommunications Sector. October 2003

The report contains data on major trends in Belarus's telecommunications, the sector's regulation, structure as well as performance of top operators (Beltelecom, Mobile Digital Telecommunications, Mobile Telesystems, Belcel, Delovaya Set, Solo).

Kyrgyzstan's Telecommunications Sector. October 2003

The report contains data on major trends in Kyrgyzstan's telecommunications, the sector's regulation, structure as well as performance of top operators (Kyrgyztelecom, Bitel, Katel, Smartcom, Saima Net Telecommunications).