

KRONICLE OF EVENTS

KRONSTADT St.-Petersburg
KRON-CIS Hamburg
KRON INDUSTRIAL Miami

KRONDE
 GROUP OF COMPANIES

2011-2012: RESULTS, ACHIEVEMENTS, PLANS



Sergey Sukhachev,
CEO of KronDe Group

In this issue:

Kronstadt's telescopic gangways for passengers of Kazan International Airport page 3

Integrated Automation of KronDe – all group companies in the same space page 4

Customs and logistics company Kanonersky has become a part of industrial group KronDe page 5

Showroom KronDe – equipment exhibition every day page 7

KronDe-Moscow and KronDe-Atyrau – we have become closer to our customers in Russia and Kazakhstan page 6-7

Russian Horn Orchestra under the patronage of KronDe Group – performances, projects, opening page 8

The year 2011 is nearly over, and it is high time to draw up its results. It may be called without exaggeration a crucial year for our Group of companies. We achieved a real breakthrough and came to a new business level. My companion Andrey Spirin and I decided to merger all our companies into a holding already at the beginning of this year. Thus we sought to gain more flexibility and independence from changes in market tendencies and to extend potential of each particular company.

Into the industrial subdivision of KronDe Holding went Kronstadt and KronDe Group focused on equipment manufacture and supplies, Kron-CIS (Hamburg) and Kron Industrial (Miami) created to maintain direct cooperation with European and American producers, specialized service centers Unix and Atlant and our own logistics company Kanonerskiy. Establishment of KronDe Group of companies is just our most important success and a fruit of many years' labour. But when reviewing our achievements for the outgoing year, we shall mention other significant projects realized due to our business growth and development.

KRONDE GROUP OF COMPANIES IN RUSSIA AND ABROAD

The beginning of 2011 was marked by an important event in KronDe' history – our representative office in Miami, Florida was established. It is named Kron Industrial LLC. Our experience convinced us of great demand for American equipment in the Russian market. Larger production facilities enable its more rapid production compared with European one. As for its quality, it is guaranteed by conventional exactingness of American customers and a highly competitive environment of industrial market

in the USA. That's why foundation of our branch in America became a leap forward for our company. One of departments of Kron Industrial specializes in searching new technologies applied in American enterprises, but little known in Russia. KronDe pays much attention to this aspect of its activity in the USA, since innovations at Russian enterprises may reduce operation costs and improve production quality.

In spring and summer another two "footholds" in strategic points were built by us.

More details are on page 2

Preview



Metal working equipment by KronDe – manufacture of tomorrow!

The company KronDe was established in 2010. Its main directions are supplies of equipment from global producers and manufacture of its own product range. Last year production of bellows expansion joints for high-risers started. This product is now popular in Russia because of intensive building. Encouraged by success of expansion joints, our company took another bold step – it launched its own metalworking product range. This event happened not from scratch: it has been prepared by many arrangements made before, since the Metal-working division was established in 2011.

More details are on page 4



Dealers are the face of KronDe in regions

KronDe group has been implementing an active policy not just to promote and expand the dealer network but to build a team of professionals who know their business, market and guide their work by the same principles as the KronDe – contribute to the modernization of production facilities of Russian factories and other businesses, supplying equipment, actually capable of accomplishing the task of the customer. In future we are planning to create a Closed Dealers Club, membership of which would involve significant benefits, such as the education in the KRONDE Academy, assistance in promotion of business in the region, providing promotional materials with the contacts of the dealer.

More details are on page 6



KronDe exhibition calendar 2011

The departing year Kronstadt and KronDe took part in nine trade shows: BLECH Russia (St. Petersburg), Metalloobrabotka (Moscow), MIOGE-2011 (Moscow), Neva (St. Petersburg), Industrial Show (Samara), WELDEX/ROSSVARKA (Moscow), Khimia 2011 (Moscow), OIL.GAS.CHEMISTRY (Perm) and PCVEXPO (Moscow). Such versatility is derived from development and extension of our business. Both our companies had meetings with their permanent partners, set up new business contacts, presented new manufacturers and even a new supply direction – metal-working and welding equipment

More details are on page 5



KRONDE Workshop – revival of horn music in Russia

Founded in October 2011, KRONDE Workshop is the most interesting and important common project of KronDe Group of companies and Russian Horn Orchestra. Significance of this project is more than merely support of one separate creative team. The Orchestra conducted by Sergey Polyanichko is a singular thing, but the musicians are willing to loose their special state for the sake of horn music propagation all over Russia and abroad. But rebirth of this beautiful national tradition is not possible without new horns. They are to be fabricated in our workshop.

More details are on page 8

KronDe Group of companies

www.kronde-group.ru

Manufacture, supplies, distribution

KronDe Group	Manufacture and sales of industrial equipment www.kronde.ru
Kronstadt	Integrated delivery of industrial and marine equipment www.kron.spb.ru
Kron-CIS (Germany)	Development of partnership relations with Western manufacturers www.kron-cis.de
Kron Industrial (USA)	Search of innovative projects and technologies for Russian enterprises www.kronindustrial.com
Kanonerskiy	Support of foreign economic activity of industrial companies www.kanonerskiy.ru
Representative offices	
Representative office in Moscow	Selection and delivery of equipment by KronDe Group of companies, cooperation with dealer network www.kronde.ru
Representative office in Kazakhstan	Selection and delivery of equipment by KronDe Group of companies within the territory of Kazakhstan www.kronde.kz
Service	
Atlant	Specialized service center for metal-working machinery, compressors, pumps
Unix	Specialized service center for welding equipment, metal cutting equipment, diesel generators

Development, asset management, real estate activities

Central Real Estate Agency (ZAN)	Development and real estate activities www.allestare.ru
Administration Company Credor	Investment and asset management in realty and industry www.credor.spb.ru

KRONDE

GROUP

The group of companies **KronDe** is a Russian holding with representative offices in Hamburg (Germany) and Miami (USA) combining five separate lines of business under the KronDe brand. The companies of industrial direction are engaged in manufacturing equipment at European enterprises under the brand KRONDE, in direct supplies of marine, oil-and-gas and industrial equipment fabricated by global producers to Russia and CIS countries and its further selling through a vast dealer net, preparing design documentation and service support of equipment. Foreign economic activity of industrial companies is supported by the company of customs and logistic direction. KronDe group includes the companies fulfilling investment, development and real estate activities, investment and asset management in realty and industry. Our Group of companies pays great attention to support of social and cultural projects and is the title partner of a unique musical band, the Russian Horn Orchestra. KronDe group of companies is headquartered in St. Petersburg. The first companies forming the group were established in 1994.

www.kronde-group.ru

These are our capital Moscow and "Kazakhstan's oil capital" Atyrau.

KronDe Moscow is first of all meant for our customers from the Central Russia for whom Moscow is closer than St. Petersburg. The office has a warehouse, so the goods can be delivered more promptly. One of main objectives of our Moscow branch is extension of our dealer and partner network. KronDe Atyrau is focused on supplies of all the equipment range, especially oil-and-gas, to Kazakh enterprises. Oil-and-gas industry is the most promising market area in Kazakhstan, because volume of proved oil reserves in this country at the beginning of 2009 was estimated by experts as 39.6 milliard barrel, volume of gas reserves as 1.82 trillion cubic meters. Production facilities of our Eastern neighbour are also being modernized actively.

OUR REGIONAL PARTNERS

KronDe's representative offices in Moscow and Kazakhstan are an invaluable support to us, but even they are not sufficient for a company which is being developed such as ours. Our customers are located in different places of Russia, and they often require advice or maintenance "in situ" or prefer having a storehouse closer to them. For this reason we searched for new dealers in various Russian regions during this year. Experienced, competent companies familiar with local markets were welcome to join us. So we opened distributor relations with many enterprises all over Russia: from the South to Siberia, from the Don to the Kama river. Some of our partners took part in exhibitions together with us. Our dealer network is to be also a partnership one, and the prospective Membership club for dealers will be a part of our cooperation. Members of the club will have dealer discounts, participate in tenders and presentations together with KronDe, train by our program and receive advertising materials.

AN INDEPENDENT LOGISTICS IS A CONSIDERABLE ADVANTAGE

A wide dealer network and several representative offices make our company more flexible in order processing, but there is also an advantage over most of our competitors. It is a logistics structure fully independent on subcontractors. We recognized this year that a respective department in our company is not enough, that services of outside organizations not always satisfy us. That's why we came to establishment of our own logistics company, Kanonerskiy engaged in all the stages of foreign economic activity – conclusion of contracts, freight forwarding, designing of convenient ways of delivery, customs clearance, international and domestic carriage. Storehouses in Germany (Rostock, Kiel), Finland (Lappeenranta) and Russia (St. Petersburg, Moscow) will be used as intermediate points in goods forwarding.

Logistics of industrial equipment is no picnic. A number of licenses and certificates must be obtained, delay at the custom house is fraught with downtime of end customer's facilities, and a rich experience in this area allows Kanonerskiy to serve not only the Holding's companies, but also any other client, be it our partner or an absolutely unfamiliar organization.

NEW DIRECTION OF EQUIPMENT SUPPLIES MEANS NEW OPPORTUNITIES FOR COLLABORATION

KronDe's palette of delivery has been enriched with one more branch – equipment for metal working and welding. Selecting the brands, we strived for finding a supplier for every group of machines – for sheet, profile and pipe working, cutting and welding of metals.

Special attention is given to complete engineering projects; our specialists select equipment based on a component drawing.

Two special service centers (Atlant and Unix) were founded within our holding. They are rendering warranty and post-warranty service, new equipment training of customer's staff (including training at manufacturer's facilities), running service under contract. After all, not every equipment supplier in Russia can render accessible service to his clients in case of failure. Since this autumn you can see equipment in operation in our show room located in St. Petersburg.

Except for supply of world brand equipment KronDe started production of its own metal working equipment under its own brand. This happened this autumn. The machines are manufactured in Chinese and Turkish facilities (that makes them reasonably priced), under supervision of our German colleagues (that ensures high quality). We hope that KronDe's machines will be in demand in Russia – they are durable, easy to maintain and don't require frequent spares replacement.

EXHIBITIONS 2011

Our company has never had before such a rich year as to exhibitions. We made a presentation of our new department for metal working, cutting and welding in such significant events as BLECH Russia 2011 (St. Petersburg), Metalloobrabotka 2011 (Moscow), WELDEX/ROSSVARKA (Moscow), Industrial Show 2011 (Samara). Our oldest direction of activity – marine equipment – was presented at the 20th anniversary exhibition Neva 2011 (St. Petersburg). A performance of the Russian Horn Orchestra became a special gift for the visitors. Of course, Kronstadt's another long-standing line of business was not neglected. Our company demonstrated oil-and-gas equipment at MIOGE-2011 (Moscow) and OIL.GAS.CHEMISTRY (Perm). Pumps, compressors and expansion joints were exhibited at Khimia 2011 and PCVEXPO

2011 (both in Moscow). Kronstadt announced its partnership relations with such metal working producers as Beka-Mak, Bend Mak, Aysanmak, Gecam, Vibrochimica, welding equipment manufacturers Migatronic and Dalex, deck equipment brand Tripomet, pump producers Affetti and Varisco, compressor maker I, and the manufacturer of heat exchangers, GEA.

RUSSIAN HORN ORCHESTRA

This year KronDe Group of companies became title partner of the Russian Horn Orchestra conducted by Sergey Polyanichko. Our business is growing and our responsibility to the society and cultural heritage grows too. We chose this Orchestra for several reasons. It is a unique musical band that has restored a wonderful national tradition of horn music by its own efforts. And now they are ready to share their skills with other bands all over Russia in order to make this cultural phenomenon world famous. It appeals much to us. KronDe has already made a contribution to horn music popularization by founding an instrument workshop in St. Petersburg and it is just the beginning. We would like to become for them a true partner who can lend his shoulder in case of need.

In conclusion of the interview, I should say that the basic principle of KronDe Group is "Development never stops." We have set still more goals for the next year and hope to put through many other interesting plans. The following issues of the "Kronicle" will tell you about them.

Today I wish a happy New Year to our partners, dealers, customers and all those who assist us in our activity. Also I wish you success, strength to move forward and optimism without which nothing can be done.

Interview by Alisa Kalinovskaya

Kronstadt's telescopic gangways for passengers of Kazan International Airport

This November our company concluded a contract for delivery of four FMT telescopic gangways (Sweden) to the Airport of Kazan. It is the second large supply of telescopic gangways, after installation in a passenger port of St. Petersburg this spring.

Many airports and sea ports in our country are reconstructing their passenger terminals. No wonder, because Russia is developing its tourism industry, and the place of arrival is the point where a traveler gains his first impression of a town. The International Airport of Kazan is no exception. Its modernization requires €400 million investments. In the course of reconstruction the airport area shall be expanded, consequently, passenger traffic flow will increase 10 times. In 2013 it shall be able to serve up to 4.5 million passengers yearly.

Telescopic **gangways** are an integral part of a modern passenger harbour from the viewpoint of safety and

passengers comfort. They are required in airports to get passengers from the building to the board and in seaports to serve passenger-and-freight ferries and cruise liners if these have high doors and have no own means for passenger boarding and unloading. Such **gangways** can replace vehicles for delivering passengers directly to the place of boarding. For which reason purchase of telescopic **gangways** often enters into rebuilding projects.

In Kazan airport telescopic **gangways** produced by FMT are to be installed in two new terminals being under construction. Like in the St. Petersburg passenger port Marine Façade, the installation will be supervised by experts of Kronstadt and of FMT.

Participation in such difficult and large-scale projects will open us up new possibilities of cooperation with the largest Russian airports. This new direction is very important for us.



Fabric expansion joint replacement in two metallurgical works

The departing year Kronstadt LLC has replaced in large quantities expansion joints installed in gas ducts of several domestic metallurgical works, among others in Mednogorsk Copper & Sulfur Enterprise (MMSK) and Novolipetsk Steel (NLMK).

In summer 2011 our company supplied 22 fabric expansion joints to Mednogorsk Copper & Sulfur Enterprise. They were installed in gas ducts of gas-cleaning units in the converter room. The joints replacement was a part of the plant's technical reequipping according to new strict requirements for ecological compatibility.

One of the world's largest metallurgical works, Novolipetsk Steel (NLMK) purchased from Kronstadt a batch of 80 expansion joints to be installed at blast furnaces in the converter room.

At the end of September the commission of experts including our specialist Sergey Grishaev and representatives of the manufacturer visited both enterprises. The commission members inspected quality of equipment installation and made sure that it complies with all the applicable requirements.

The inspection results show that the 22 flexible joints installed at MMSK can provide maintenance-free operation for at least 15 years. Expansion joints at NLMK, like at the former enterprise, are installed in accordance with ISO 9001:2008 and will be operable during the period specified in the design specification.



"We consider the installation inspection of the equipment supplied by us to be our duty. The project remains unaccomplished until this stage is fulfilled. Quality assessment is important in every case, and if our products are installed according to standards, we may hope that both the customer and the manufacturer will be satisfied with cooperation with Kronstadt, and our equipment will cope with all the set tasks", said Sergey Grishaev.

Kronstadt delivered pump units for modernization of Novokujbyshevsk Oils and Additives Plant

In October 2011 Kronstadt LLC won the tender of Rosneft for delivery of pumping units Sundyne (France). These units are intended for use at IDW facility at Novokujbyshevsk Oils and Additives Plant.

This oil plant produces 63 types of industrial, marine, hardening and special motor oil. The pump unit installation is carried out within the program for updating of Rosneft refineries. This program has been undertaken to enable production of Euro5 compliant fuel since 2015.

The main works within the program are to be completed by the end of 2014. As a result, output in primary processing shall increase by 7 million ton, in conversion processes – by 17.7 million ton, in fortifying processes – by 30 million ton. Light oil output shall increase

from 56% in 2010 to almost 80% in 2015. Nelson Complexity Index shall increase from 4 up to more than 7.

Kronstadt takes part in modernization of fuel and energy sector by supplying complex equipment (e.g. heat exchangers from GEA Mashimpeks, pumps from Sundyne etc). Modern equipment makes production more environmental-friendly, nevertheless the incomes grow.



Dry type slag removal system designed by Kronstadt to be installed at Cherepets power plant

Kronstadt LLC is close to complete execution of a contract for designing and delivery of a dry slag removal system for the Cherepets power plant located in Central Russia.

In 2010 our company won a tender for equipment delivery for two power units 225 MW each. Scope of supply determined for our company included:

1. Designing, manufacturing and supply of dry type slag removal systems with all auxiliary units, inclusive necessary electrical equipment (control cabinets etc) and control system for two power units;
2. Supervising installation and commissioning;
3. Warranty maintenance and staff training.

The slag removal system is a fruit of joint work of Kronstadt's engineers and our partners from Uralorgres (Yekaterinburg) under supervision of a company Zarubezhenergo-projekt.

As equipment manufacturer a Finnish company Laitex Oy renowned for high quality of its conveyor equipment was chosen. Some orders for crushing equipment were referred to a company Niiprojektasbest.

In the course of the year 2010 a layout of slag conveying from furnace bottoms to bunker flanges was designed.

Kronstadt has made a great deal of engineering work, coordinating actions of different equipment designers.

The equipment for the power units of the Cherepets power plant was supplied timely and in full compliance with customer's specifications.



The final dry slag removal system comprises of following units:

1. Laitex refrigerated twin screw conveyors for slag feeding, temperature 800°C;
2. receiving bunkers with sprinkler systems;
3. fabric expansion joints 3 m length, designed for operating temperatures above 600°C;
4. electrically-actuated guide tees
5. Laitex drag chain conveyors up to 12 ton/hour;
6. Laitex KE chain bucket elevators 10 m length;
7. crushing equipment;
8. electrical equipment, control cabinets, control and measuring instruments.

KronDe performed a special task for a copper processing plant

Last May KronDe supplied about 2000 m hoses of non-standard diameter 110 mm to the largest Russia's copper processing works Uralelectromed (a member of Ural Mining and Metallurgical Company). The project is reconstruction of a copper electrolysis department.

The specification for electrolyte-transporting non-standard diameter hoses was drawn up by a design bureau Uralmechanobr, which provides engineering support to the plant's

modernization project. Our specialists offered York 110 hoses produced by IVG COLBACHINI S.p.A. as a solution. The proposal was accepted by the customer and then the company KronDe was selected to be the supplier.

Uralelectromed is expanding its copper refining facilities. The new copper electrolysis shop shall increase cathode copper output from 380.000 to 500.000 ton per year. By the plant's estimates, investments in the project will total about \$130 million.

KronDe metal working equipment – manufacture of tomorrow!

KronDe (founded in 2010) has two directions of activity: world brand equipment supply and own industrial production. Last year the first bellows expansion joints were produced. This is a marketable product in Russia where construction industry is on the rise. Since the bellows were a success, we decided to make a try at metal working equipment production.

The first step in this direction was establishment of Metal working, cutting and welding equipment division within our company in 2011. When our experts were selecting brands for future cooperation, they analyzed conformity of technical characteristics of equipment with requirements of Russian customers for longevity, maintenance and price. Operating conditions in Russian plants are more severe, than those in Europe or in America. A great part of equipment is out-of-date, but renovation requires a lot of money. If a machine needs frequent spare parts replacement or regular maintenance, it is also not very convenient for the plant. Equipment produced by KronDe's foreign partners mostly suits operating conditions of Russian enterprises, but we failed to find appropriate suppliers of some types of metal working equipment.

So we came to a decision to launch our own machine production. We apply a production type combining strong points of different manufacturing countries. The drawings are engineered jointly by designers of KronDe Group and our German colleagues. Therefore design of KronDe equipment is a synthesis of German precision and high quality with knowledge of Russian industrial market.



The next problem is where to produce the equipment. Unfortunately, today there are no technical facilities in our country to make modern metal working machines of guaranteed quality and in a short time. If the machines are produced in European

plants they go up in price significantly. A way out was to place manufacturing orders in Turkish and Chinese enterprises. But as an additional control measure this equipment is inspected by technical experts from KronDe and Germany.

A combination of a reality-close design, acceptable "Asian" price and German quality control is suitable for current demands of domestic industry. We are sure that such an approach to production will give a head start to KronDe machines.

Integrated Automation of KronDe – all group companies in the same space



After opening of representative offices of KronDe in Miami, Moscow and Atyrau in 2011, presence of the group of companies has expanded to three continents: Europe, Asia and America. The holding's today's major challenge is to coordinate the work of all offices: Russian (St. Petersburg and Moscow), European (Hamburg, Germany), Asian (Atyrau, Kazakhstan) and American (Miami, USA). Commercial director of KronDe Group Ivan Beloturov comments on practical integration of company's branches.

– What steps are planned by the financial department of «KronDe» for the integration of all the offices?

– Our objective is to create a single information space to measure the performance and obtain information for future planning. Today, the only solution to quickly consider the actions of all employees of the group of companies in different countries and even on different continents - is the ERP-system (Enterprise Resource Planning).

- an internal company network based on IT, designed to manage internal and external resources to the enterprise: its significant physical assets, financial, logistical and human resources.

– What tasks will this system complete?

– Its primary purpose is to automate the entire financial and business enterprise. Technology Platform 1C, which is based on a network, specifically designed to manage all types of accounting (managerial and regulated) by enterprises holding type. Implementation in all offices of «KronDe,» unified information database automates sales management, purchasing, inventory, it will enable rapid resource planning that takes into account the current situation, cash management and settlement with the producers and customers. In the future introduction of 1C will substantially assist all employees of the group of companies, although at first they may experience difficulties because of the need to perform more strictly regulated operations in a particular scenario.

– What are the advantages of working requires a single field?

– First of all, this is a great opportunity for building the economic and analytical reporting. Managerial, financial and tax accounting will be based on information that is introduced to the system users. The system is simple - the fact of the business transaction is recorded only once and is reflected in the administrative and rule-keeping. The need to re-enter the information is excluded. Means for registering a business transaction will be a document, and to speed up the substitution mechanisms commonly used data «by default», the introduction of new documents based on previously entered.

– I think that the automatic record-keeping is at risk of «human factor». Someone from the staff will make the information not relevant to competence, and this will provoke an error that turns into a huge snowball and can cause serious problems.

– Such possibility is eliminated due to the large number of possibilities for a clear division of employee access to information and functionality depending on their status. In addition, the data entered by users is automatically checked. For example, the registration of cash payments will be automatically determined

by the availability of funds within existing applications on their spending. A shipment of goods in the registration will be verified by the recipient state settlements with the shipment.

– When will the introduction of a new information system?

We plan to introduce a software product «1C: Integrated Automation 8» in May 2012. The internal network «KronDe» will cover all key business processes of our company. In total, the network will work for accountants, managers, buyers, logistics. Each of the specialists would be within his competence, aware of the current situation, and its decisions will be based on the latest information received by the system.

Interview by Alisa Kalinovskaya



Customs and logistics company Kanonersky has become a part of industrial group KronDe

Foreign Economic Activities is one of the most problematic aspects in the business of any company. Kronstadt and KronDe involved in supplying equipment manufacturers, confronted daily with the need to solve complex logistics tasks at a time when late delivery could halt production of the whole plant. In light of the growth of the supply management group KronDe it was decided to establish an independent company specializing in FEA.

Kanonersky services all customers of «KronDe» holding and its regional partners, as well as provides a full range of services to any third party company as an agent.

Competence of Kanonersky goes far beyond the capacity of the customs operator or freight forwarder. The company offers its clients assistance at any stage of foreign economic activity - from market analysis and a contract to supply equipment to its clearance and delivery to the customer's warehouse to anywhere in Russia and CIS countries.

Logistics specialists of Kanonersky track changes of customs legislation and market conditions, paying attention to innovations in its relations with customs authorities, optimize logistics solutions. Therefore, our specialists are demanded by consultants who are prepared to comment on the Customs Code and other official documents, as well as guidance on all issues, such as: selection of the optimum scheme of export-import operations, training and support

of foreign trade transactions and contracts for the supply, optimization techniques and reduce the cost of transport and customs, calculation of customs duties.

Working in close contact with other group companies, Kanonersky offers the services of the whole holding:

– **To those who are planning to become a supplier of foreign goods** – direct cooperation with international manufacturers through the offices of companies Kron Industrial in Miami (USA) and Kron-CIS in Hamburg (Germany);

– **To those who need to deliver the goods** – 15 years experience in international and Russian transport, having our own storage facilities in Germany (Rostock, Kiel), Finland (Lappeenranta) and Russia (St. Petersburg, Moscow), as well as the opportunity to work through the offices of KronDe-Moscow and KronDe-Atyrau (Kazakhstan).

– **For those who need professional advice** – qualified lawyers and experts in logistics, solving a variety of tasks from day to day.

Having an extensive experience in conducting international trade transactions, in organization of international and domestic logistics, communication with customs authorities of the Russian Federation, Kanonersky has everything necessary to provide quality, timely and affordable services.



SERVICES OF KANONERSKY:

Consulting in FEA OUTSOURCING customs and logistics services:

- Forwarding
- Transportation
- Intra-logistics
- Customs clearance
- Terminal Services
- Certification
- Insurance

Supply of equipment.

Exhibition calendar 2011

This year companies Kronstadt and KronDe took part in 9 trade shows. Two of them were held in St. Petersburg, five in Moscow and two in other cities. Such versatility is derived from development and extension of our business. Both our companies had meetings with their permanent partners, set up new business contacts, presented new manufacturers and even a new supply direction – metal-working and welding equipment.

BLECH Russia 2011 – The first exhibition where KronDe Group of companies participated in 2011 was the International exhibition for sheet metal working equipment and technologies BLECH Russia 2011, March 15 – 17, 2011 in St. Petersburg. Our company made a debut of its new direction of supplies. The presentation was a success: the exposition attracted interest of the visitors, long-term cooperation opportunities were negotiated, a number of supply contracts were concluded.

МЕТАЛЛОБРАБОТКА 2011 **Metalloobrabotka 2011** – we decided to move forward in this direction and attended the 12th international exhibition Metalloobrabotka 2011 held in Moscow from 23 May to 27 May 2011. It is the most significant trade show for machine-tool industry in Russia and CIS. The zest of our exposition consisted in demonstration of models in operation and presence of manufacturers who were glad to show advantages of the machines. A company taking part in such an exhibition is reputed a strong player in this market segment.

НЕФТЬ и ГАЗ 2011 **MIOGE 2011** – In summer Kronstadt took part in the exhibition MIOGE 2011 (Moscow, June 21-24, 2011) as an authorized distributor of a world-known heater exchanger producer GEA. GEA Mashimpeks and Kronstadt jointly presented heat exchangers for petrochemical, oil-and-gas and chemical applications.

НЕВА 2011 **NEVA-2011** – Kronstadt ushered in the autumn season by taking part in the most important exhibition for shipbuilding, navigation, port operation and ocean and shelf development in Russia – NEVA-2011. The show took place in St. Petersburg from the 20th to the 23rd September. This year

the exhibition celebrated its 20th anniversary. Kronstadt demonstrated deck equipment of Tripomet (Romania), marine pumps DESMI (Denmark), marine engines of Nanni Diesel (France) and Hamilton Jet water propellers (New Zealand). For two days the visitors could attend at training in water propellers where a simulator of propulsion system was used as a visual aid.

Самара Industrial Show 2011 – this exhibition took place in Samara, in October 11-14. KronDe showed its metal working equipment. A band saw Beka-Mak (Turkey) was demonstrated in operation. Everyone could get advice from our specialists as well as check the quality of the machines by sawing one's own billets.

WELDEX/РОССВАРКА 2011 – the prominent show for welding materials, equipment and methods (Moscow, October 18-21) was a big event for our company. KronDe's booth contained equipment for arc welding Migatronik (Denmark) and spot welding guns Dalex Schweißtechnik (Germany). We carried out negotiations with our prospective dealers from such Siberian and Ural cities as Omsk, Perm and Tomsk. Having dealers in these regions is of great importance to us, because most consumers of metal working and welding equipment are concentrated there.

ХИМИЯ 2011 (Moscow, October 24-27) – Kronstadt LLC presented various pump models: MAAG (Switzerland), DESMI ROTAN (Denmark), Pompe Cucchi and Affetti (Italy). Technical specialists of Kronstadt and of its Western partners were present at the booth. Pompe Cucchi pumps could be looked at through 3D glasses. Products of Affetti drew much attention too. We encountered an interesting trend at this exhibition – number of guests from Ukraine increased dramatically. From whence we can conclude that Kronstadt has a good reputation not only within Russia, but also in CIS states.

Пермская Ярмарка Нефть. Газ. Химия. **OIL.GAS.CHEMISTRY** – this exhibition is held in Perm and is intended for exchange of experience in oil, gas and chemical industry. This year it took place from October 25 to 28 and was attended by over 150 companies.

Among them was our company with its oil and gas equipment. Fuel-energy complex, petrochemistry and chemistry give more than 50% of overall production of the Perm Territory (its annual oil production is above 10 MT). So we consider Perm enterprises to be our prospective partners.

PCVEXPO 2011 – it was the last, but not the least exhibition of this year. The 10th international forum "Pumps, Compressors, Valves, Drives and Motors" was held from the 31st of October to the 3rd of November. Our company has been taking part in the show for many years; this time it presented a large amount of world brands – Aurora Pump (USA), Herborner Pumpen (Germany), DESMI ROTAN (Denmark), Belman (Denmark), Ditec (Germany), Kompaflex (Slovakia). Two new partners of Kronstadt – Varisco (Italy) and CompAir (Germany) – were presented for the first time.



KronDe Group of companies expresses its sincere gratitude to all the people who visited its booth at the exhibitions this year and is looking forward to fruitful and mutually beneficial cooperation.



In October 2011 company KronDe opened a new direction of sales - diesel pumps. Our partner in this direction was the Italian manufacturer of pumping equipment Varisco SpA.

Varisco was the first company in Italy to produce pumps designed for operation in heavy-duty conditions. Today Varisco is a modern production facility that designs, manufactures and tests various types of pumps. The company owns the Innovation Center, where the design of new types of pumps for various industries is being developed.

At the same time, Varisco gained its fame as a brand of motor pumps. Diesel driven pumps are built to meet the challenges in the production areas, such as construction, agriculture, marine industry, fire fighting, etc.

KronDe successfully introduced the brand at the exhibition PCVexpo 2011, held in Moscow from October 31 till November 3.



In November 2011, KronDe entered into an agreement with a group of Matec Industriale, under which KronDe became the official representative of the Italian company in Russia.

Matec Group specializes in manufacturing of flexible hoses. The company became famous for the production of composite hoses for chemical and petrochemical industries. Matec hoses, stainless steel or Teflon, are also used in cryogenic and gas industry, power plants or steel mills.

Dealer agreement with Matec allowed the company KronDe to significantly expand the range of supply in this area. Now KronDe are able to offer customers composite hoses and thereby better meet production requirements.



In September 2011 the company KronDe became the authorized distributor of the compressors manufacturer CompAir.

The German company CompAir manufactures a wide product range of compressors, which are successfully used around the world in very different industries, from metalworking and shipbuilding to microelectronics and food industries.

CompAir brand came to Russia relatively recently, however throughout the world it is among the top five producers of premium-class. As one of five Russian distributors of the German company, KronDe can offer customers a compressor with a real market advantage – their pricing does not have a «branded» component.

The interest of Russian customers to the brand has already been confirmed by its successful presentation at the exhibition «Industrial Show 2011» (Samara), «Oil. Gas. Chemistry 2011» («Perm) and PCVexpo 2011 (Moscow).



In May 2011 Kronstadt expanded its supply of pumping equipment with chemical pumps Affetti. In October, the Italian pump manufacturer was presented on the stand Kronstadt and attracted attention of visitors of «Chemistry-2011» held in Moscow.

Affetti pumps are designed for heavy duty – for handling liquids such as acids, salt water, the solutions (acid-alkaline, aromatic or aliphatic), alkali. Affetti possesses a tremendous experience in this segment of the pump market.

Pumps are widely used in aircraft and automotive industries, metallurgy and metal processing, power generation, plating, chemical and pharmaceutical industry, in desalination plants, fish farms and marine aquariums.

Also Affetti is the only manufacturer of plastic pumps of various sizes in Italy.

Dealers network

Dealers are the face of KronDe in regions

«KronDe» group has been implementing an active policy not just to promote and expand the dealer network but to build a team of professionals who know their business, market and guide their work by the same principles as the «KronDe» – contribute to the modernization of production facilities of Russian factories and other businesses, supplying equipment, actually capable of accomplishing the task of the customer.

In future we are planning to create a «Closed dealers club», membership of which would involve significant benefits, such as the education in the Academy KRONDE, assistance in promotion of business in the region, providing promotional materials with the contacts of the dealer. One of the key club preferences – customers' wishes will be taken into account when forming stock in «KronDe» in Moscow and St. Petersburg. A limited number of membership cards will allow us in every region to rely on one or more official representatives and to give them all possible support, while maintaining an individual approach to everyone.

Summing up 2011, we would like to introduce customers and partners to those companies who have become our dealers and together with «KronDe» carried out many projects for selection, supply and service of equipment, steel, participants of tenders and exhibitions, who have adopted our experience and shared their experience with us.

EQUIPMENT FROM "KRONSTADT" AND "KRONDE" IS REPRESENTED BY:

SOUTHERN FEDERAL DISTRICT	URAL FEDERAL DISTRICT	VOLGA FEDERAL DISTRICT	SIBERIAN FEDERAL DISTRICT	VOLGA FEDERAL DISTRICT	SIBERIAN FEDERAL DISTRICT	NORTH-WEST FEDERAL DISTRICT	CENTRAL FEDERAL DISTRICT
Trade house «TECHNO-DON»	«WOODSTOCK-URAL» Ltd.	«NT» Ltd.	«Industrial resources» Ltd.	«Technologies of Quality» Ltd.	«RosLegion»	«Pneumo-Alliance» Ltd.	«Corporation Air» Ltd.
Rostov-na-Donu, Mechnikova str., 112 G	Ekaterinburg, Moskovskaya str. 287	Togliatti, Oficerskaya str. 35	Omsk, Zavodskaya str. 1	Ulyanovsk, Dovatora str. 3 B	Novosibirsk, Demakova str., 30 - 912	St. Petersburg, Nepokorenyh prospect 49	Moscow, 2-nd Filevskaya street 7 building 6
www.tehnodon.ru	www.woodstock-ek.ru	www.nt-tit.ru	www.promresursy.ru	www.t-o-q.ru	www.roslegion.com	www.pnevmo.com	www.companyair.ru
The dealer of «Kronstadt» on compressors and metal (bending machines and band-sawing machines) since May 2011. In the near future – the opening of welding department, which will also be a distributor of partner brand of «Kronstadt.» One of the advantages of «Techno-Don» - own service department.	In 2011, the «Woodstock-Ural» started sales of equipment for metalworking, which became a supplier for «KronDe.» In order to promptly service customer, a special service centre has been opened for KronDe.	In March 2011 company «NT» became dealer of «KronDe» metalworking, welding, and compressors. Already as a partners, «KronDe» and «NT» took part in «Industrial Show» 2011 - the largest exhibition of the Volga region, where showed bandsaw equipment and tools.	Metalworking equipment of KronDe is demonstrated in Industrial resources showroom everyday. Employees are regularly trained and attend seminars at the head office of «KronDe» and are qualified consultants across the product line.	The Ulyanovsk company since November is the dealer of «KronDe» metalworking, welding, and compressors. In the near future, «TC» – will undertake development activities in the field of industrial measurements, servicing, industrial washing machines, metalworking machines, etc.	Since January 2011 «KronDe» is the major supplier of equipment for metal working, welding, air compressors, expansion joints and sleeves to «Roslegion». During the year of cooperation several projects in redeveloping military enterprises and nuclear engineering were carried out.	Based on a dealership agreement, «Pneumo-Alliance» became the supplier of compressors and industrial hoses from «KronDe.» Thanks to their showroom, the equipment can be seen at work. In the showroom, compressors from the warehouse «KronDe» St. Petersburg, provided to the partner for free, are demonstrated.	«Corporation Air» is considered to be an expert in brand promotion, so they were entrusted to be the distributor of «KronDe» by CompAir – compressor brand, newly arrived in Russia. Also, the Moscow representative of the «KronDe» offers Teknikum and Matec sleeves and pumps Varisco.

KronDe-Moscow and KronDe-Atyrau – we have become closer

In summer 2011, group of companies KronDe opened representative offices in the capital of Russia - Moscow - and the oil capital of Kazakhstan - Atyrau. Expansion and development of company in these areas can be easily explained: Moscow - center of the country - not only political but also economic, and Kazakhstan - one of the most promising markets for the equipment. There is an active modernization of industry in retrofitting projects incorporated modern equipment, which can be supplied by KronDe and Kronstadt.

On branches in Moscow and Atyrau are presented by their directors: Alexander Vasin and Valeri Kim.

Our office has been in Moscow for five months. Our main specialization - equipment for metalworking and welding of pump-compressor group, industrial hoses.

It's no secret that suppliers from all Russia come to Moscow, and therefore it is

absolutely necessary to have our staff of qualified engineers and managers capable of properly, and most importantly - quickly solve the problem of assigning in Moscow. In addition, most headquarters of industrial companies are located in Moscow. And the decision to purchase a particular type of equipment is made here. Finally, the majority of design institutes of various departments are also located in Moscow. But it is important that our products were already known at the level of future development projects of enterprises.

In addition, an important task for the Moscowites - work in thematic exhibitions, which bring together our potential customers. hus, from 15 to 18 November in Moscow VVC there was the largest metallurgical forum in Russia and the CIS Moscow Metal Week which became the central event of the 17th International Industrial Exhibition Metal-Ekspo'2011, 3rd International Trade Fair Metal and metal for construction MetallStroyForum'2011 and international exhibition of equipment

and technologies for metallurgy and metalworking MetallurgMash'2011.

At exhibitions united under a single brand «Metal-Expo», a variety of ferrous and nonferrous metals for customers of all industries, modern equipment and technologies for production and processing of metal products were presented. Competitors and partners were able to meet, having an opportunity to discuss with their partners such issues as purchasing raw materials, equipment, technology.

For us it was a great opportunity to network with production workers, to offer them interesting technological solutions, to meet old and meet new partners, look at the proposal of competitors. Moscow shows all the market trends and the company KronDe must always keep their finger on the pulse.

Alexander Vasin,
Head of KronDe-Moscow



New brands



Welding Dalex Schweißtechnik from KronDe is an effective solution for Russian industry.

Since summer 2011, company KronDe is an authorized distributor Dalex (Germany) - one of the few manufacturers of spot welding machines.

Dalex is a real expert in production of machines for contact (point, seam and embossed) welding with years of experience. In addition to the line-up of standard machines, the company produces tailored machines to solve customer-specific production issues. Dalex also offers welding tools for robotic spot-welding, electrodes and special fittings.

KronDe presented their new partner - DALEX - at a specialized exhibition of welding materials, equipment and technology «WELDEX / Rossvarka 2011» held in Moscow from 18 to 21 October. On the stand of «KronDe», an argon-arc welding machine (TIG) Dalex Pi 500 AC / DC was demonstrated.



KronDe is expanding: now we are supplying welding machines Migatronic.

Conclusion of dealer agreement with the manufacturer of machines for arc welding Migatronic (Denmark), held in the summer of 2011, allowed «KronDe» to completely cover all market segments of metal processing, along with cutting and bending

At the exhibition «Weldex», «KronDe» presented all main types of welding: MMA, MIG / MAG and TIG. They were demonstrated on the example of machines Migatronic: a multifunctional device for semiautomatic welding SIGMA GALAXY 400, manual arc welding machine DELTA 160, plasma cutting machine ZETA 100 semiautomatic. MIG 545. Equipment SIGMA GALAXY 400 was presented at work - Visitors were able to weld their own piece of metal, brought to the exhibition.



Turning-milling Centers Campro (Taiwan) - the new brand of KronDe.

In November 2011, KronDe started sales of turning-milling centers of Taiwanese CAMPRO Precision Machinery. In July, the delegation of KronDe visited the factory in Taichung Campro to assess the level of production organization. According to the results of business trip, it was decided to cooperate and sign a dealership agreement.

Campro company was founded in 2003. Production started with a vertical CNC machining centers and milling machines. Campro has its own Development Center, which investigates new technologies and modernizes their own. «KronDe» provides turning-milling machining center series CPL-3010SY, designed for precision machining of parts with complex configurations for medium and large-scale production, vertical machining centers CPV and CPV-B, based on a frame, with reinforced A-type ribs, turning machines CPL series with bed slant, applied for both batch and in piece production.



Kronstadt is developing its supply of European bending machines.

In November 2011, the supply line of press-forging equipment of Kronstadt was replenished by brand Comas (Italy), manufacturer of profile bending machines and special machines for winding screws with 25 years experience in the industry.

Comac produces machines of different sizes in a standard 3-roller version, and «complicated» design: the controller to track the position of the lower bending rollers with lateral guide rollers, adjustable by hydraulics, with adjustment of the lateral guide rollers on 2 axes, with variable feed rate, etc.

In the first half of December, in St. Petersburg, under the guidance of technical experts Comac held a training seminar on the design and features of bending machines for Kronstad managers.

Showroom KronDe

Showroom KRONDE – equipment exhibition every day



Andrey O. Efimov, Head of Metal Cutting and Welding Department of KRONDE, has told us about the showroom.

The idea that the most important thing for a manufacturing specialist, when choosing industrial equipment, is the ability to thoroughly study the machine, try and test a sample of metal to be processed, is not new. Leading machine distributors provide such opportunity to their customers and invite them to showrooms.

The success of the exhibition of «KronDe» at trade shows in 2011, including the «Blech-Russia» St. Petersburg, «Metal» and «Weldex\ Rossvarka» in Moscow and «Industrial Show» in Samara, clearly confirmed the importance of this possibility for customer of machining equipment. Many visitors were interested, whether we were going to continue showing our equipment at work, because they do not always have enough time to come to an exhibition in another city in the few days when it takes place.

Thus, the decision to combine a warehouse with a showroom was made, and in

November 2011 the idea was implemented. The showroom was opened in Technopark «Lithuanian Street, 10» and visitors are welcome every day.

Here you will find the most up-to-date models of metalworking and welding equipment to cut material on a band-sawing machine or on guillotine shears, bend material on electric bending machine or on double roller bending machine, punch holes in a sheet of any form on a press-shears, bend pipe on pipe-bending machine bender and grind pipe on band grinding machine, and try to weld your metal with various welding machines (MIG/MAG, TIG), consult with technicians and service engineers.

In the showroom, we are planning to hold thematic seminars on modern methods of welding and metal cutting, training on the machines, «local» special mini-exhibition, as well as the corporate program «Academy KronDe» - training for managers and technical specialists of dealers, which starts in 2012.

By the way, on the basis of the showroom we have trained specialists of our dealer

in Samara region, the company «NT» in Togliatti. I am convinced that this form of education is much more effective than presentations and seminars in the office format, because it allows you to fully explore the machine, «feel» it, and learn what you are selling to the customer. The customer will appreciate the professionalism of a manager, based on his own practical experience, and the manager will be able to inform the customer about the characteristics of the machine in real industrial conditions.

Moreover, this kind of meeting with dealers will help them feel part of the team «KronDe», and for us it is very important because we aim to build not just a dealership, but the affiliate network.

The customer who has just visited our showroom, will decide on the purchase with peace of mind, completely sure that he does not get a «pig in a poke», and the equipment can perform all the set tasks.

to our customers in Russia and Kazakhstan

Group of Companies KronDe started its activity in Kazakhstan in August 2011.

Kazakhstan is a large industrial state, being in the active phase of the modernization of the productive capacity of enterprises, so a representative office there is a natural step for development of the company, a supplier of equipment. In addition, Kazakhstan is a window into Central Asia, which is also a promising market. Atyrau City was chosen as the «reference point» of a group of companies KronDe in Kazakhstan not by chance – it is the «oil capital» of the country. Given the main activities of units - work with engineering projects, the selection, calculation, delivery and commissioning of the main process equipment for oil production and refineries, Atyrau is the most logical choice.

Common tasks set to our office, meet the activities of KronDe and Kronstadt in Russia.

These are:

- Analysis of market conditions and alternative technical solutions proposed by the customer.
- Conduct technical and commercial negotiations with customers on contracts of supply of equipment and components.
- Identification and analysis of current technical problems at the customer.
- Preparation, collection and verification of technical data in the preparation of technical specifications.
- Preparation of technical and commercial work for participation in tenders and tenders for the supply of complete equipment and complete process plants for your company.
- Organization and participation in the construction and commissioning works when installing the equipment supplied.

– Implementation of the service works in warranty period and warranty work tracking equipment, spare parts.

In addition to the supply of oil and gas sector, the staff in Atyrau are considering prospects of cooperation with enterprises in other developing areas – energy, mining, chemical and food industries.

The industrial potential of the Republic of Kazakhstan is continually evolving and I am glad that our company is in the centre of it.

*Valery Kim,
Head of the KronDe-Atyrau*

Offices



Russian Horn Orchestra under patronage of KronDe Group – performances, projects, openings

KronDe is the general partner of the Russian Horn Orchestra since summer 2011. This is a band from St. Petersburg that revived the lost tradition of performance of horn music genre that originated in Imperial Russia in the mid-18th century. Horn music sounds like an organ, but in their internal organization is unique. One musician can extract only a single note of a horn, which he plays. A whole piece of individual notes can be obtained only under the condition that all the musicians feel fine music and each other. Russian Horn Orchestra is unique in the whole world.

It's only been six months since moment when KronDe and Horn Orchestra became partners. But during this short time the creative band took part in many concerts, music festivals, participated in public events all over Russia and abroad. With the support of KronDe a new CD was released. A workshop for the production of horn instruments STUDIO KRONDE was founded in St. Petersburg, in which they are produced on modern equipment under the guidance of master Vladimir Goloveshko.

Let us look at the most interesting events of the second half of 2011 in the life of Russian Horn Orchestra (RHO) in detail:

The festival of military bands, «Spasskaya Tower.» Moscow. August 31 - September 4. RHO was honored twice to perform on Red Square – the opening and closing of the festival. This year the festival has become a particularly important event for the community, as was held in honor of the 300th anniversary of full-time military bands of the Russian army, and the Horn Orchestra is an exactly restored Hunting military band. One



«As a businessman, I understand very well that the company can not be successful and effective without a unifying idea for all staff. Unity of the country also can not exist without the cultural core, which is the embodiment of the heritage of the past and at the same time, dreams of a decent future. It may seem that the industrial company and an orchestra performing classical music, are far from each other, but that's really important, we are similar. Therefore, Group of companies «KronDe» supports and will continue to support all the creative endeavors of wonderful staff - Russian Horn Orchestra. «

Sergei Sukhachev, CEO of KronDe

of the most memorable events on «Spasskaya Tower» was a speech by Mireille Mathieu, who was given a horn from the workshop «KronDe» by the musicians of the orchestra.

Mikhailovskaya Musical Assembly. Sebastopol. On September 23. Mikhailovskaya Musical Assembly traditionally opens the International Festival «War and Peace», dedicated in 2011 to the 100th anniversary of the documentary film «Defence of Sevastopol.» Demonstration of the film was

made together with performance Russian Horn Orchestra and Honored Artist of RSFSR Alla Demidova, who made the audience impressed.

Music Festival «Crescendo. Pskov. On September 26. At the festival of young performers «Crescendo» Russian Horn Orchestra performed together with such talented musicians as Denis Matsuev (piano) and Alan Baeva (violin). «An unusual presentation of Russian Horn Orchestra... revived this

unusual band only in 2006, and it is already being called the most striking phenomenon in the world of classical music» – wrote the report for 27 September «Pskov Pravda.»

Closing of the autumn games «What? Where? When». Saint-Petersburg. October 22.

The nomination of «Crystal Owl» - a prestigious prize, awarded to the best player on the results of the series was accompanied by horn music. Broadcasting on a Channel 1 introduced the audience hundreds of thousands people to horn music.

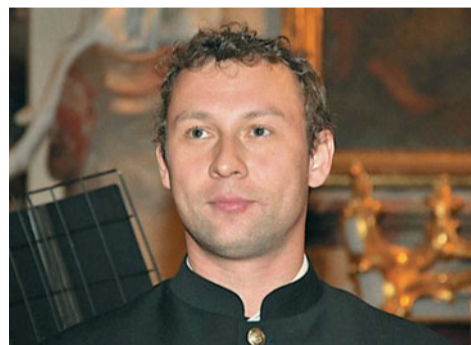
Grand opening of the Theatre Variety them. Raikin after restoration. Saint-Petersburg. November 1.

In the lobby of the theatre guests could listen to March of the Preobrazhensky regiment in the performance of Russian Horn Orchestra. Music Orchestra also accompanied the welcome speech of St. Petersburg Governor George Poltavchenko, who said many warm words about the theater. «KronDe» was presented as an example of the triumph of socially responsible business in the best traditions of Russian art patrons support and promotion of a unique musical phenomenon.

ROGConcert in the Small Hall of St. Petersburg Philharmonic. On December 11.

The first-ever collective subscription concert was held in the Small Hall of the Philharmonic on Nevsky Prospect. It was the third concert of the Second subscription «Classical and non-traditional ensemble.» Itself Philharmonic marked Horn Orchestra in the programme as the following, «Outstanding, a unique example of teamwork musicians, a concert not having their foreign analogues Russian Horn Orchestra.»

KRONDE Workshop - revival of horn music in Russia



KRONDE Workshop which opened its doors in October 2011 is the most interesting and the most important joint project of KronDe Group and Russian Horn Orchestra. Hopes and expectations vested in the workshop go far beyond the specific support of the creative team.

Orchestra of Sergei Polyanichko is unique, but the musicians are willing to give up this honored status in order to set up horn bands throughout Russia, and the horn music to all major concert venues in the country and abroad. But that reality has become a full-scale revival of this beautiful Russian tradition, first of all – the need of the horn instruments. Today in Russia, very few masters can produce such instruments, among them - Vladimir Goloveshko - one of the three musicians in the world who have mastered the art of arrangement «horn» sheet music, produced at the time of 74 set of tools for Russian Horn Orchestra. As one of the masterminds of the base workshop KRONDE, V. Goloveshko tells about the history of ideas and his plans for the future.

– **Who got the idea of revival horn music?**
– It can not be attributed to one person. It was a dream of many musicians, historians of music, master-manufacturers of wind-instruments to revive the horn music. There were even some attempts – in 1882 and 1896. Unfortunately, they failed.

– **How did the restoration start? What did you get the main role?**

– I learned the art of repairing and restoration of brass wind-instruments at school from my teacher in the class of Horn - Honored Artist of Russia Stanislav Fedorovich Sedristiy. The dream of creating my own shop for tools, which I gained when was a child, eventually completely captured me. In 2001, I met a colleague in the profession – the French horn player. Once he shared with me, like many others, his ideas about the revival of a forgotten for many years horn music. He invited me to become part of the project and produce a set of horns with our hands, and since I had experience in creating instruments, I enthusiastically agreed. I have been working on this project for two years: developed drawings, a cone shape mouthpieces, calculated millimeters in all designs. But, as it often happens, we had disagreements with my partner – we saw the future of horn music differently. Our paths diverged, and with the blessing of the reverend John, who went to church for the service with his brother-regent, I have continued to build horn instruments myself. It was a difficult decision, and spiritual instruction helped me a lot. Then I met with Sergei Polyanichko, we had common vision of the future and horn music began to sound live again.

– **Vladimir, were there any historical sources that have helped you in creating horn instruments?**

– In the Museum of music, which is located in Sheremetiev palace, there is a set of horn instruments, however it is incomplete, probably a part was sold. But it was impossible to play these instruments for me or for previous musicians who wanted to raise this layer of history. This is because of a failed restoration by an unknown artist, which resulted in a broken horn design. I researched all the museum exhibits and concluded that it is necessary to make our own drawings.

– **What is the technology of horn instruments manufacturing?**

– Production was completely manual. In an ordinary little room, I put on the floor two six-foot bars and started inspecting them visually from the top to decide which cone will be needed for production of horns. I made the decision. Then, Sergei Polyanichko, who later became the founder and chief of Russian Horn Orchestra, ordered a metal holder, bought metal, machinery -all that was needed. The production process is long and requires patience, not only mine, but also patience of those who helped me - the S. Polyanichko and musicians of our orchestra.

– **What is your vision of the future of horn music, its further development?**

– I can confidently say that it has future, and this not only as a lost, but the «revived» the musical tradition, but also as a foundation for learning wind instruments.

Horn as an instrument, which creates a - basic tone (although there are overtones) can teach the basis of a musical concept, which most teachers and professors do not know, and many people do not hear, nor understand. The ability to play the horn instrument will give the future musicians an entirely different level of training, a unique opportunity to improve execution skills ... But in order to make it real, horn instruments must appear in the music schools in Russia, which would require a lot of horns, and even my colleagues and me will not be able to manufacture such quantity of instruments.

– **Can KronDe as the founder of «Workshop KRONDE» become a stronghold of revival Horn Orchestra of Russia?**

– I am sure they can. I am very pleased that in the face «KronDe» we found a reliable partner, who has a broad vision of the issue. The company not only assists Russian Horn Orchestra in organization of concerts and recording CDs. «KronDe» and us think about the prospects of horn music in general. I think it is no exaggeration in saying that thanks to the support of KronDe, we have a chance to completely turn over the understanding of the history of wind music in Russia and its execution. I believe that eventually there will be new horn bands, and «Workshop KRONDE» is absolutely indispensable - is Russia's only place where you can produce horns today, and not only pieces, but the whole sets.

Interview by Alisa Kalinovskaya