

Seizing Peter the Great's Vision

An Interview with The Honorable Valentina Matvienko,
Governor, St. Petersburg, Russian Federation



The Honorable Valentina Matvienko with LEADERS President International, Patrick Gillis in the Governor's office in St. Petersburg

EDITORS' NOTE During her long and distinguished career in public service, The Honorable Valentina Matvienko has served as a member of the Soviet Parliament, where she chaired the Soviet Supreme Council Committee for Women, Families, Maternity, and Childhood; Ambassador of the Soviet Union and later of Russia to the Republic of Malta and Greece; Deputy Prime Minister for social policy; and Plenipotentiary Presidential Representative in northwest Russia, among other roles. A graduate of the Leningrad Institute of Chemistry and Pharmaceuticals and the Social Sciences Academy of the Communist Party of the Soviet Union Central Committee, Matvienko was elected Governor of St. Petersburg in October 2003.

Many foreign investors are interested in St. Petersburg. What are the key opportunities for foreign investment?

There is enormous potential, because St. Petersburg is a major industrial center. It offers many opportunities to investors from all countries and sectors. They can apply their expertise in many, many areas. St. Petersburg also has clear advantages for investors, thanks to its position as a logistical center in northwest Russia and its status as a major seaport. The eastern Baltic region has a well-developed infrastructure and it also offers a well-educated workforce. These are just some of the elements that make St. Petersburg attractive to investors.

This is not accidental. Over the past two

years, we have seen stable growth in foreign and domestic investment into the city. Every year, the growth rate has been 40 percent consistently. There are about 700 companies with foreign partners in St. Petersburg. As a result, over the past two years, several leading companies have come to St. Petersburg to develop their business activities. I can cite such examples as the construction of Toyota plants, as well as an ambitious investment project by the Shanghai Investment Company that's about to begin. A great many other companies are also in the process of developing investment projects. Moreover, the city is currently implementing

a series of large-scale, ambitious infrastructure projects costing more than \$5 million. Half of that money will be coming from investors.

You mentioned the workforce. Many investors are looking for a very skilled labor force. Has this been a focus for you?

St. Petersburg is recognized as a city with high educational potential. In addition to institutions of higher education, there are a number of other schools – as in vocational schools to train skilled blue-collar workers. We are also seeing a resurgence in science. Developing research-intensive, high-tech industries is a high priority for us, and St. Petersburg is home to many innovative technology centers.

You have said in the past that St. Petersburg is the gateway to Europe. Do you feel that the investment community understands that message?

Peter the Great had a vision of the city as a window on Europe. St. Petersburg was built by the best architects in the world and St. Petersburg residents are probably the most European in terms of their outlook. For two centuries, St. Petersburg remained the capital of the Russian empire, and it still has a distinctly European flavor. We are also making sure that St. Petersburg plays an important social, political, and economic role in the life of Russia.

You have been a close ally of President Vladimir Putin for many years. How important has that relationship been to the growth and development of St. Petersburg?

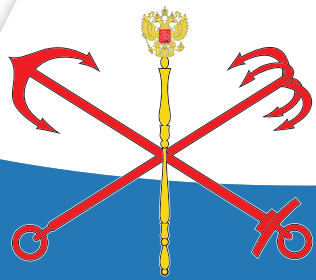
President Putin and his wife are natives of St. Petersburg, and they are residents of the city too. The President belongs to St. Petersburg and I know he misses it very much when he is away. So of course he is very, very keen to know what's going on in the city, and is extremely supportive to me as governor, as I try to move the city forward. I seek his advice on all the different strategic matters relating to the development of St. Petersburg. Because he knows this city so well – he used to be the vice mayor – his advice and recommendations prove invaluable.

You are one of few women holding senior political posts around the world. Do you think your country offers good opportunities for women, particularly in your field?

Every woman has a choice. She might want to dedicate herself to her children and her family, or she might want to go into politics or business. Russian legislation provides full rights to women. In that respect, our legislation is in harmony with accepted international norms and standards. The principle of gender equality is not always realized, and this has a lot to do with the public's mentality. We have changed our legislation and are becoming integrated into the world community, but it's much more difficult to reform people's mentality. In real life, it is very difficult for people to acknowledge equal rights. Although women are entitled to the same access to education and the same choices as men, in reality, most things are still given to men. That said, over the past few years, Russia has seen many women emerging in politics and business, and this is not just done to showcase gender equality. There are now many female deputy ministers in Russia, but it's going to take many years until true equality is reached.

Many people watch your career and wonder what is next. Do you have any particular plans for the future?

In my career, I've served in many different posts, including many at a high level. But the amount of gratification that I receive from my job as a governor is probably unprecedented. It is a very rewarding job; and it gives you such a feeling of accomplishment when you can see the concrete results of your endeavors. I love St. Petersburg dearly, so as long as I am in office, I would like to use that time to revive this brilliant, splendid city, and to give it to its citizens. And believe me, I have satisfied all the ambitions I ever had. I have no other plans than to work for the city I love so dearly. ●



The Engine Maker's Engine Maker

An Interview with Aleksander Ivanovich Vatagin,
General Director, Klimov Corporation, St. Petersburg



Aleksander Ivanovich Vatagin

EDITORS' NOTE After graduating from the Higher Naval Engineering School in 1980, Aleksander Vatagin worked in the Scientific Research Institute of the Ministry of Defence for ten years. While there, he participated in rescue operations and diving and underwater engineering works; organized and tested new special engineering products, including airfoil boats; and trained the foreign staff. In 1990, Vatagin headed the first group of specialists in the Soviet Union to study underwater work performance at depths of 500 meters. For his courage and heroism during this experiment, he was conferred the title of Hero of the Soviet Union in 1991. In 2004, he was appointed Deputy General Director and then General Director of Klimov Corporation.

COMPANY BRIEF The Klimov Corporation was founded in 1914 as the Russian Renault Joint Stock Company, for the assembly of car engines. It soon expanded into engines for motorcycles, tanks and military aircraft. In the '40s, the plant began producing engines to power the first Russian jet fighters. Other innovations included the development of turbo-shaft engines and gearboxes for military helicopters, which are considered to be the most reliable in the world, as well as liquid-jet engines for missiles and the world's first gas-turbine engine for tanks. In the '80s, the plant developed advanced turboprop engines and

gas turbine drives for boats, dump trucks and locomotives. So far, in the twenty-first century, Klimov has continued to make advancements in engines for aircraft and helicopters and turbojet engines for fighters. Klimov Corporation has been awarded the Orders of Lenin and October Revolution for its achievements in the development of engines for aviation, missiles, and tanks.

For our readers who are not familiar with Klimov and the aviation engines it designs, develops and manufacturers, could you provide an overview of your company and its activities?

Our plant was founded in 1914 in Petrograd as Russian Renault JSC. Its main activity was the production of Renault car engines. At the end of the '40s, our design bureau developed the VK-1, which was the first large-scale production engine for aircraft. In the '60s, the plant became known for helicopter gas turbine engines and today the engines developed by Klimov power 95 percent of Russian helicopters. We have also been leaders in new technologies for tanks and fighter jets. Currently, Klimov Corporation designs aviation engines, develops and produces engine control and monitoring systems for Russian and foreign customers, produces and overhauls helicopter engines with up-to date equipment, and provides maintenance support of its products at all stages of their life cycle.

Klimov recently exhibited one of its most advanced products at the Farnborough International Airshow in England. The MiG-29OVT fighter jet has super maneuverability, which always arouses great interest at air shows. And it is powered by the RD-33 engine developed by Klimov. The thrust-vectoring nozzle developed by the specialists at our plant gives the fighter unique turning capabilities. At present, Klimov Corporation is focusing on development of our fifth-generation aviation engines.

In the years prior to you becoming General Director in 2004, Klimov was on the brink of bankruptcy. How would you best describe the steps you and your management team took, which turned the company around to a point where it is now realizing exceptional profits?

In the '90s, Klimov Corporation was on the on the brink of bankruptcy due to the unstable economic situation in the aviation industry. But a new team of professional managers joined

Klimov in 2004 and, in a very short time, re-structured the plant's debts, arranged the regular pay-roll payments and stirred up production activities. The current state of affairs at the enterprise is stable and we are in the process of active development. For example, gains from the sales of finished products in 2005 made up \$59 million compared to \$43 million in 2004. That's 37 percent growth. The scientific research and development part made up 50 percent, sales of the finished products were 35 percent, and maintenance support services were 15 percent. In 2006, Klimov Corporation plans to increase its gain up to \$118 million, which would be 100 percent higher than in 2005. These figures are based on the concluded contracts.

You've noted that Klimov has begun to enter international markets "actively." Could you elaborate on your international business development plans?

Lately, Klimov Corporation has begun to actively enter the international market. In addition to orders for aviation engine development from Southeast Asia, India, and China, the plant is fulfilling orders with European and other various international companies.

Klimov Corporation has the capacity to create an engine from scratch, to perform the full cycle of the development work, to make a prototype, to certify it and prepare it for serial production. "From the engine centerline up to certification" is the motto of our plant.

Besides the aviation engine development cycle, Klimov Corporation is actively looking for partners for mutual development of individual units and accessories for engines and helicopter gearboxes. For example, the development of the gearbox operation's electronic control system is in popular demand among the European producers.

We conduct negotiations in cooperation with many foreign producers, such as Avio, Turbomecca, LOM Praha s.h., etc. It reflects our intention to be present not only in the Southeast Asian market, but also in the markets of Europe and America. We strive to compete with European and American aviation engine builders in end products as well as in individual units and we have the intention to participate jointly in development works. We have to do a lot of lengthy and difficult work to conquer a part of the international market. First, we will prove our capabilities globally and only after that success is possible. ●



Toyota Tunes in to St. Petersburg

An Interview with Ichiro Chiba, Chief Representative,
Toyota Motor Corporation Representative Office, St. Petersburg



Ichiro Chiba

EDITORS' NOTE After graduating from Waseda University (Tokyo) with a degree in political science and economics, Ichiro Chiba joined Toyota Motor Corporation in 1985. He has since held a range of senior positions in the areas of planning, marketing, and business development. Chiba was appointed to his current position in 2004.

COMPANY BRIEF Established in 1937 and based in Toyota City, Japan, Toyota Motor Corporation (www.toyota.com) is a leading automotive manufacturer whose products include the hybrid-powered Prius and gas-powered cars, pickups, minivans, and SUVs. Toyota also makes forklifts and manufactured housing, and offers consumer financial services. Employing 265,750 people around the world, it reported sales of \$172.7 billion and net income of \$10.9 billion in 2005.

Why did Toyota choose St. Petersburg as the site of its new manufacturing plant, and what will the new facility be like?

Our plant, which is scheduled to start operations by the end of 2007, will be able to produce approximately 50,000 cars per annum. It will be equipped with welding, painting, and assembly capacity. Toyota selected St. Petersburg out of many contenders in Russia because of its excellent logistical infrastructure, its proximity to a large market, and its large and competitive workforce. I must not forget to mention the professionalism of the St. Petersburg government, which was most helpful throughout the selection phase.

In what ways will the St. Petersburg facility factor into Toyota's regional and global strategies in coming years?

We hope that our plant in St. Petersburg will play an important part in our future European and global car-supply strategy. For now, we want to concentrate on the preparation of the first phase of the project: to supply the Russian domestic market with 20,000 high-quality Camry cars. Our wish is

to conduct a step-by-step expansion based on the smooth launch of the first phase of the project.

You've noted that the Toyota Corolla is the best-selling model in Russia, closely followed by the Camry, with Lexus and Land Cruiser models also in demand. Why has the Corolla proven to be so popular in Russia?

The Corolla is Toyota's leading global model. I think the fact that the Corolla is our best-seller in Russia proves that there are no big differences between the Russian car consumer and consumers in other countries.

How would you describe Toyota's cooperation with St. Petersburg officials? What are your thoughts about the investment climate and the city's economic future?

St. Petersburg officials have been most cooperative and professional. I think the investment climate is "warm" now and will be "hot" in the near future. I have recently convinced my wife to buy a new video camera to record "now" and "after." I am quite sure the city will go through dramatic and positive changes. ●

www.new-camry.ru

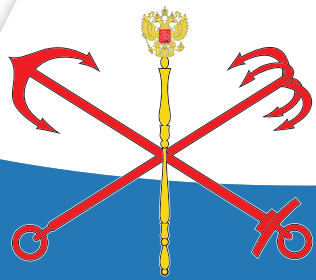
Безграничная уверенность

Умножьте ваш успех на достижения Toyota. Вдохновленные идеей совершенства, мы соединили в новой Camry все лучшее. Превосходная динамика, исключительный комфорт и самые современные системы безопасности. Теперь выбор за вами: 5- или 6-ступенчатая автоматическая коробка передач*, 2,4-литровый рядный двигатель или 3,5-литровый двигатель V6. Что бы вы ни выбрали, можете быть уверены в новой Camry, как в себе самом.

* Имеется комплектация с механической коробкой передач.

Новая Toyota Camry Достояна быть Вашей

УПРАВЛЯЙ МЕЧТОЙ  TOYOTA



The Riches of Russia's Vast Forests

An Interview with Zakhar D. Smushkin,
Chairman, Ilim Pulp Enterprise, St. Petersburg



Zakhar D. Smushkin

EDITORS' NOTE Zakhar Smushkin co-founded Ilim Pulp Enterprise in 1992, at the outset of free-market reforms in Russia. As CEO, he developed Ilim from a local St. Petersburg pulp trading company into the largest vertically integrated timber products corporation in Russia. In 2001, he was elected Chairman of the Board. Smushkin is a member of the Presidium of the Russian Union of Industrialists and Entrepreneurs, the main association of the country's leading companies. He heads its Committee on Natural Resources and the Environment and is a leader in the private sector's cooperation with the government for optimizing forest management policies. Smushkin heads the Forestry Working Group of the European Union-Russia Industrialists' Roundtable, focusing on public-private partnerships in the sector. He graduated from the Leningrad State Technological Institute and was awarded an honorary doctorate in 2003 by the St. Petersburg Forestry Academy. He is an active patron of the Hermitage Art Museum and the St. Petersburg European Theater.

COMPANY BRIEF Ilim operates four of the country's largest pulp and paper mills across the Northwest region and Siberia, and produces 2.5 million tons annually of market pulp, coated papers, and packaging. Sales exceeded \$1.2 billion in 2005. Employing 42,000 people, the company is third in Europe, and ninth in

the world, in production of market pulp. It ranks sixth in the world in timber reserves. Ilim accounts for 60 percent of the domestic pulp market and exports to Europe, Southeast Asia, and the Middle East. It accounts for 18 percent of commercial pulp imports to China. Ilim was first in Russia to adopt voluntary certification for sustainable forest practices and leads the industry in this important field.

Can you provide a synopsis of Russia's importance to the global timber products market?

Our country possesses the world's largest forest reserves – about 2.7 billion acres, or 25 percent of global forestlands. This is more than the forests of Brazil and Canada combined. Russia is the last timber frontier and makes a vital contribution to the global carbon balance. Peculiar is the fact that Russia's timber reserves are actually increasing annually by about 560 million cubic meters, while currently our industry can process only about 180 million cubic meters. This makes our country the ultimate destination for global industry players in search of new growth opportunities. And Ilim maintains the highest standards in sustainable forest management, helping to turn this renewable natural resource into an engine of economic growth to benefit future generations.

How would you best describe the key factors behind Ilim's rapid growth and success?

We had initially launched a trading company, following the pattern then in the sector of mostly exporting raw timber. International trade brought us hard currency, which served as a buffer against the sky-high inflation of the '90s and the national financial default of 1998. By reinvesting into existing operations and acquisitions we created Ilim around four core value-producing assets strategically spread throughout Russia's Northwest and Siberian regions. This gave us access to global markets.

We were also the first company to vertically integrate, and then transform our business from geographic P&Ls to a product-line system of management across all four mills. Now, with growing active government support for boosting the sector's contribution to GDP, we are executing the next major step in our development. This will be a 50-50 joint venture with International Paper. We see this as an "Alliance

of Leaders," bringing together the top company in Russia with the industry's global leader.

What is the government doing to help modernize the forest sector of Russia's economy?

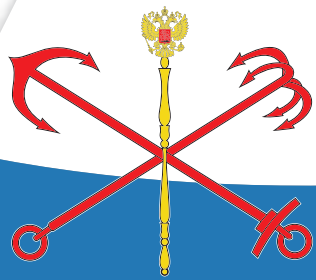
In December, President Putin signed into law the new Forest Code, a clear expression of his commitment to liberalizing the sector and creating a favorable environment for investors. The main policy goal is to achieve a qualitative increase in the production of value-added forest products for the domestic market.

You mentioned that the next major step for Ilim is the planned joint venture with International Paper. What is your vision for this venture in coming years?

Our proposed alliance with International Paper, the industry's global leader, will generate around \$1.2 billion in investments – the biggest in the history of the Russian forest sector. It will bring in new technologies, know-how, and management that will have a qualitative impact on our capacity for value-added production. We see this as a signal event that will cascade throughout the industry.

We understand that, as you form this joint venture, you will spin off Ilim's lumber production assets and launch a major national wooden homes construction company. What is your vision for that new enterprise?

Ilim has among the largest lumber production capacities of any enterprise in Russia. We will now apply them to an independent company that, within two years, will start manufacturing building materials for assembly into wooden homes. This is in response to a sharp need to replenish deteriorating housing stocks in many regions of the country. We are taking our cue here from the government's new national priority project for "affordable and comfortable housing." We are excited about this opportunity to diversify into a new business with such great prospects and create modern living space for Russians who traditionally prefer wood homes. Currently, we are examining opportunities for attracting foreign partners and the most appropriate technologies for large-scale home assembly. Our goal is to provide our citizens contemporary, ecologically sound, and reasonably priced homes. This is one more of the riches contained in Russia's vast forests that we want to help bring to the people of our country. ●



Driving St. Petersburg's Future

An Interview with Evgeny Voytenkov,
General Director, Olimp LLC, St. Petersburg



Evgeny Voytenkov

EDITORS' NOTE After graduating from the Kremenbug Aviation Academy in 1973, Evgeny Michailovich Voytenkov began his aviation career as a Pilot-in-Command and eventually became a Squadron Commander, before retiring in 1989 as a Joint Squadron Commander in Leningrad. In 1990, he started Axsel, a company that distributed used Russian-made VAZ cars. Today, Voytenkov is General Director of Olimp LLC, a holding company with a diverse portfolio of car dealerships.

COMPANY BRIEF Founded in 1990, Olimp Ltd. is a large St. Petersburg-based holding company that controls a portfolio of car dealerships in Northwest Russia selling Mercedes-Benz, Chrysler, Jeep, Dodge, Audi, Toyota, Lexus, Peugeot, and the Chinese-made Chery.

Olimp LLC is an authorized DaimlerChrysler dealer, and you also represent other leading brands in St. Petersburg. Could you provide our readers with an overview of your dealership and the manufacturers you represent?

Olimp is an official dealer of DaimlerChrysler brands. From one perspective, Olimp is a "multi-brand" dealership. From another, it is a "brand space," which makes you discover the essence of the DaimlerChrysler brand. As a dealer group, Olimp separates into two key segments – the mass market and the premium. As

a whole, we pursue a policy of diversifying our brand portfolio. We are working on creating a balanced portfolio, which includes brands from all the different price segments. We also encourage internal competition between brands in our group. Our 25,000 square-foot showroom allows every brand to be presented in its own, personal "brand-space," and prevents the brands from becoming too intermingled. Olimp represents the following brands:

Axsel-Car – an official dealer of Toyota Corporation brands, including Lexus. Because of our business ethics, transparency and prospects for future development, we have recently entered a joint venture with the worldwide leader in the automotive industry, Inchcape. What emerged was the creation of the Inchcape-Olimp brand. We had three reasons for joining with Inchcape. The first was to acquire a partner with enormous experience on the worldwide market. Second, it gave us a tremendous sense of accomplishment to partner with such a prestigious brand. And third, there was a major financial incentive. Through joint cooperation, which leverages Olimp's and Inchcape's competencies and experiences, we have developed plans for very prosperous growth in the Northwest region of Russia.

Concord – an official dealer of the Peugeot brand and a division of the French PSA Group. Concord is an incredible brand, for the client that loves the charm of France.

Audi Center Vitebsky – an official dealer of Audi. We waited four years to sign this particular agreement, and we were extremely excited when we found out we would be selling Audis and working with the Audi brand.

We are also an official dealer of the fast growing Chinese automobiles called Cherys. We started working with Chery in 2006, and prior to that relationship, you could not find a car at that price point in the Russian market. From our preliminary dealings with Chery, we see a real devotion to the brand, and we look forward to continuing to include Chery in our portfolio.

How would you best describe how Olimp has grown to become the leading automobile dealership in St. Petersburg?

Olimp developed organically, starting from a small automobile distribution company that dealt with local manufacturers to when the first enterprise group was launched 16 years ago as the market economy in the post-Soviet territory was just starting to develop. It was the ultimate base from which to start a business.

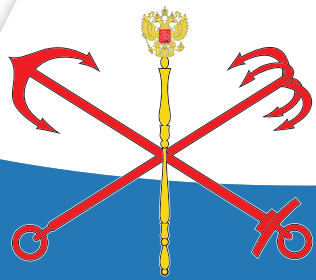
In 1996, many foreign manufacturers began moving into the Russian market, and we became one of the first dealers of Volvo. Working under the scrutiny of Western standards and international business processes allowed us not only to achieve a high rate of sales but also to acquire priceless experiences in marketing and economics.

We also encourage a culture of providing the best and most reliable service to our customers. Our clients trust us, and trust does not come easy. I have a saying, "Our business is easy, but to make it successful you have to come to work everyday." I have a couple of clients who have bought cars from us 15 years ago when we were a Volvo dealer, and have been with our company ever since, and now are buying a first car for their child, or grandchild. Our role is to provide the kind of service that will make their children's children want to buy cars from us.

In what ways do you see the tastes of current and prospective St. Petersburg automobile owners evolving in coming years and why?

The Russian market continues to grow at an incredible rate, and undoubtedly, buying power is increasing. Customers are becoming more demanding, both about the type of car and about after sales services. Russian customers are moving to the European-style consumption concept, looking more into the rationality of car utilization and choosing brands and dealers based on simplicity and the quality of future service. Another key tendency of the last 2 to 3 years has been a shift to a credit system of consumption and this is expected to increase with the arrival of the manufacturer-affiliated banks.

We also think there is the possibility of a shift in consumer tastes towards the American brands. The current situation concerning the struggling sales of American cars on the Russian market is not only associated with the incorrect positioning of several American brands, but is connected to the specificities of the Russian market. Audi, Mercedes-Benz, and Lexus have a clear and developed brand image here, whereas the Chrysler, Dodge, and Jeep brands are just developing their market segment and positioning. They are unknown to the Russian consumer currently, but have an enormous potential in this market. Unfortunately, my impression is that DaimlerChrysler's management does not believe that the prospects are that great for American-made cars in Russia. ●



Rediscovered Grandeur

An Interview with Thomas Noll,
General Manager, Grand Hotel Europe, St. Petersburg



Thomas Noll

EDITORS' NOTE A native of Germany, Thomas Noll has over 25 years of hotel experience. He attended the Poppe & Neumann Hotel School in Konstanz and began his career as Executive Chef at a number of hotels in Europe, Kenya and Antigua. Noll came to Russia with Starwood Hotels & Resorts, after working in their Sberaton Sharm El Sheikh Hotel, Resort and Villas in Egypt. Noll joined The Grand Hotel Europe in 2005 after nearly four years as General Manager of the Corinthia Nevskij Palace Hotel in St. Petersburg. There, he was responsible for rebranding the hotel after a change in ownership. He also doubled the hotel's profits, improved its food and beverage operations, and oversaw the renovation of all guest rooms.

PROPERTY BRIEF The Grand Hotel Europe, the first five-star hotel in Russia, is a historical building dating from 1824 that has a preserved neo-classical facade designed by the Italian architect Rossi and original art nouveau interiors. The hotel, which has 301 guest rooms, including 36 junior suites, 22 duplex suites, 24 classic suites, five executive suites and two presidential-type suites, is situated in the heart of St. Petersburg and is within walking distance of the Winter Palace Square and Hermitage Museum. It is also conveniently located next to the Russian Museum, the Philharmonic Society and the Moussorgsky Opera and Ballet Theatre.

The Grand Hotel Europe building dates to 1824 and means much more to St. Petersburg than the fact that it is the city's first five-star hotel. Could you elaborate on what makes the Grand Hotel Europe special?

The Grand Hotel Europe is a historic hotel located in the very heart of St. Petersburg on Nevsky Prospect at Mikhailovskaya Ulitsa. Great care was taken in the renovation of the hotel to preserve the distinct nineteenth-century architecture. The interior of the hotel, with its turn-of-the-century Art Nouveau style and magnificent façade, were splendidly restored. The building itself has been classified as a national and cultural landmark and is under a preservation order as a historical monument.

The hotel has played host throughout its lifetime to the great names of Russian history and to notable figures and leading personalities from all over the world. A favorite haunt of Tchaikovsky, Turgenyev, Anna Pavlova, and Maxim Gorky, the hotel continues to this day to attract the rich, famous, and talented from round the globe. No less than four Ministers of Finance stayed at the Grand Hotel Europe when the European Bank for Reconstruction and Development held a congress in the city. In recent years the hotel has been pleased to welcome President Clinton, Chancellor Helmut Kohl, Prince Michael of Kent, the Prince of Malaysia, Placido Domingo, Montserrat Caballe, Sir Peter Ustinov, Sharon Stone, Steve Martin and David Copperfield, as well as many other celebrities.

Apart from the amazingly rich history, it is the spirit of hospitality, where every employee is ready to go the extra mile to make the client happy; and the spirit of music and art, which makes the hotel much more than just a place to stay. The spirit of cuisine allows our clients to indulge their senses with a variety of dining options.

Could you highlight some of the features and amenities available to guests at the hotel?

Grand Hotel Europe is the only hotel in Europe that has eight 730 LI luxury-class BMW sedans in operation. All cars are equipped with TV sets, CD and DVD players, and fresh newspapers available for guests on their way to the hotel.

One of the recently introduced luxury services of the Grand Hotel Europe is a "green corridor," where we facilitate private transfer from the airplane, and provide support with customs, visa registration and luggage, while guests enjoy the airport VIP lounge.

Since being voted this fall as one of Europe's 20 best business hotels, the Grand Hotel Europe has taken further steps by improving Internet accessibility. Our world has become increasingly dependent on technology and the convenience and mobility of that technology. We feel that the local community, as well as business travellers, needs more access to the Internet. Thus, the Grand Hotel Europe has launched wireless Internet access (Wi-Fi), which is now available throughout the hotel, including in all guest rooms, conference and public areas.

Each room is being equipped with brand-new flat-screen TVs, DVD players, and an extensive DVD library with a collection of the best Oscar-winning films of all time at our guests' disposal, should they wish to take a break from sightseeing and spend time at leisure in their room.

Our guests can choose from a variety of luxury amenities from Molton Brown, Bulgary and Lady Primrose. Apart from that, we concentrate on getting as much information as possible about our guest's preferences and dislikes, and always have surprises in stock for them, such as congratulations on birthdays and weddings, and children's amenities for our little guests.

The hotel has recently undergone a large-scale renovation that is now nearly complete. In what ways will this renovation change and enhance the hotel?

The Grand Hotel Europe, in the year of its 130th anniversary, has embarked on a large-scale renovation and refurbishment project. The main goal is to make St. Petersburg's favorite hotel more splendid than ever.

The interior decoration of the guest rooms and hotel corridors has been developed by French designer Michel Jouannet, who has been cooperating with Orient Express Hotels, and participating in secondary restoration of their most prestigious hotels.

Mr. Jouannet said the rooms will confirm the spirit of a private residence, looking warm and harmoniously intimate, engulfed in a homogeneous color palette and soft lighting. The curtains and the upholstery follow the patterns discovered on "Russian cardboard" sketches of the nineteenth century.

Original photographs with views of St. Petersburg and etchings showing the superb detail of the hotel's traditional décor give the room the amicable touch that we love so much to find in the houses of our friends when we come to visit. ●