



# INSTITUTE OF CORPORATE LAW AND CORPORATE GOVERNANCE

5, bldg. 2, Zvonarsky pereulok, Moscow, Russia 107031  
Tel.: (7-095) 258-3569 • Fax: (7-095) 258-3568 • E-mail: info@iclg.ru • Web-site: <http://www.iclg.ru>

---

February 3, 2003

Press Release

## Lenenergo Falls Down in Corporate Governance Rating List

The Institute of Corporate Law and Corporate Governance on February 3, 2003 presented its latest **rating list of 25 major Russian companies judged for the quality of their corporate governance arrangements (the CORE-rating)** for the 3<sup>rd</sup> quarter of the 2002. The rankings are based on the findings of special research, including reviews of data found in the monitored companies' financial statements and consolidated reports executed to international standards.

Compared with the results of a similar assessment performed in the 2<sup>nd</sup> quarter of 2002, **the standings of the most businesses surveyed are substantially the same.** This reflects, on the one hand, the traditional relative "lull" in corporate activity in July-September 2002 following a flurry of annual shareholders' meetings. On the other hand, such consistency also confirms that the corporate governance situation on the Russian securities market has stabilized, with companies interested in outside investments making consistent efforts to improve their information disclosure records and lower corporate governance risks.

The CORE-rating list is still **led by VimpelCom**, while **Rosneft-Purneftegaz** comes last.

*Lenenergo* fell from the 2<sup>nd</sup> place to as low as the 11<sup>th</sup>-12<sup>th</sup> places shared with Aeroflot after failing to provide the Institute during the three months under review with any of the essential corporate documents sought as a shareholder. *Lenenergo* was also found to have an inferior balance sheet structure: lower current liquidity and capital ratio.

In contrast, *Severo-Zapadny Telecom* rose to the 3<sup>rd</sup>-4<sup>th</sup> places from the 7<sup>th</sup>-8<sup>th</sup> positions it had earlier had on the CORE-rating list. The climb was due mostly to the company's greater overall transparency, in particular, improvements made to its corporate website. Better financial performances also meant higher rankings for a number of oil companies including *Sibneft*, *YUKOS*, *Tatneft*, and *Tyumenskaya Neftyanaya Kompaniya*.

In the opinion of the Institute's experts, the *restated Federal Law "On the Securities Market"*, in effect since January, 2003, should *favorably bear upon* the standard of corporate governance practices at Russian companies. The statute makes more stringent requirements, for example, on information disclosure about corporate operations in the form of quarterly reports. Companies are now obliged to reveal a large scope of data about themselves, their finances and business, their shareholders/participants, the persons serving on their governing bodies, and interested-party transactions executed.

## CORPORATE GOVERNANCE RATING (CORE-Rating)

**At 1 October 2002**

Rank*	Company	Final score**	Change in final score ***
1 (1)	VimpelCom	84,54	+0,83
2 (3)	UES Rossiya	66,19	0
3-4 (4)	GMK Norilsk Nickel	65,36	+1,44
3-4 (7-8)	Severo-Zapadniy Telecom	65,36	+3,92
5 (5)	YUKOS	64,33	+1,24
6 (7-8)	Sibneft	63,51	+2,07
7 (9)	Lukoil	60,62	-0,2
8 (10)	Rostelecom	60,41	+1,85
9 (6)	Kuzbassenergo	59,59	-2,06
10 (11)	Gazprom	58,76	+1,44
11-12 (2)	Lenenergo	58,14	-8,46
11-12 (12)	AEROFLOT	58,14	+1,03
13 (13-14)	Slavneft-Megionneftegaz	56,49	+0,61
14 (15)	Bashkirenergo	55,46	+1,44
15 (13-14)	Samaraenergo	55,26	-0,62
16 (18)	Irkutskenergo	54,02	+1,24
17 (19)	Surgutneftegaz	52,58	+0,62
18 (17)	MGTS	51,55	-1,65
19 (16)	Severstal	50,72	-2,68
20 (20)	Tyumenskaya Neftyanaya Kompaniya	49,48	+0,82
21 (22)	Tatneft	46,80	+1,23
22 (24)	GAZ	44,95	+1,24
23 (23)	VolgaTelecom (Nizhegorodsvyazinform)	44,74	0
24 (21)	AVTOVAZ	42,68	-3,71
25 (25)	Rosneft-Purneftegaz	32,99	-0,62

\* Each company's position on the previous Rating, recorded at July 1, 2002, is shown in brackets.

\*\* As a percentage of the maximum possible

\*\*\* Change in the company's final score compared with the previous period (at 01.07.2002), in percentage points