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news

Aginsky Consulting Group Quarterly Newsletter

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NEW ACG COUNTRY MANAGER FOR RUSSIA

Aginsky Consulting Group is proud to present Mr. James Quinn as its newest member and country manager for Russia. In his successful career, James Quinn has contributed to the success of some of the world's most prominent FMCG companies. After nearly 20 years as an executive with PepsiCo, in 1995 Mr. Quinn took the reigns as Coca Cola Russia's General Sales Manager, where he was instrumental in Coke's finally becoming the acknowledged market leader. In 1998, Kraft Foods tapped Mr. Quinn as its Managing Director for Russia and the Ukraine, where he led that company to profitability for the first time since it started to do business in the CIS.

In 2002, Mr. Quinn became CEO of Mercury

Food and Beverage, a Russian subsidiary of the Mercury Group, Russia's #1 Philip Morris distributor. He remained CEO for over 2 years, "westernizing" the Mercury infrastructure and converting it from a primarily wholesale to Direct Store Delivery operation. In 2004, Mr. Quinn decided to take advantage of his extensive corporate and Russian experience by founding three independently owned start-ups in Moscow. In 2007, Mr. Quinn became a partner and country director for Aginsky Consulting Group in its new central Moscow office location at Dubrovka boulevard, 15/13, Bld. #5. He can also be contacted via e-mail at

j.quinn@aginskyconsulting.com.

PRESENTATION AT THE 14TH ANNUAL CIS & CENTRAL-EASTERN EUROPE BUSINESS FORUM BUSINESS GLOBALLY" ACG PRESENTS AT OTBC

On November 1st through the 3rd of 2007, Mr. Alexander Aginsky, Managing Director of Aginsky Consulting Group (ACG), accompanied by Mr. Silvio Pitter, Senior Associate with ACG, was invited to present at the fourteenth annual CIS & Central-Eastern Europe Business Forum in Tucson, Arizona. This symposium, which is one of the longest running conferences designed for those planning to do business or currently doing business in the countries of the former Soviet Union and Central-Eastern Europe, included presentations, case studies of successful businesses, and analyses of current legal, political, cultural, and economic issues.

On November 3rd, Mr. Aginsky participated in the "Investment and Finance" panel and made a presentation entitled "OPENING THE DOOR IN THE EAST TO WESTERN

CAPITAL." The presentation highlighted the constantly growing amount of opportunities currently available in the Russian market for Western investors. In particular, Mr. Aginsky's presentation focused on the various sources of western financing available to Eastern European companies interested in expanding their operations. The presentation explained the role and offerings of international development banks, government organizations, lending institutions, investment banks, strategic alliances, and private equity and hedge funds and provided practical advice for companies interested in soliciting capital from these financial institutions. The presentation is available for download on the ACG website at www.aginskyconsulting.com, in the "our publications" section.

ACG SELECTED AS AN OPIC LOAN AND INSURANCE ORIGINATION PARTNER

Aginsky Consulting Group proudly announces that it has been selected and approved as an official Overseas Private Investment Corporation (OPIC - online at http://www.opic.gov/doingbusiness/edn/edn_originators_lenders_advisors.asp) Loan and Insurance Origination Partner (signed on January 8, 2008).

OPIC is an independent U.S. government agency whose mission is to mobilize and facilitate the participation of U.S. private capital and skills in the economic and social development of less developed countries and areas, and countries in transition from nonmarket to market economies. OPIC assists U.S. companies by providing financing (from large structured finance to small business loans), political risk insurance, and investment funds. OPIC complements the private sector in

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managing risks associated with foreign direct investment and supports U.S. foreign policy. The Enterprise Development Network (EDN) is a strategic alliance between OPIC and the private sector. Through a growing network of private sector organizations, EDN greatly extends OPIC's ability to provide financing and political risk insurance (PRI) to more companies doing business in developing countries. A small group of selected Loan and Political Risk Insurance Originators serve as local service providers to various enterprises offering assistance with development of the OPIC application package, refining marketing strategies, and drafting or enhancing business plans. ACG will focus on assisting U.S. companies with projects taking place in Eastern Europe and the CIS.

NEW ACG ASSOCIATES

ACG is proud to welcome two new associates to our U.S. core team - Dr. Andrey Strigin and Mr. Christopher Eddy. Both of them have joined our firm in the last quarter of 2007 and have already added great value to our team and some of our clients.

Andrey Strigin, Ph.D., ACG Senior Strategy Consultant

Dr. Strigin brings 25 years of management consulting and business development experience to the team of Aginsky Consulting Group. Dr. Strigin's international consulting experience includes senior management positions in the Moscow offices of Arthur Anderson and KPMG, where he was responsible for strategic business planning, client business reorganization, corporate (ERP-level) software selection, and implementation projects for the largest oil and gas companies in the CIS and the Baltics. He joined Aginsky Consulting Group after a successful career with BAI Inc., an aviation spare parts distributor, where he was the Director of Business Development for Eastern Europe. With extensive experience in project management, IT consulting and system integration, and operations, as well as strategy development and execution, Mr. Strigin is responsible for strategy development and operations in Russia.

Dr. Strigin holds a Ph.D. in Cybernetics/Computer Science, and is the author of 26 scientific publications. In 1986-1991, he was the official IT Expert of Eastern-European Economic Agency (COMECON). Mr. Strigin also holds a B.S. in Applied Psychology and is fluent in English and Russian.

Christopher C. Eddy, ACG Senior Research Consultant

Mr. Christopher Eddy brings over ten years of international business experience to the team of Aginsky Consulting Group in various industries including retail and restaurant management. During that time he has been responsible for new business concept design, business development, marketing, and successful business plan implementation. Mr. Eddy specializes in strategic market entry and global business development for clients interested in the emerging markets of Eastern Europe and Latin America.

Mr. Eddy holds a bachelor's degree from Sonoma State University in Business Administration and Modern Languages (Spanish). He also holds an MBA from Thunderbird, The School of Global Management in International Brand Management and Project Management. He has extensive experience in the Latin American region. Mr. Eddy is fluent in English and Spanish.

PROGRAM UPDATES

ACG partners with "CSNW" on the concrete and cement program

Aginsky Consulting Group is collaborating with Carbon Solutions Northwest ("CSNW") on a program aimed at assisting U.S. concrete and cement producers in their international expansion and business growth. There is tremendous growth across all construction sectors in Russia with residential construction growing by 15% in 2006 alone. The Olympics are also coming to Sochi, Russia in 2014, which presents yet another enormous opportunity for concrete and cement manufacturers since the region will require a massive infrastructure overhaul to satisfy the needs of the most visible international sporting event worldwide. ACG has identified a serious shortage of concrete and cement in the Russian market and our team is confident that this demand can be met by the entrance of Western players into that market. Portland-based CSNW works with high carbon emitters, such as concrete and cement producers, to reduce their carbon footprint and thus was very interested in collaborating with our firm on this initiative.

ACG launches a program aimed at the Russian retail sector

According to recent market data, "Russian retail sales reached approximately \$318 billion in 2006. This has made Russia the 2nd most lucrative and 12th largest retail market throughout the globe." More spending by Russian consumers translated into an overall retail sales growth rate of 25.5 percent in 2006 and there are no signs of slowing. Growth is expected to increase at an average rate of 11.29 percent YOY through 2011, with top retail chains expecting to register a 42 percent average revenue growth. ACG is currently working with top international retail chains and premier consumer goods companies to bring their products into Russia and the former Soviet Union. Our team has developed unique business solutions for a variety of companies that are interested in international expansion.

CIS restaurant development program

ACG will be launching a restaurant industry program in January. The focus of this program will be on the

markets of the former Soviet Union, specifically those of Russia and Ukraine. In Russia consumer spending has risen rapidly for the past few years, fueled by an income growth rate of 10 percent last year (2006) and 11 percent the year before. The flourishing economy has given rise to an expanding middle and upper class that "has caused an explosion in all types of consumption." After Russia, Ukraine is by far the most important economy in the Commonwealth of Independent States (CIS), producing four times the output of the next ranking country. Its population is nearly 50 million people. Retail trade is one of Ukraine's fastest growing sectors and the most rapidly growing retail market in Central and Eastern Europe. The restaurant industry is enormous in Ukraine and is growing much faster than the economy as a whole. The restaurant business has grown to \$1.8 billion, rising \$140 million or 8.5 percent in 2006. In this program, ACG will work with multinational food retailers, producers, restaurant chains, and restaurant equipment manufacturers. All of these sectors are recording extraordinary growth in the region.

FOR ADDITIONAL INFORMATION REGARDING ANY OF THE ABOVE PROGRAMS OR OPPORTUNITIES PLEASE CALL US AT (877-WITH-ACG) OR WRITE TO INFO@AGINSKYCONSULTING.COM