



SKOLKOVO
Moscow School of Management

SKOLKOVO
ANNUAL REPORT 2008

SKOLKOVO

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Year 2008 Results Summary

Year 2008 Results Summary

Executive Education

- A total of 38 programmes were held: 13 were open programmes and 25 corporate programmes.
- 685 people participated in the programmes

EMBA

- The programme was developed (faculty, curriculum, leadership programme)
- Despite difficult macroeconomic situation, candidates for the 1st EMBA class were enrolled, entrance exams were held. Studies of the 1st class of SKOLKOVO EMBA start on January 27, 2009

MBA

- Programme details (faculty, curriculum, projects) are under development
- The opening of the programme's enrollment was officially announced in Moscow on November 26, 2008
- Over 50 applications from candidates from various countries were received so far

Campus construction

- The concrete and works on the façade of the Disk are completed
- The concrete works for the construction of the sports centre and administrative building were completed, of the dormitory and the hotel are in progress

Research

- SKOLKOVO Institute for Emerging Markets Studies was established in Beijing /China/
- A number of research projects in Russia were completed, including second annual SKOLKOVO Ranking of Russian multinationals
- As a part of National Priority Projects programme, SKOLKOVO developed a concept of the Urals Federal University (UrFU) and was invited as a consultant for

development of the Russian International Olympic University concept

Partnerships

- SKOLKOVO and National Economic School (Russia) started negotiating possible partnerships
- SKOLKOVO and MIT, Sloan School of Management are in the process of finalizing a Memorandum of Understanding, which will become a basis of cooperation in the area of full-time MBA programme, Executive Education, SKOLKOVO faculty development, design and delivery of a joint programme at MIT on Doing Business in Russia

Marketing and PR

- Marketing campaign to support enrollment for EMBA held, campaign to support MBA enrollment – developed and started. Number of events targeting ExEd clients held
- Publishing programme was successfully launched. Overall of 6 books were published in 2008 (5 in Russian and 1 in English).

Human Resources

- School employs 190 people as of December 31, 2008
- Two internal corporate events for employees were held: School's Birthday and New Year party

Finance

- SKOLKOVO and RUSNANO agreed to establish a joint venture fund of 2 billion rubles

Educational programmes

Educational programmes

SKOLKOVO key educational programmes are Executive Education, EMBA and MBA. Despite the difficult macroeconomic situation, all three programmes successfully advanced during 2008.

In 2008, **SKOLKOVO Executive Education** conducted 38 educational programmes, of which 13 were open programmes and 25 corporate programmes. This is a 65% increase in comparison to 2007. A total 685 participants from different areas of business took part in SKOLKOVO Executive Education programmes, of which 422 participants took part in corporate programmes and 263 – in open programmes. A new programme 'Doing Business in Russia: keys to success' led by SKOLKOVO Professor Elizabeth Sadova was launched.

SKOLKOVO EMBA content and structure were developed, and the marketing campaign with the aim to recruit students for the EMBA first class was rolled-out. Entrance exams were held, and the programme starts on January 27, 2009, as had been planned.

Detailed elaboration and conceptual approval of the **SKOLKOVO MBA** programme were conducted and the marketing plan for launching the programme was prepared. The opening of the programme's enrollment was officially announced in Moscow on November 26, 2008. Over 50 applications from candidates from various countries were received during 2008.



Get up to date to stay ahead

Executive Education

Corporate programmes

In 2008, the school held 25 corporate programmes. The Kaspersky Lab and Evraz Group companies, as well as the Ministry of Economy of the Republic of Tatarstan, became new clients of SKOLKOVO during the reported period.

Some of the corporate programmes of 2008:

In 2008 the school held corporate programmes for Kaspersky Lab, RusGidro, Troika Capital Partners and FGC UES, among other clients.

The Kaspersky Lab company became a new client of SKOLKOVO. The first stage of modular programme on leadership, dedicated to Strategy of conducting business, was held for 30 executives of the company. The average rating of the programme was 4.56. 8 representatives of Kaspersky Lab company that is at present actively expanding to Western market attended the programme.



September, 2008



November, 2008

The programmes of 2008:

1. *"New management technologies in business practice" for regional directors of FGC UES company.*

The professor: Elizabeth Sadova, SKOLKOVO
The experts of the programme: Mikhail Prokhorov (President, ONEXIM Group), Vyacheslav Bykov and Igor Zakharkin (Head coach and Assistant coach, Russian national ice hockey team).

Addition to the programme: a visit to the Special Operation Center of the Federal Security Service of the Russian Federation and a presentation delivered by V.Vinokurov, the head of the Alpha Group.

In November 2008, a comprehensive 24-day programme for General Directors of regional branches of Federal Grid System (FGS) company, was completed. In December, 2006 FGC became the first corporate client of SKOLKOVO. In two years, the company managers completed five educational modules. Under this programme, the general directors learned modern approaches to leadership, change management, strategic decision making. The presentations for the FGS executives were delivered by Anatoly Karachinsky, Vadim Shvetsov, Timothy Summers, Evgeny Primakov, Mikhail Prokhorov, Vladimir Spivakov, Tatiana Tarasova, Oleg Tabakov and other experts.

Educational programmes

2. *"Change management" for directors and owners of Gradient*

The professor: Richard Jolly, London Business School

The experts of the programme: Irina Shvakman (Partner, McKinsey & Co), Vyacheslav Bykov and Igor Zakharkin (Head coach and Assistant coach, Russian national hockey team).

Gradient was second largest corporate client of SKOLKOVO in the calendar year 2008. In 2007 and 2008 the executives and owners of the company participated in a 20-day training programme.

Unfortunately, because of the macroeconomic situation, the company had to shorten the 2008 programme significantly. The programme ended with the "Strategic change management" course. The programme was conducted by Richard Jolly from London Business School. Irina Shvakman, a Partner in McKinsey & Co, acted as the programme's expert. She shared her experience and expertise in anticrisis management.

3. *Strategic session for the top team of Ratiopharm RUS*

The professor: Elizabeth Sadova, SKOLKOVO

The strategic session for the top team of Ratiopharm RUS company was a continuation of the mentorship and development course for the company's top executives started in the 2nd quarter. The company has big plans on development in Russia and has chosen SKOLKOVO as its strategic partner in training and development.

4. *"Strategic thinking" for the Republic of Tatarstan's Cabinet of Ministers.*

The professor: Maurice Saias, IAE Aix-en-Provence

The expert of the programme: Andrei Sharonov (Executive Director, Troika Dialog)



October, 2008

One of the tasks of Executive Education was to create special programmes for the government sector. The "Strategic thinking" course for the Republic of Tatarstan's Cabinet of Ministers became the first programme within this task. The programme was initiated by the Ministry of Economy of the Republic of Tatarstan. The programme was conducted by Maurice Saias from IAE Aix-en-Provence. According to Financial Times rankings, Professor Saias is one of top 10 professors on strategy. 30 top level statesmen from various ministries of the Republic of Tatarstan participated in the course. They gave a very positive feedback on the quality of teaching and the organization of the programme. The School plans to continue its partnership with the Republic of Tatarstan and to develop three other specialized programmes.

5. *"Managing people" for the strategic human resource of Evraz Group*

The professor: Pierre Casse, SKOLKOVO

The expert of the programme: Tatiana Tarasova, Distinguished Trainer of the Russian Federation in figure skating.



November, 2008

6. "Making decisions and estimating risks" for the strategic human resource of Evraz Group

The professor: Zeger Degraeve, London Business School

The expert of the programme: Alexander Abramov (Chairman of the Board of Directors, Evraz Group).

In the reporting period, a special modular programme for Evraz Group was developed. It is a 30 days programme. Its first modules were on Leadership and Decision making. The programme is unusual in that it integrates technological and management expertise. Specialists from MISIS are involved in the implementation of the programme.

7. "Business in Russia: keys to success" programme for the top executives of ArcelorMittal, in partnership with Duke University

The professor: Elizabeth Sadova, SKOLKOVO
Addition to the programme: a visit to Troika Dialog office.

As a part of cooperation with the leading Western business schools, "Business in Russia: keys to success", the first joint programme of SKOLKOVO with Duke Corporate Education was held for ArcelorMittal company. The first experience of partnership of the Russian school with the American one was successful, and in the calendar year 2009 SKOLKOVO plans to expand its partnership with foreign schools in the area of short-term joint training programmes.

The total number of company-specific programmes training days in the 2nd half of 2008 was 23, and there were 332 attendants.

A total of 422 participants took part in corporate programmes in 2008.

Open programmes

In 2008, SKOLKOVO conducted 13 open programmes, in which 263 participants took part.

Some examples of open programmes held in 2008:

1. Leadership: why should people follow you
2. Business in Russia: a key to success
3. Efficient management in changing environment
4. Strategic Leadership: the role of an executive in managing people and teams.



October, 2008

Educational programmes

ExEd Clients

One of the top priority tasks of the Executive Education is to involve international companies as clients of the open and corporate programmes.

Among the school's new clients in 2008 were Hewlett-Packard, MTS, Bourjois, ABN Amro, Caterpillar, Coca-Cola, Hitachi, GMR Planeta Gostepriimstva (Sbarro), INCOM-Management, Masterbank and others became the new clients of SKOLKOVO open enrollment programmes.

Among the open programme participants were also such international companies as:

- Ernst & Young
- Duty Free
- Kaspi Bank
- Leroy Merlin

The following companies also became new clients of SKOLKOVO: Rostik Group, Mosenergosbyt, Business Manager managing company, Russkie Akkumulyatory, Pic and Co., MVP Semeinyi Doktor, Parnas APK managing company, Dve Palochki restaurant chain.

Some changes were noticeable in the profile of the open enrollment programme participants: in the calendar year 2007, the majority of participants was from large Russian industrial companies. By fall 2008, most participants were managers of medium-sized businesses.



October, 2008

Top 10 clients of open programmes of the calendar year 2008:

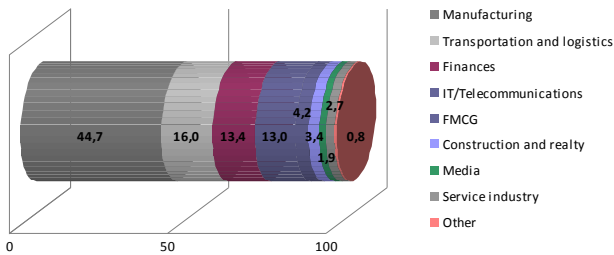
#	Company name	Total no. of participants, 2008
1	TNK-BP	62
2	Gradient	34
3	VimpelCom	23
4	Rosneft	29
5	RZhD	13
6	Troika Dialog	13
7	FGC UES	11
8	Bi-Invest	5
9	Synergiya	5
10	MIRAX GROUP	4
10	BIN Bank	4
10	Business Manager managing company	4
10	AMEDIA	4

Open programme participant profile

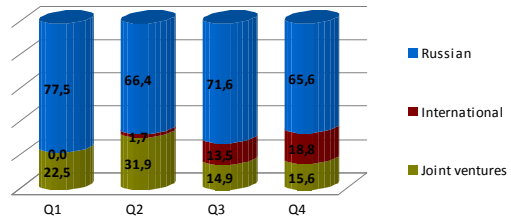
The profile of an open programme participants was analyzed in the reporting period. The diagrams with the obtained results are shown below.

The majority of programme participants for the calendar year 2008 was from manufacturing companies, but in the second half of the year their share almost halved. In the 4th quarter of the calendar year 2008, the share of service industry representatives increased. A significant number of open enrollment programme participants came from financial and telecommunications industries. In the reporting period there were no representatives of transportation industry. The main reason for this is the absence of Gradient employees who actively participated in SKOLKOVO programmes throughout the calendar year.

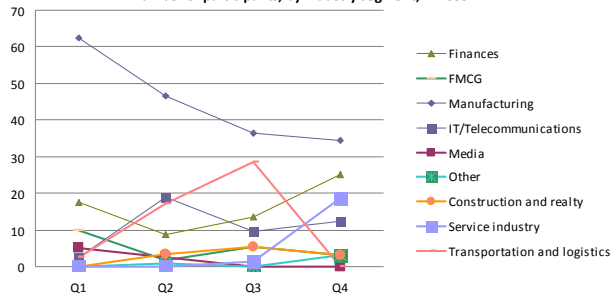
Number of open enrollment programme participants ratio (in %) to the total number of participants, by industry segment, in 2008



Dynamics of the share of open enrollment programme participants from foreign companies, ratio (in %) to the total number of participants



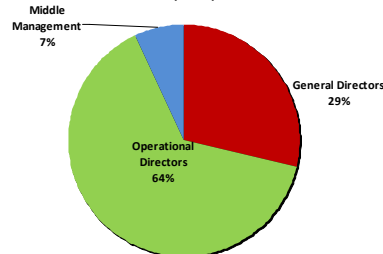
Number of open enrollment programme participants ratio (in %) to the total number of participants, by industry segment, in 2008



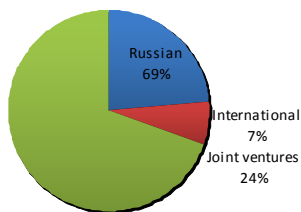
Regarding the profile of the SKOLKOVO Executive Education open enrollment programme's individual participant, the following results can be observed for calendar year 2008. Looking at the positions of participants, there was a significant influx of general and executive directors by Q4, which exceeded the same statistic for Q1 calendar 2008 by 32%, and comprised around a third of the year's participants.

Russian companies still account for the majority of SKOLKOVO Executive Education open programme clients. However, while there were no representatives of foreign companies among the programme participants in the early calendar 2008, their average share for this year was 6%, and for the reporting period, 9.4%.

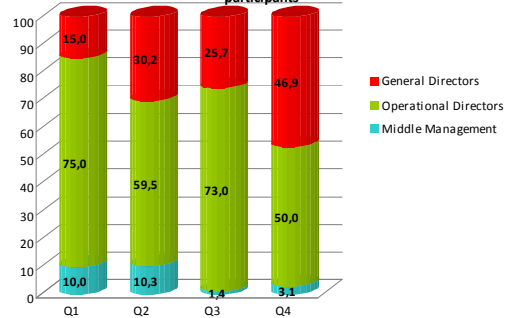
The share of managers of various levels among the open enrollment programme participants, ratio (in %) to the total number of participants, in 2008



Open enrollment programme participants from foreign companies, ratio (in %) to the total number of participants

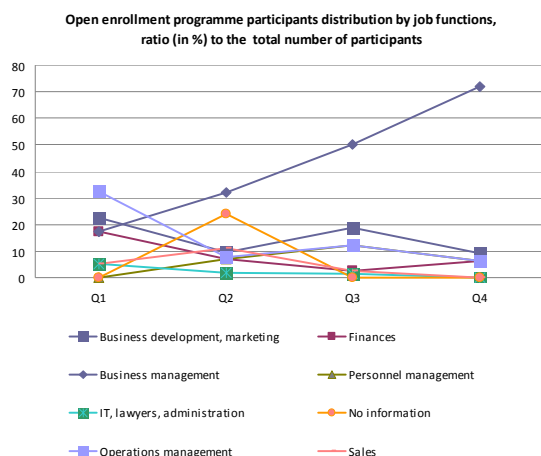
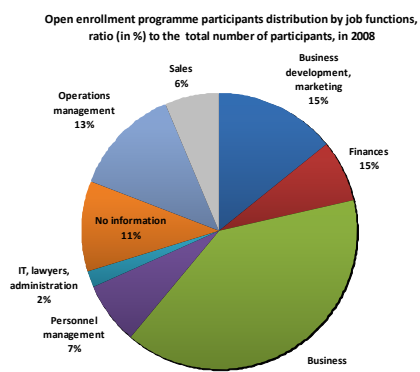


The share of managers of various levels among the open enrollment programme participants, ratio (in %) to the total number of participants



Educational programmes

At the start of the calendar year, the audience of SKOLKOVO's open programmes consisted, for the most part, of four types of managers: operations management, business management, finances and business development and marketing representatives, but at the end of the year, most participants of our programmes were business managers: their numbers made up 64% of the total audience during the reporting period, while the other groups made up between 0 and 20% of the total.



The distribution of open programme participants did not change significantly during the four quarters (under 7% of difference). More than two thirds (72%) of all participants were male.

Thus, today's most common profile for the open enrollment Executive Education programme participant is as follows: **male, holding the position of executive director in a Russian industrial company.**

Faculty and experts

In 2008, the Executive Education department continued cooperation with the leading professors from the best world business schools. For the first time, six new professors arrived in Moscow on SKOLKOVO's invitation:

Professor	Business School
Rob Goffee	London Business School
Paul Turman	Columbia Business School
Maurice Saias	IAE Aix-en-Provence
Eoin Banahan	Berlin School of Creative Leadership
Richard Jolly	London Business School
Matthew Krepps	Harvard Business School

During the reporting period, Professor Pierre Casse joined SKOLKOVO faculty. In 2007 and 2008, professor Casse successfully delivered 16 Executive Education programmes for SKOLKOVO, and the Professor's average grade was 4.85. Before SKOLKOVO, Professor Casse worked for the world's leading business schools: IMD, Kellogg School of Management, IAE Aix-en-Provence, Berlin School of Creative leadership, etc. Professor Casse became staff professor at the School starting in January 2009.

SKOLKOVO teacher Elizabeth Sadova received MBTI certification for OPP (London, Great Britain) during the reporting period.

All the SKOLKOVO programmes were accompanied by "live cases" of the leading business experts, outstanding artists, sportsmen and politicians. The following people took part in Executive Education programmes during the reporting period:

- Aleksandr Abramov (Chairman of the Board of Directors, Evraz Group).
- Igor Butman (Jazz orchestra director, composer)
- Vyacheslav Bykov and Igor Zakharkin (Head coach and Assistant coach for the Central hockey club CSKA and Russian national hockey team).
- Vladimir Vinokurov (Director of the Alpha group of Russian Federation FSS's Special Operation Center)
- Ilya Oskolkov-Tsentsiper (General Director, Afisha publishing house)
- Mikhail Prokhorov (President of ONEXIM Group)
- Vladimir Skvortsov (General Director, AlfaStrakhovanie)
- Mikhail Shamolin (President, MTS)
- Andrei Sharonov (Executive Director, Troika Dialog)
- Irina Shvakman (Partner, McKinsey & Co)

Plans for 2009

Considerable attention during the accounting period was given to the analysis of the current market situation and formulation of development strategies for the corporate education sector for the calendar year 2009.

In order to analyze the situation and create a forecast for 2009, in September-October 2008 ExEd SKOLKOVO held a series of meetings with current and potential clients for correcting next year's programmes. As a result of these meetings:

- The number of offered open enrollment programmes was reduced.
- The content was updated according to the clients' needs.
- A new product for executives, a 2 hour round table on topics of current concern, was introduced
- The methodology of open enrollment sales was redirected from B2B to B2C.
- A new format for presentation of materials in printed sources and on the ExEd website was developed.



November, 2008

-
- A total of 38 educational programmes, of which 13 were open programmes and 25 corporate programmes..
 - 685 people participated in the programmes.
 - A new programme 'Doing Business in Russia' led by SKOLKOVO Professor Elizabeth Sadova was held
-

Educational programmes

Become the change you want to have

EMBA

Within the Executive MBA programme preparation and launch, activities were held along the following key directions:

- **EMBA faculty was hired and approved.**

The detailed discussion was underway for the 1st enrollment curriculum, focusing at interactive education methods, case discussions, business games and simulations. The programme integration was completed.

- **Leadership programme that includes individual coaching was formed.**

The Center for Creative Leadership was selected as the programme provider. The CCL together with SKOLKOVO EMBA worked on the development of leadership programme that will be a part of most programme modules. It will fill modules with activities including training, team and individual coaching, various estimation methods, work on personal development plans. Two CCL professors and 10 professional coaches from CCL will participate in the CCL leadership programme for SKOLKOVO.

- **The marketing plan was developed and a marketing campaign aimed at student recruitment was held.**

The EMBA programme sales and promotion was performed in two main directions: B2B and B2C.

EMBA slogans were developed and approved:

- Be smart. Outsmart.
- Become the change you want to have.

The EMBA advertising campaign included such vehicles as:

- Press: Harvard Business Review, The Vedomosti, Sekret Firmy and CEO;
- Radio: Business FM;
- Internet portals: www.vedomosti.ru, www.rbc.ru;
- Internet search engines: yandex and google;
- Events: LBS HR Directors Summit 2008.

SKOLKOVO EMBA 10/

DURATION:
18 MONTHS

PROGRAMME STRUCTURE:
16 MODULES, BEGINNING IN JANUARY, 2009 AND ENDING IN JUNE, 2010

- 16 Three four day modules (Thursday to Sunday)
- 16 On-boarding and networking modules (Leading to Berlin)
- 16 International module (China, on-site experience)
- Monday to Sunday, March 22-26, 2009

Language of instruction: English
 Total fee: € 90,000 (includes)
 Programme start: January 2009
 Registration deadline: November 15, 2008
 Programme end date: December 10th, 2010

For more information go to:
WWW.SKOLKOVO.RU

THE SKOLKOVO EMBA PROGRAMME
COST OF € 90,000 INCLUDES

- Learning from the best professors from the world's leading business schools
- 16 modules and 66 case studies
- 16 Europe business trips
- Full accommodation and travel
- An on-site experience in China
- Complete educational materials, notebook, computer and all necessary equipment

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- **EMBA entrance exams were held.**

Entrance exams for EMBA (1st enrollment) were held. The entrance exams for SKOLKOVO EMBA consisted of three stages:

1. Selection of prospective participants according to formal requirements for an EMBA student: at least 5 years of experience in a top managerial position, fluent English.
2. The entrance exams consisted of a test on English (for the applicants who did not have TOEFL exam results available), test on logic and math and a deep probing competence interview developed by Hay Group and tailored for SKOLKOVO EMBA.
3. An interview with SKOLKOVO Founding Partners.

Stage 1. Selection of prospective participants according to the formal requirements

At the first selection stage, over 60 application forms were considered. For selection, preliminary interviews of candidates with the Director of the EMBA programme were held. Also, the submitted application forms were studied. Each application included a CV, the company's organizational structure indicating the position held by the applicant, reference letters and an essay.

37 applicants were admitted to the second stage.

Stage 2. Entrance exams

All the 37 applicants successfully passed the test on English, the test on logic and math and the deep probing interview. The English test was used to find out if the candidate's level of fluency in English is sufficient for participation in the programme. The purpose of the test on logic and math was to find out whether the applicant can handle large volumes of information. The purpose of the deep probing interview was to determine the applicant's leadership potential, as well as his aspiration for self-development and development of the outside world.

Stage 3. An interview with SKOLKOVO Founding Partners.

The 37 applicants who passed the entrance exams successfully were admitted for the interview with the founders. The interviews were held as unstructured group conversations. Two SKOLKOVO founders and 5 or 6 applicants participated in each round.

The total of 7 interviews was held. The average length of an interview was 2 hours.

From SKOLKOVO's founders side, the following people participated in the selection interviews for the EMBA programme:

1. Aleksandr Abramov
2. Ruben Vardanian
3. Teymuraz Guguberidze
4. Igor Gundobin
5. Valentin Zavadnikov
6. Gor Nakhapetian
7. Sergei Popov
8. Andrei Rappoport
9. Rustam Tariko

Upon the interview completion, the founders had to specify for each of the applicants whether he is recommended for admission to SKOLKOVO EMBA or not.

Stage 4. Final decision

Based upon the results of all stages, three groups of applicants were formed for the final meeting with the school's President, Dean and Rector for decision on admission. The first group consisted of the applicants recommended for admission by both founders that participated in the interview. There was 21 such applicant. The second group consisted of applicants on whom the founder had no particular opinion or the opinion differed (10 people). The last group consisted of applicants marked as "not recommended for admission" by both founders.

In the admission meeting, the list of applicants recommended by both founders was considered first. For the final decision, the exam results and the results of the deep probing interview were taken into account. For the cases where the results of the deep probing interview differed from the opinion of the founders, a decision was made to arrange an additional individual interview with the School's President or the Deans. The additional interview was also arranged in the cases where the founders' opinions were different and where the founders could not arrive to a definite decision.

As a result of the admission meeting, the decision was made to admit 26 people. 24 of them will start studies at SKOLKOVO EMBA 1st enrollment on January 27, 2009.



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- EMBA programme was developed.
 - Marketing campaign targeting enrollment of candidates for EMBA was held.
 - Despite difficult macroeconomic situation, candidates for the 1st EMBA class were enrolled, entrance exams were held. Studies of the 1st class of SKOLKOVO EMBA start on January 27, 2009.
-

Educational programmes

An MBA with a difference – for people who'll be making the difference

MBA

Within the MBA programme preparation and development, in 2008 activities were directed at the following areas:

- **Details development and conceptual approval of the programme.**

The structure of the programme was developed, including the courses set and the schedule. The concept of the Leadership Development Programme and the Value Innovation project are at the final stage of development.



- **The marketing plan for the programme launch was developed and its implementation started**

SKOLKOVO MBA programme was internationally announced on October 25, 2008 in London within the School's participation in the QS World MBA Tour.

The opening of the enrollment for the programme was officially announced in Moscow on November 26, 2008. The event had a format of an information session and was held in Swissotel Krasnye Holmy hotel. More than 100 people attended the event. Another information session was held in SKOLKOVO office in Moscow on December 18, 2008.

In November and December the School participated in MBA fairs in Tokyo, Hong Kong, Shanghai and Beijing. Along with participation in the fairs,

the School held information sessions targeted at recruiting participants.

SKOLKOVO's participation in the Singapore fair was canceled. SKOLKOVO's participation in the Indian fairs (Delhi, Mumbai, Bangalore) was rescheduled to January 2009 because of some external factors. Two more events are scheduled for January: an online chat and an information session in Kiev (Ukraine) and Almaty (Kazakhstan).

Visual and content tools to support the marketing communication have been developed. The advertising campaign for SKOLKOVO MBA will be launched in 2009.

- **The enrollment for the programme started**

The application must include the following:

- The application form: <http://skolkovo.topapply.com/>
- 4 presentations created by the applicant, about himself, in any form Two of the required presentations must be in video format; any of them can be sent as an attachment to the application form.
- GMAT and TOEFL
- Three reference letters
- The application processing fee is 150 Euro.

The consideration process for the application consists of 4 stages. Each application form will be considered according to the following schedule:

- 1st round – before January 31st, interview before March 15th, admission decision before April 15th, 2009
- 2nd round – before March 31st, interview before May 15th, admission decision before June 15th, 2009
- 3rd round – before May 31st (the RF citizens only), interview before June 31st, admission decision before July 31st, 2009

As of the end of the reporting period, the School received more than 40 applications for the programme from many countries.

■ **The development of the details and preparation for SKOLKOVO Challenge competition launch**

The concept of the competition of the SKOLKOVO innovation entrepreneurship projects was developed. The authors of the best projects will receive a scholarship that covers a MBA SKOLKOVO tuition fee partially or in full. The launch of the competition is scheduled for January 2009.



SKOLKOVO Challenge is for YOU!

- You would like to **change the world?**
- You are keen to create a business, which will become **cutting-edge industry leader, a leader in your country, in the world?**
- You have a **crazy idea** but you lack resources to implement it?
- You are not afraid to **take the risk** and you are passionate?
- You can be called **successful** but it is not enough for you?

SKOLKOVO MBA team is looking forward to seeing **your proposals and business ideas until March 15, 2009.**

The selection process for the best business idea will take place in several stages. The final decision will be made by those who know how to make and run the business.

As a prize, the winner will take home not only **one of three awards to SKOLKOVO MBA programme!**

First prize – opportunity to implement your excellent business idea by working with one of SKOLKOVO Founding Partners as your mentor.

Innovation distinguishes between a leader and a follower.

Steve Jobs

■ **Serge Hayward replaces Mike Hall as MBA Programme Director at SKOLKOVO**



Serge Hayward

Mike Hall, SKOLKOVO MBA Programme Director, left the school in December 2008. Serge Hayward agreed to join SKOLKOVO as Professor of Finance and MBA Programme Director. He will join full-time April 1, 2009, and will start in January 2009 on a half-time basis. Serge Hayward has been Professor of Finance (full-time) at Groupe ESC Dijon Bourgogne / Burgundy School of Business, France.

-
- Marketing campaign started. Admissions for SKOLKOVO MBA opened.

Over 50 applications received during 2008.

- 1st MBA class will begin studies in September 2009
-

SKOLKOVO Faculty

In 2008, SKOLKOVO continued working on developing its outstanding faculty team, consisting of forward-looking professors with teaching backgrounds at top international business schools, who have proven themselves as exceptional teachers, researchers, and leaders in the past. Below are just some of the names of our faculty who joined SKOLKOVO in 2008:



Pierre Casse –
Professor of Leadership



Serge Hayward –
Professor of Finance and FT
MBA Programme Director



Elizabeth Sadova –
Professor of Management and
Leadership



Ingemar Dierickx –
Professor of Negotiation
Dynamics



Alan Kantrow –
Professor of Management and
Director of the Infrastructure
Research Centre



Vikas Tibrewala –
Professor of Management
President, SKOLKOVO
Leading Entrepreneurs Forum



Sam Park –
Chair Professor of Strategy
and President, SKOLKOVO
Institute for Emerging Market
Studies (SIEMS)

Partnerships and research

Aiming to become a source of practical knowledge on fast-moving economies, first and foremost, those of Russia, India and China, SKOLKOVO advanced its own research base, completed a number of research projects, and developed new highly-potential partnership opportunities.

A research centre in Beijing, number of research projects completed in Russia, and partnership agreements on the way to signature are the key results of 2008.



North Star Times Tower
Building where office of SKOLKOVO Institute of Emerging Markets Studies located

Partnerships and research

International Partnerships

Developing its international partnerships, SKOLKOVO achieved the following results.

1. Partnership with Sloan School of Management / MIT

SKOLKOVO and MIT, Sloan School of Management are in the process of finalizing a Memorandum of Understanding, which will become a basis of cooperation in the area of full-time MBA programme, Executive Education, SKOLKOVO faculty development, design and delivery of a joint programme at MIT on Doing Business in Russia.

This collaboration brings together unprecedented expertise regarding global experiential learning in real-world business settings, to create the next wave of innovation in management education. It also brings to SKOLKOVO the MIT Sloan's intellectual resources as a leader in understanding business decisions in high-growth dynamic environments, and the outreach experience of MIT Sloan in assisting with the growth of national, regional and global champion schools of management that spans China, Korea, Singapore, and India, through to Europe.

2. Partnership with Fuqua/Duke

SKOLKOVO and Duke / The Fuqua School of Business have been in negotiations about various ways of cooperation, however, SKOLKOVO did not become part of Duke's multi-campus initiative (Duke's partner in Russia became GSoM in St Petersburg). The decision is due to the fact that Duke was seeking a more multifaceted educational partner, i.e. a University-affiliated business-school, and a more traditional programme in Business Education as opposed to SKOLKOVO unique Business Education offering. Other possibilities for cooperation with Duke are being explored, i.e. collaboration with Duke CE in Corporate Executive Education programmes. In October, 2008, SKOLKOVO delivered a half-day session for Duke CE's module in Moscow for ArcelorMittal senior executives.

3. A joint non-degree **Executive Education programme with FDC in Brazil, ISB in India, and Fudan University in China**, is being developed.

The Programme is to start in September 2009. In July 2008 Wilfried Vanhonacker visited FDC to discuss the design of the programme, and in September 2008 met with Fudan representatives during Annual Meeting of New Champions, World Economic Forum in Tianjin.

4. Various partnership opportunities with Asian schools are being explored. Among possible partners are Guanghua Management School, Beijing University, of which Ruben agreed to join the Advisory Board, Cheung Kong Graduate School of Business, and Sungkyunkwan University in Korea.

5. SKOLKOVO is in progress of negotiations with IMD. Executive Education and Research are the two possible areas of cooperation that are being discussed.

6. The concept of the **CEO roundtable** on corporate governance, which is to be held in April in Moscow **in cooperation with ESMT**, is being developed. A meeting between SKOLKOVO and ESMT was held at SKOLKOVO in late November. Wilfried Vanhonacker, Irina Prokhorova, and ESMT representatives: Dr Franziska Frank, Dr Lars-Hendrik Roeller, Ms Becky Ann Gilbert – took part in the meeting.

SKOLKOVO and NES Partnership

SKOLKOVO and National Economic School (Russia) started negotiating possible partnerships.

The two schools:

- are among the leaders in advanced economic education and training of top-notch global business and management professionals;
- are willing to combine their academic knowledge and hands-on experience in order to achieve higher results in their activity, including elaboration of training programmes and courses, master classes, internships, etc.; and

- intend to implement joint research projects, including projects within the framework of international cooperation;

Provided, however, that:

- NES does not have such space which is necessary to implement the educational goals and objectives raised before it; and
- SKOLKOVO owns land plots on which the erection of the main building of the Moscow School of Management SKOLKOVO is currently in progress, whereupon SKOLKOVO will be willing to offer a part of premises in the building to NES for temporary possession and use in consideration for a fee;

SKOLKOVO and NES plan to:

- Jointly develop educational courses and programmes, including open classrooms, professional development courses, etc.;
- Arrange and hold joint conferences, seminars and round table discussions on business, management and economic matters;
- Participate in research and development projects and conferences, including through the attendance of skilled members of staff provided by the Parties;
- Jointly use library stock and requisite manuals of each of the Parties;
- Hold joint classes for trainees of the Parties, as well as educational courses and programmes;
- Carry out joint publishing activities, including issuing joint publications, publishing articles in mass media, etc.;
- Hold joint open school days and other PR events;
- Arrange joint trips of trainees and trainers, including trips abroad for knowledge sharing purposes.

Negotiations will continue during 2009.

Research

Moscow School of Management SKOLKOVO's vision is to provide global intellectual leadership and develop a unique knowledge base in the specific areas of its mission. SKOLKOVO's aim is to be a magnet attracting the world's brightest minds to come and develop an intellectual agenda within SKOLKOVO faculty in the area of entrepreneurial leadership in fast-moving economies.

The research strategy of SKOLKOVO will be based around Centres of Excellence (COEs), with each centre focusing on a particular area of study and drawing its intellectual capital from different academic disciplines. COEs will develop unique knowledge at different levels: basic data and information, integrative/adaptive/comparative research, and fundamental research into new concepts. The output of each centre will consist of publications, conferences/workshops, and be integrated into SKOLKOVO's educational programmes.

SKOLKOVO Centres of Excellence (COE): Vision

1. SKOLKOVO Institute for Emerging Market Studies (SIEMS)
2. SKOLKOVO Infrastructure Research Center (SIRC)
3. Centre for Entrepreneurial leadership
4. COE: Energy
5. COE: Healthcare

SKOLKOVO Institute for Emerging Market Studies (SIEMS)

- Headed by Professor Seung Ho "Sam" Park
- Leading Think Tank on Fast-Moving Economies

President: Professor Seung Ho "Sam" Park
SIEMS aims to be a leading think tank on fast-growing economies, with a special emphasis on Russia, China, and India. As the center of global commerce shifts to these emerging markets, there is only a limited understanding of economic and business operations in these countries. The work of the institute is focused on providing guidance to society, corporate managers, and policy makers

Partnerships and research

through rigorous but practical knowledge creation across a broad range of areas, including macro-economic and public policy, industry and technology, and corporate strategies.

SIEMS' research is interdisciplinary, covering various fields of social science with a comparative approach across the three countries, and network-based, involving scholars from all around the world. Its researchers include full-time members from or working on the three main countries, as well as fellows from other areas currently involved in active research on fast-growing markets. The institute aims to be a hub for the creation, distribution and sharing of knowledge among scholars and managers working with fast-growing markets worldwide through regular roundtable meetings and forums. Its research output is distributed chiefly through working papers, reports, books and articles, and conferences devoted to special topics.

In 2008, SKOLKOVO established its research centre in Beijing (SKOLKOVO Institute for Emerging Market Studies (SIEMS)) headed by Professor Sam Park.

Office registration

As of December 31, 2008, a permit from Beijing Ministry of Commerce was obtained, business license was issued from BJ Administration for Ind. and Commerce. Company stamp and organization coding were finalized.

Planned for the next quarter are permit from the State Adm. of Foreign Exchange, bank account set-up, capital transfer to BJ office (USD 0.375 million), tax registration, stamp Permit from BJ Municipal Public Security Bureau, registration with statistics & finance bureau, capital verification and capital transfer to BJ office's normal bank account.

Recruiting and staffing

Job announcements were posted in American Economic Association, Academy of Management Placement, and list-serves of International Management, Business Policy, and Technology Management Divisions of Academy of Management.

Resumes for RAs were constantly accepted.

Local faculties for affiliated researcher position were contacted. Prof. WU Jianfeng, Peking Univ. agreed to work with SKOLKOVO as an affiliated member. Interviews and scanning of potential researcher candidates around the world were held.

Advisory Board

In 2008, SKOLKOVO Institute of Emerging Markets Studies started to form its Advisory board.

Fan Gang and Zhang Weiyang agreed to be on the SIEMS Advisory Board.

Fan Gang is one of the most recognized economists on the Chinese economy around the world (President, National Economic Research Institute (NERI); member, Monetary Policy Committee of China)

Zhang Weiyang is a highly influential voice in the Chinese society (Dean, Guanghua Business School, Peking Univ.)

Research projects

Two papers were recently accepted for publication in leading academic journals:

- "International joint ventures and parent contribution to organizational control," Strategic Management Journal (with Prof. D. Chen and W. Newburry).
- "Improving sustainability: an international evolutionary perspective," Journal of International Management (with Prof. D. Chen and W. Newburry).

First Monthly Issue Report "The global financial crisis: impact and responses in Russia and China" was being prepared. The report is due by January 30, 2009.

The Monthly Issue Report is not an in-depth, rigorous research report. It would be a brief and insightful review of a timely issue on one topic every month.

SKOLKOVO Infrastructure Research Center (SIRC)

- Headed by Dr. Alan M. Kantrow
- Works on the broad landscape of infrastructure-related research in the developing world

SKOLKOVO Infrastructure Research Center (SIRC), headed by Dr. Alan Kantrow, is a research institution dedicated to the study of infrastructure in rapidly-growing economies, where infrastructure development is often a key challenge. Under the heading of infrastructure, SKOLKOVO includes both “soft” and “hard” infrastructure. “Soft” infrastructure includes, for example, both social networks and tertiary education. SKOLKOVO aims to play a leading role in re-aligning curriculum, pedagogy and institutional performance metrics with the capability-related needs of diversified, knowledge-based economies in the developing world. “Hard” infrastructure includes logistics, the application of IT and sensor technology to physical infrastructure - electricity grids, road systems, and the like.

In 2008, research agenda for SIRC was being actively developed.

SKOLKOVO Centre for Entrepreneurial Leadership

SKOLKOVO Centre for Entrepreneurial Leadership is a knowledge centre for leadership development in fast-growing economies. The centre’s aim is to develop a solid knowledge base in entrepreneurial leadership and translate that knowledge into educational programmes devoted to turning senior executives into effective leaders. The focus on the entrepreneurial aspects of leadership is tied directly to the focus of both the school and the centre – fast-moving economies. It is our belief that a more entrepreneurial style of leadership is needed in the rapidly changing and often disruptive environments of these economies.

The centre’s objectives are to identify leadership requirements in fast-growing economies and develop new leadership concepts. This will be done by identifying leadership role models in Russia, India and China and studying the development of

leadership talent to determine critical skills and personality traits shared by effective leaders in fast-growing economies. Further study will contrast these leadership models with those in fast-growing economies.

COE: Energy

Energy is another strategic sector in which SKOLKOVO is working to develop expertise. The focus will not only be on traditional energy sector but also on renewable energy and energy policy. Sustainable economic development and corporate responsibility and environmental-friendly growth strategies are also part of the research agenda.

COE: Healthcare

The SKOLKOVO Centre for Healthcare Management and Policy is looking to develop a solid knowledge base in the field and translate this knowledge into educational programmes aimed at developing qualified healthcare managers and policy professionals. The centre will also function as a think-tank will serving as a platform facilitating policy dialogue among stakeholders and helping strengthen the public and private institutions that support policy reform and implementation.

SKOLKOVO and educational reform

Being a part of National Priority Projects Programme in Education, SKOLKOVO considers as priority research projects in the educational sphere. The projects in this field will be integrated into intellectual agenda of COE: Infrastructure.

■ Urals Federal University

Moscow School of Management SKOLKOVO developed a concept of the Urals Federal University (UrFU). Creation of Federal Universities is provided for within the framework of the Government programme project “Education and development of innovative economy: introduction of state-of-the-art model of education in 2009-2012”. The major goal of Federal Universities is attaining up to the world standard in educational programmes and development work as well as resolving geopolitical,

Partnerships and research

personnel and research problems of nationwide investment projects.

According to the project suggested by SKOLKOVO, UrFU will unite two large higher education institutions of the Ural region – (1) the Urals State Technical University - the first Russian President B.N. Yeltsin UPI (USTU-UPI) and (2) A.N. Gorky Urals State University (USU). Creation of UrFU provides for integration of activities of the new university and the Ural Branch of the Russian Academy of Sciences (RAN) in various ways, also through creation of core departments and laboratories, shared use centers, small innovative enterprises and realisation of joint projects and programmes.

The project's strategic goal is to create scientific-educational and innovation clusters in Ural region, a core of which will become the new university.

On December 15, 2008, the government of the Sverdlovsk region approved the concept of UrFU prepared by SKOLKOVO.

■ Russian International Olympic University



The Moscow School of Management SKOLKOVO was invited as a consultant for development of the Russian International Olympic University concept. Rich experience in developing breakthrough education concepts, accumulated by SKOLKOVO since 2001, and the similarity of the projects determined SKOLKOVO participation in the project.

The Russian International Olympic University will be, like the Moscow School of Management SKOLKOVO, an international management school. Its main goal will be developing efficient managers for the sports industry. Both projects are run on a private basis and are sourced by private investors, thus not using any budget funds. However, the projects de-facto make part of the National Priority Projects programme.

The core competence developed at the RIOU will be the managerial skills and abilities, covering necessary expertise in venue, event, media communications and governance areas.

SKOLKOVO's membership in associations

As of December 31, 2008, the Moscow School of Management SKOLKOVO is a member of 5 associations:

- **AACSB** – Association to Advance Collegiate Schools of Business
- **AmCham** – American Chamber of Commerce
- **AEB** – Association of European Businesses in the Russian Federation
- **EFMD** – European Foundation for Management Development
- **RABE** – Russian Association of Business Education

Decisions for membership in the following associations are pending:

- **GMAC** (Graduate Management Admissions Council)
- **UNICON** (International University Consortium For Executive Education)

Also is being considered application for membership in the following associations:

- **EMBAC** – the Executive MBA Council
- **RMA** – the Russian Managers Association
- **USRBC-US** – the Russia Business Council
- **Russo-British Chamber of Commerce**

Marketing and PR

The School's Marketing and PR activities were focused on the key products of SKOLKOVO, the MBA, EMBA and ExEd programmes.

Marketing activities

Different marketing activities were held to support all SKOLKOVO programmes.

A massive marketing campaign for recruiting participants for SKOLKOVO EMBA programme was held. Four information sessions at SKOLKOVO's office were held. Advertising was made in media.



Additionally, to attract the applicants, a mailing of EMBA advertisement brochures to ExEd contacts with a subsequent follow-up was performed. Presentations of the programme were held in some companies. Some marketing materials were placed in the Krylatskie Holmy business center.

The opening of the enrollment for the programme was officially announced in Moscow on November 26, 2008. The event had a format of an information session and was held in Swissotel Krasnye Holmy hotel. More than 100 people attended the event. The School had a joint advertisement project with The Moscow Times newspaper: one of the newspaper's issues had a SKOLKOVO MBA cover.



At the end of 2008, the School organized a New Year event for its clients and partners. The event held at GUM was attended by 200 guests.

The main purpose of the event was to boost loyalty of the existing clients. The friends, potential clients and partners of the School were invited as well.



The event included a master class on Talent Management conducted by Tatiana Tarasova in the GUM's presentation room, as well as an informal party in the Red Square skating rink. Professional figure skaters performed for the party guests. Besides, throughout the entire evening trainers from Russian national figure skating team worked on the rink helping the guests to learn the basics of figure skating.



Forums

On **September 12, 2008**, a round table dedicated to issues of professional education for managers was held within an international conference, The Baltic PR Weekend in Saint Petersburg. Its topic was: **"MBA in Russia. Waste of money or an efficient investment?"** Andrey Volkov, the dean of SKOLKOVO, participated in the round table.

SKOLKOVO Deans participated in the 7th International Investment Forum held in Sochi on **September 18-21, 2008**.

On **November 20 and 21, 2008**, the Academy of National Economy under the Government of the Russian Federation hosted the **"Modern Education Model: the Ways of Implementation"** conference. Moscow School of Management SKOLKOVO was one of the organizers.

December 3, 2008 Andrey Volkov, the Dean of SKOLKOVO, delivered a presentation on Training of sports managers at the 3rd Annual conference of **"Vedomosti Sports and Business"**. The Dean of SKOLKOVO presented a concept of Russian International Olympic University (the School acts as a consultant in the development of the concept). He also described the new requirements to modern management and their critical importance for the sports industry.

December 11, 2008 Andrey Volkov, the Dean of SKOLKOVO, delivered a presentation at "Professional education in the situation of innovative economic development", the final conference of the representatives of graduate and vocational education institutions, the participants of innovative educational programmes implementation *within "Education", the top priority national project*.

December 16, 2008 SKOLKOVO Dean Wilfried Vanhonacker acted as a moderator on "The factor of the staff efficiency" section of the **"People Investor 2008: companies investing into people"** forum. This forum is a part of PEOPLE INVESTOR project and was organized by the Managers Association of Russia. The main goal of the project is to identify the best companies who invested into the development of human potential in Russia and to broadcast their achievements and best practices into the business community.



Publishing activity

Together with "Alpina Business Books" the first SKOLKOVO book series was published:

- **Classical Works of Peter Drucker** (July, 3,000 copies)
- **Hostage at the Table: How Leaders Can Overcome Conflict, Influence Others, and Raise Performance** by George Kohlrieser, (July, 4,000 copies)
- **The Age of Turbulence** by Alan Greenspan (July, 6,000 copies, December, 5,000 copies)
- **The Culture Code: An Ingenious Way to Understand Why People Around the World Live and Buy as They Do** by Clotaire Rapaille (July, 3,000 copies)
- **Inside the Economist's mind. Conversations with Eminent Economists**, edited by Paul Samuelson and William A. Barnett (December, 3,000 copies)

The data on book sales as of December 31, 2008:

- The Age of Turbulence – 6,189 copies
- Hostage at the Table - 2,203 copies
- The Culture Code – 2,062 copies
- Classic Drucker - 1,827 copies

In September 2008 a batch of 1,000 copies of Alexander Prokhorov's *The Russian Management Model: Hidden Reflections* was printed.

The third analytical review, *Russian Capital Market. Facts and events. First half of 2008*, a joint project of SKOLKOVO and NAUFOR) in English and in Russian was issued.

Media relations

In 2008, the key aspect of working with the media was intensifying the PR-promotion of the School's educational products, including the media launch of the EMBA and MBA programmes, as well as the informational support of the main events held by the School.

The key SKOLKOVO newsmakers that had high publicity were:

- The opening of the enrollment for the EMBA programme (September 3, 2008; media event in the SKOLKOVO office)
- The architectural project of SKOLKOVO at the Architectural biennale in Venice (September 27, 2008; presentation with the participation of David Adjaye)
- Signing of a credit agreement with the Bank of Russia (October 22, 2008; joint media event at Sberbank of Russia office).
- Annual publication of a ranking Russia's top-25 multinationals (November 11, 2008).
- The opening of the enrollment for the MBA programme (November 26, 2008)
- The concept for the Ural Federal University (November and December of 2008, including a media event in Yekaterinburg on December 15, 2008).
- Creation of a venture fund together with RUSNANO (December 23, 2008).

-
- EMBA Launch was a priority for Marketing and PR activities in 2008.
 - Focus in marketing and PR was on SKOLKOVO educational programmes and research agenda.
-

Campus

As of the end of 2008, the construction of the SKOLKOVO campus was continuing at full speed. The frames of the core building (Disc), of the Sports centre and of the Administrative building were completed. Close to completion were the concrete works of the Dormitory and the Hotel.

The works on the roof of the Disc are in full speed, and the works on the facade of the Disc are completed. With increased speed are going works on the façade of the Sports centre and the Administrative building.

The bricklaying on the bulkheads of the Disc (the parking zone) is being completed. The bricklaying on the Sports center's walls and on the Congress Hall is in progress. For the Sports center and the Administrative building the wet-mix processes started.

Digging and pile-driving work for the construction of the engineering and technical centre building are in progress.

In progress are design works of the Engineering and technical center building and of the faculty village. The completion of design is delegated to the contracting organizations conducting construction and assembly work for these areas. Construction of the faculty village started.

The interior designs of the Hotel, Dormitory, Disc and Administrative building are in progress.

The Managing Company decided to focus the Primary Contractor's work on the construction of the main building and effect the management and coordination of the other areas of work using internal resources.

The total area of the buildings is 60 thousand square meters. The construction site is located in the Odintsovo district of the Moscow region, on the first kilometer of the Skolkovo highway, between the villages of Marfino and Skolkovo.

One may follow the construction in real time though a web-camera at the school's official site www.skolkovo.ru



December, 2008



- The works on the façade of the Disk are completed.
- The concrete works for the construction of the dormitory and the hotel are in progress.
- The faculty village is now being built.

Human resources

Human resources

Recruitment

The school employed 109 people as of the end of 2008.

The key positions that had been closed:

1. Head of Legal Service
2. Head of Marketing department
3. Chief accountant
4. Head of Security Service
5. International relations manager
6. IT Director
7. Head of IT helpdesk
8. The open enrollment programmes director
9. Head of the Major Construction department
10. Deputy Head of the department
11. Head of the design and manufacturing department
12. Director of Information Technology department (a replacement)

In September 2008, upon the result of the staff assessment and in accordance with the Incentives policy approved by the Committee the bonuses were paid to the staff.

For financial reasons the majority of employees were transferred from the not-for-profit partnership to the OOO in accordance with the legislation of the RF.

Effective on November 1, 2008, a cost cutting programme was announced in the School, including partial hire freeze mode: the hiring for all the positions that are not close to the offer signing stage must be vetted by the Managing Committee.

Soul of School

On September 22, 2008, SKOLKOVO's Birthday, an event for the School's employees, was celebrated.

A New Year event for the School's employees was held on December 22, 2008



Finance

Results of the Finance Department in 2008.

1. SKOLKOVO Venture Fund

Together with RUSNANO, SKOLKOVO has decided to establish a venture capital investments fund with 2 billion rubles investments.

2. Fiscal control

The audit for the calendar year of 2007 and the first half of 2008 has been completed. Purchase Regulations have been implemented, the School's tender committee has been formed and started its operations. The electronic payment confirmation system has been implemented.

3. Tax Audit

The tax audit of the School's financial statements was performed by a professional auditor, an expert in tax risks. It resulted in a detailed plan of refining source documents. The work on systematic minimization of the School's tax risks is currently in progress.

4. VAT return

The process of obtaining VAT refund (for the amount of VAT paid by the School in the course of construction) has been initiated.

5. Tax-related organizational model of SKOLKOVO

The model of the School's financial flows distribution among its subsidiaries, which minimizes tax risks over 2-3 years, has been developed together with the School's tax lawyers (Ernst&Young). After the model had been approved, the staff and current economic contracts have been transferred to respective structural units.

6. The new management accounting (ERP) system by Sungard

The first stage of the new ERP system implementation has been completed together with the Sungard experts. Approaches to implementing key bookkeeping and management accounting business processes have been endorsed. The test launch and data migration are scheduled for Q2 of the calendar year 2009.

7. Establishing the Representative Office in China

The approaches and tax risks related to the establishment of the research center in China have been analyzed. As a result, the documentation package for opening the representative office in Beijing was formed and forwarded to the Chinese authorities for registration. As of this moment, the company has obtained a temporary license for operations (the license will be replaced with a permanent one when the entire capital is paid in).

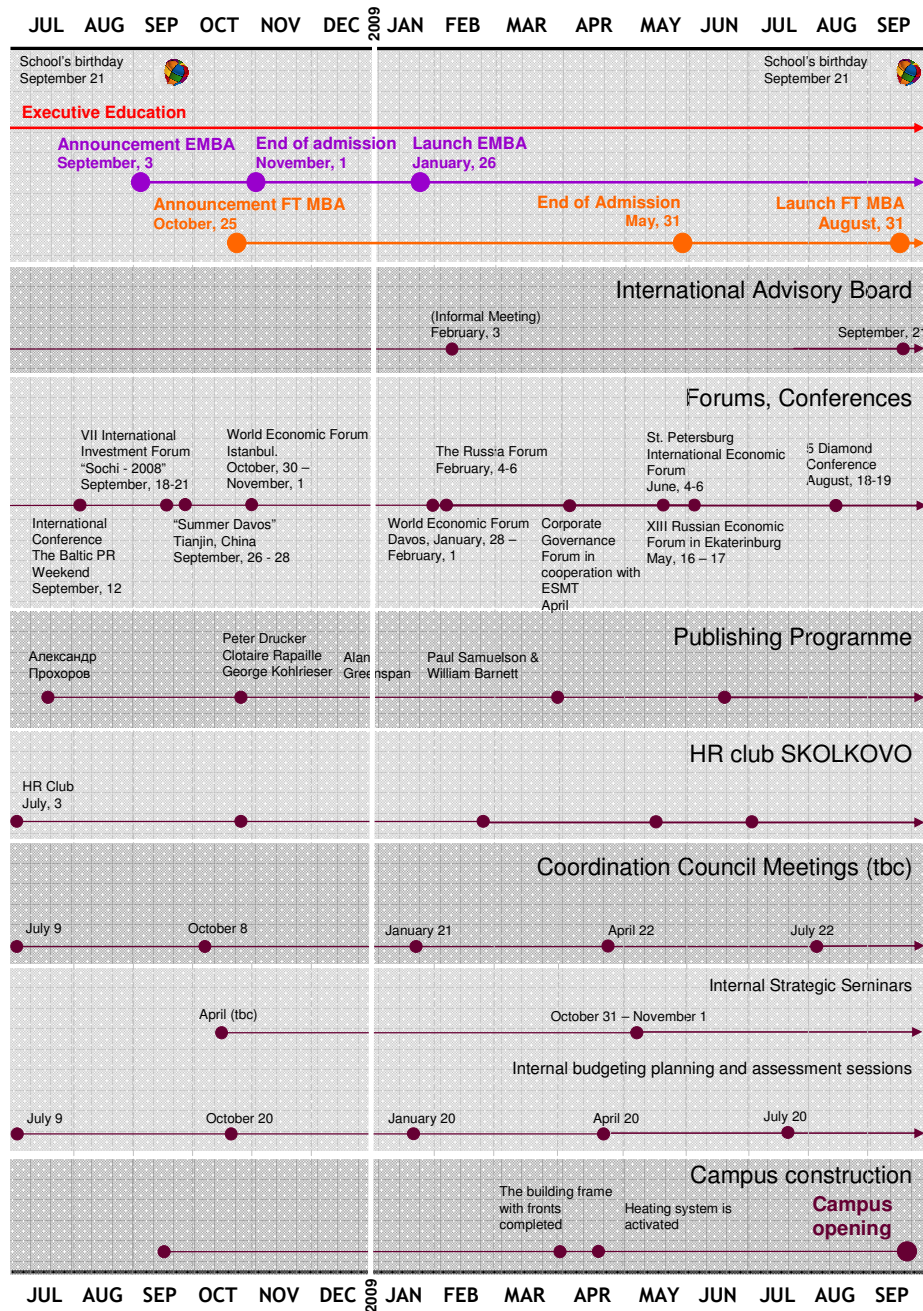
-
- Joint venture fund SKOLKOVO-RUSNANO established
 - Audit for 2007 and first-half 2008 completed
 - Representative office established in China

Fundraising

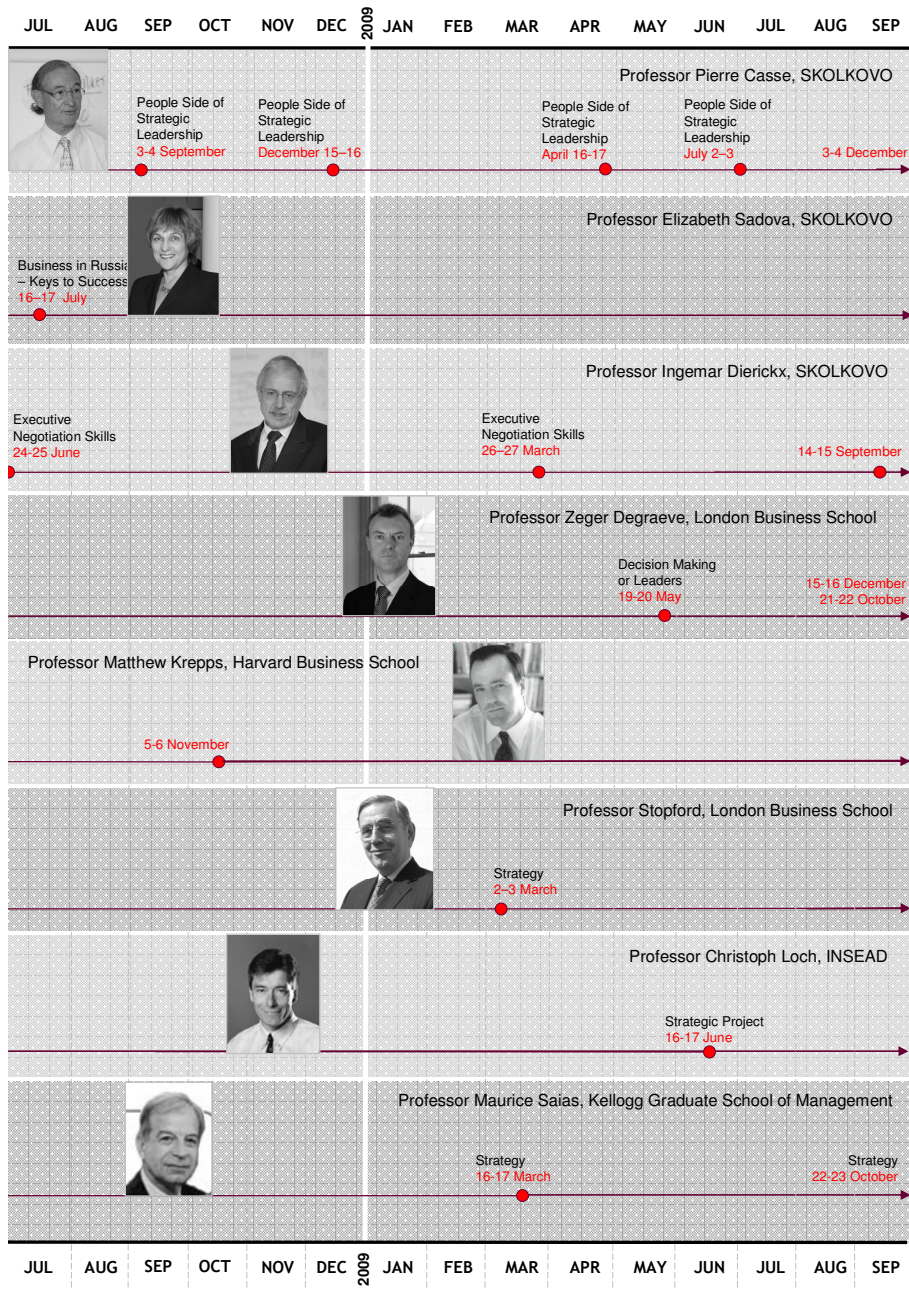
As of December 31, 2008, SKOLKOVO partnership package included:

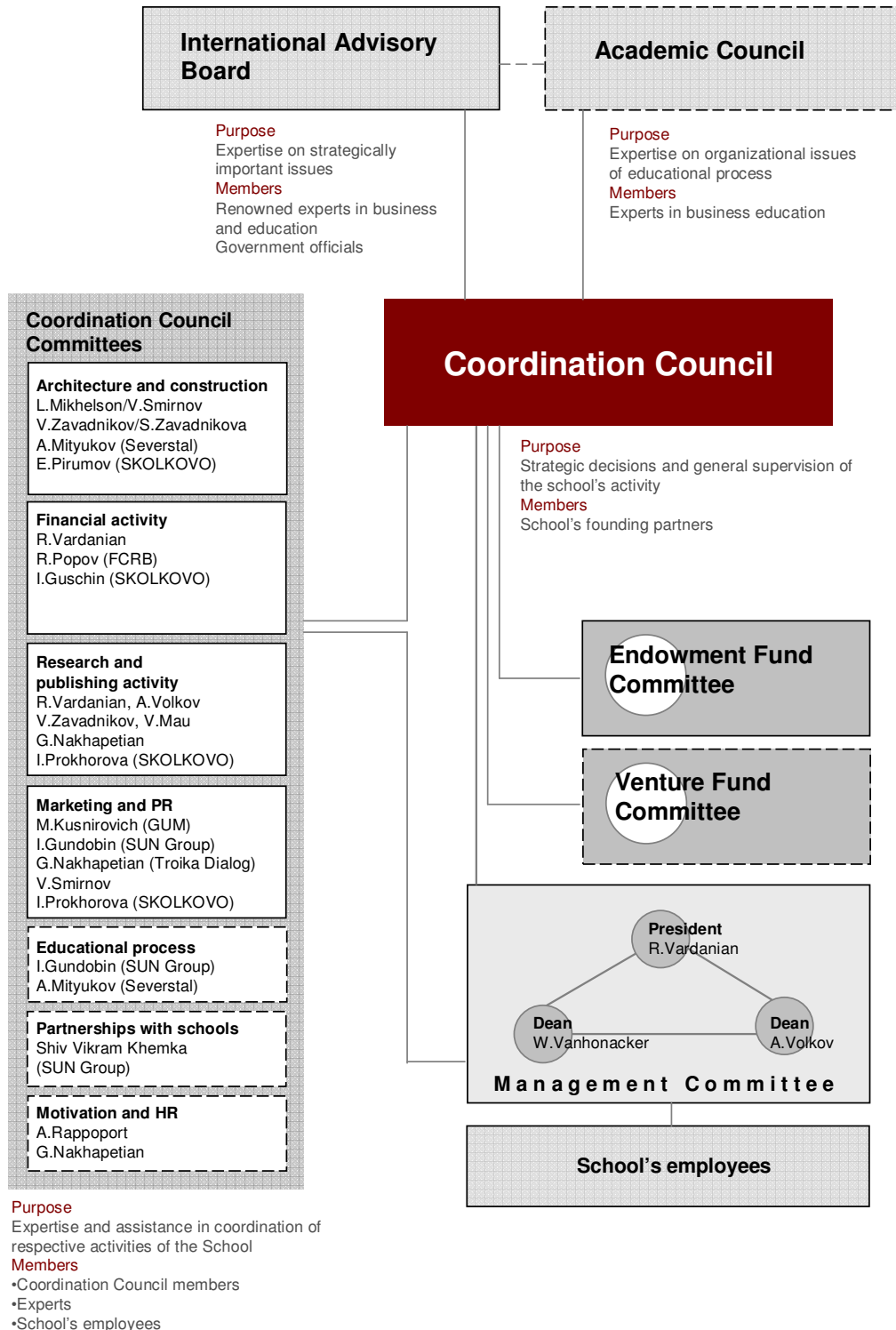
- a contribution to finance SKOLKOVO as a Founding Partner - USD 10 million (to be paid in three installments until 2010)
- a contribution to finance one of SKOLKOVO five Research Centres (Energy, Infrastructure, Healthcare Management and Policy, Entrepreneurial Leadership, SIEMS) - USD 12 million (to be paid in equal installments within 6 years)
- a contribution to finance the SKOLKOVO Endowed Chair - USD 5 million (to be paid in three installments within 3 years)
- a contribution to partially sponsor the SKOLKOVO case development centre - USD 1-3 million (to be paid in one installment)
- a contribution to finance SKOLKOVO Venture Fund – amount of contribution to be agreed between both parties, but not to be less than USD 1 million

SKOLKOVO Event Calendar



SKOLKOVO Executive Education Calendar







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