

Briefing by Head of the Federal Antimonopoly Service Igor Artemyev following a meeting of the Government Commission on Monitoring Foreign Investment

Excerpts from the transcript:

Igor Artemyev: The Government Commission on Monitoring Foreign Investment met today under the chairmanship of Dmitry Medvedev. Many interesting transactions have been reviewed.

The first transaction relates to St Petersburg: 25 percent of the shares of the new St Petersburg airport were purchased by a company from the United Arab Emirates – the Thirty Seventh Investment Company. These 25 percent were sold by our VTB Bank. This means that another foreign investor, in addition to Fraport, has come to attend to the management and development of the St Petersburg airport. The transaction amounts to 240 million euros, that is, about 15 billion roubles.

The next deal concerns a Canadian company (this deserves attention amid the sanctions) CPPIB Monroe Canada Inc., which acquired shares in the Taman grain terminal complex, a grain transshipment terminal in Russia. The Canadian company has purchased a portion of the capital of the grain terminal and, accordingly, will continue to invest, build and further develop this terminal.

The next story is connected with a major Russian company – Severneftegazprom, which is controlled by Gazprom. As a result of the transaction, Gazprom will retain control over it. In fact, this company controls 1.1 trillion cubic metres of gas, which is an absolutely mind-boggling amount.

The transaction amounts to 1.808 billion euros. Do you realise how much that is? Accordingly, OMV Exploration and Production, which is registered in Austria, acquires a little less than 25 percent (24.99 percent) in the joint-stock company Severneftegazprom. This company belongs to another Austrian company (I mean the acquirer), with 31 percent Austrian capital, and 24 percent owned by the government of the Abu Dhabi Emirate. This is a major deal with the Austrian money coming in, and this is important from the point of view of developing the fields.

Thirty Seventh Investment Company, which I've already mentioned in connection with the St Petersburg airport, is carrying out two important social projects. Let me repeat that it is controlled by the United Arab Emirates. In cooperation with Russian companies, they are building two major high-tech medical centres – in Balashikha and Podolsk. They are investing and acquiring

37.5 percent in both of them. These two medical centres are vital for the social sphere of the Moscow suburbs. They will be equipped with new technology and so on.

These are the most interesting deals today. As you see, they are big and multipolar as always – from all continents. The deals I mentioned today were approved.

Journalists often ask me about Novomet. Remember: Halliburton–Novomet? Today the commission reviewed this issue but it could not have been considered on its merits because Halliburton did not submit an official application. Naturally, we cannot review anything without an official initiative from a potential investor in strategic assets. We reported to the commission that we have designated Novomet's own business as strategic and, hence, the company as strategic (this was done by FAS as an authorised body) and informed Halliburton that they must submit an application under the 57th law if they want to acquire Novomet.

Today we reported this to the commission, which duly took account of this information. Now we are waiting for an official application. In other words, the commission did not disavow the FAS decision but supported its view that a potential deal between Halliburton and Novomet should be subjected to special consideration by the Government commission.

Question: Could you comment on one more deal – the acquisition of a share in the Eurasia Drilling Company by the Russian Direct Investment Fund and its partners?

Igor Artemyev: The point is that we don't have a repeated application on Eurasia so the situation with it is the same as with Halliburton. If they want this deal to be considered (no matter whether Schlumberger or any other company applies for it) they should submit an official application. As far as I know, they are conducting some consultations on this issue now but we are not part of them. So we will go ahead when we receive official documents.