

# KRONICLE

**KRONSTADT**  
St.-Petersburg

**KRON-CIS**  
Hamburg

**KRONINDUSTRIAL**  
Miami

**KRONDE**  
GROUP

## BY FORCE OF COMMON ENERGY



Sergey Sukhachev

DEAR FRIENDS!

You are holding a newspaper telling you about our company and the people who contributed to developing it so as it is now. You will learn how everything began many years ago, how self-confidence and belief in our cause helped to found a group of several companies united

by a common goal, from their founders, Sergey Sukhachev and Andrey Spirin.



Andrey Spirin

### Sergey Sukhachev, Chief Executive Officer of industrial companies of KronDe group:

I am greeting gentle readers of the "Kronicle of Events", a corporate newspaper of the group of companies KronDe which included all our companies in 2011. I am sure that the "Kronicle" may become a sort of Company's annals. On its pages various events of KronDe's life will be described in chronological order, in one issue after another. Just like our ancestors made keeping genuine historical annals survived to our days. And what a pleasure it will be, to take this first issue again in many years and to indulge in memories of events that now are playing a key role in our life. It will be so, as the

events occurred in the year 1994 are now pleasant memories for us the founders of these companies.

Seventeen years ago our first two companies started work, one in Russia, the other in Germany. A company ZAN (Central Real Estate Agency) began its activities in Saint Petersburg, while Kron-CIS established in Hamburg set a goal of cooperating with leading European manufacturers of marine and port equipment.

My partner Andrey Spirin and me worked in both directions. Frankly speaking, it wasn't easy. Our standard working day lasted 25 hours. The twenty-fifth was the first hour of a new day, when there was something left over, which should have to be done yesterday or the day before.

Ideas were available, but it was competent persons with a modern habit of mind capable of turning these ideas into reality who lacked. The epoch after Perestroika provided possibilities and conditions for business development, but our experience and knowledge were not sufficient.

### Andrey Spirin, Chief Executive Officer of property and investment companies of KronDe group:

Shortly after its appearance in St. Petersburg the ZAN took rank as one of the prominent real estate companies of the city. We put much energy into the company's development in the new market, where rules of the game were being set by the players themselves. Our agency rendered

service to inhabitants of St. Petersburg and the Leningrad Region in lease, purchase and sale of residential and commercial real estate. Three years later the staff of the agency numbered already about 700 employees. The profession was something new for many of them. Our specialists took part in conferences, were invited as experts to business meetings and introduced new standards of customer relations.

So a large enterprise as it became, our company needed implementing a new management system and required constant supervision and presence of senior personnel. That was the reason of separation of powers in the company. I made a decision to concentrate on real estate area, while Sergey Sukhachev →

### IN THIS ISSUE:

- Visit To The Company **стр. 4**
- We Are For Worthy Partnership Relations **стр. 6**
- New Contracts In Europe – New Opportunities In Russia **стр. 7**
- To The Strains Of The "Russian Organ" **стр. 8**

## Marine Façade With Bridges Supplied By Kronstadt



In summer 2011 construction of the most up-to-date passenger port of Russia "Marine Façade" was completed and the port passed into the ownership of the city. At the solemn ceremony of port transferring to the possession of St. Petersburg the ex-governor Valentina Matvienko expressed her thanks to the companies which had taken part in port construction and equipment. Our company Kronstadt which had supplied FMT mobile telescopic bridges and Trelleborg fenders for berth to the port was among them.

Marine Façade is considered to be ultra-modern by Russian and world standards. It is the only port in Russia equipped with mobile telescopic bridges. The both MTBs by Swedish manufacturer FMT supplied by Kronstadt provide safety and comfort to passengers of cruise liners and ferry boats while passing to terminals. Nowadays such bridges are an integral part of first-class service and make a good impression on first-time visitors of the

Northern Venice. Safe mooring is ensured by Trelleborg fenders (Sweden) also purchased through mediation of Kronstadt.

Customized FMT bridges are designed for servicing ferry boats and large cruise ships with port height 7 to 11 m above sea level. As exclusive representative of FMT in Russia, Kronstadt trusts it can equip many other seaports and airports in our country with telescopic bridges.

## Technological Units As Part Of Infrastructure Development Of Rogozhnikov Oilfield

In 2011 Kronstadt's oil and gas equipment department has implemented some large projects, for instance supply of technological units for a gas compression and processing facility in the raw material treatment center of the Rogozhnikov oilfield. The Infrastructure Development Project is carried out by our long-time business partner, OJSC Surgutneftegas, which has chosen the equipment supplier by means of tender.



The Rogozhnikov oilfield is located 400 kilometers from Surgut and is one of the largest in Russia – anticipated oil production is about 6 MT per year, and increase in reserves will increase annual oil production. But operating conditions are very severe there: oil is deposited at different levels, therefore production must be performed using radically new approaches and engineering solutions.

Guided by its experience, Kronstadt supplied open frame and container-type technological units for Surgutneftegas. These units are explosion-proof, operate under temperature between -55°C and +34°C, their estimated service life is 25 years.

**Press service of Kronstadt**

Projects

**KronDe Group of companies**  
www.kronde-group.ru

**Manufacture, supplies, distribution**

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

**Development, asset management, real estate activities**

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

## KRONDE

GROUP

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

[www.kronde-group.ru](http://www.kronde-group.ru)

placed oneself at the head of marine equipment supplies.

**Sergey Sukhachev:**

The year 1998. During 4 years of its existence the company Kron-CIS has established stable relations with renowned European marine equipment producers and has made a number of large deliveries for Russian marine enterprises. After disintegration of the USSR our domestic shipbuilding was in a critical condition. Working in collaboration with many branch enterprises and seeing their problems, we came to a conclusion that the whole branch is badly in need of modernization and supply of new, up-to-date and high-technology equipment. Such equipment was produced at that time only in Europe. Trying to help our marine enterprises more efficiently, we founded in 1998 in St. Petersburg a new company named Kronstadt. In course of time, holding already a stable place in the market, Kronstadt started close cooperation with prominent Russian design institutes. To see development engineers from these design offices often working at a small salary, but not quitting their favourite job and continuing to give their competence and experience to progress of the branch, was a pleasant surprise for us. Their enthusiasm and loyalty to profession charged us with energy, and we understood that future of our business is connected with sea for ever.

The staff of Kronstadt consisted then of only 12 people. Almost all of them are still working there. That was a time of discoveries, a very interesting period. We were studying computer literacy, were mastering niceties of management, were inventing first advertising materials for customers. Our team was going forward, was searching for new ways of company development, was finding new opportunities for themselves inside the company.

In 2006 we started development of new directions. Kronstadt became exclusive representative of some of the major European manufacturers of industrial equipment, including oil and gas equipment. Owing to establishment of the new direction, the company moved to a new level.

In the meantime, a separate division was established in our company – an engineering department that carried out particularly complicated projects. Russian enterprises set for us unconventional tasks in equipment selection for processing lines and workshops. And we managed the tasks successfully. Our company opened business relations with major Russian concerns – Lukoil, Rusal, Russian Coal, TGC-1, Norilsk-gazprom, State Corporation Rosatom and other giants of Russian industry remaining our partners up to now.

Our staff was continuously increasing, new people brought to us their special skills and new energy. The company provided them with decent working conditions and opportunities to use their potential.

We didn't try to introduce a corporate culture of Western type which is popular in many companies. Our atmosphere, our traditions and rules of conduct have formed in natural manner. That's the whole point.

**Andrey Spirin:**

In 2006 the company ZAN undertook development activities, namely construction of retail and entertainment centers and cluster home communities. With this purpose an investment and construction group ZAN Development was established as part of ZAN. The Agency became a member of Association of Realtors of St. Petersburg and the Leningrad Region and a full member of Realtors Guild. The whole documentation worked out by ZAN at that time and widely used not merely by our company, but also by other real estate market players has passed independent examination of City Bar Association of St. Petersburg.

In 2007 we accelerated development of this business direction by founding an administration company Credor purpose of which was investment and asset management in realty and industry as well as co-investing of projects executed by outside organizations.

Today Credor is carrying out several large projects, among them construction management of two residential compounds in the Leningrad Region and of the first big outlet center in St. Petersburg Fashion House. As for industrial assets, the company manages the sole producer of PET preforms in the Northwest and manages sales of a modern building material ISOFORM in Russian Federation.

**Sergey Sukhachev:**

Industry-oriented companies of our group are developing rapidly, they are concluding contracts with major enterprises, so we are feeling a big responsibility for compliance with delivery deadlines. Our enterprise needed its own logistic structure ensuring delivery of imported equipment to the customers within agreed terms. Therefore we have established our own customs and logistic company "Kanonerskiy" supporting Kronstadt and Kron-CIS in their foreign economic activity. Now it is rendering services to a number of large industrial enterprises.

The company KronDe founded in 2010 practises contract manufacturing of industrial equipment at leading European and Asian enterprises under its own brand **KRONDE**. Now KronDe produces bellows expansion joints and metal-working machinery, we intend to manufacture industrial and domestic service pumps and valves. Appearance of our own production is a natural result of development of our business, and we are convinced that we can take dominant position in the Russian and CIS market.

Besides, KronDe is engaged in new activity directions of the group's industrial sector, that is, supplies of metal-working, welding and compressor equipment by global producers to Russia and CIS countries.

Decision to develop a dealer net in Russia and CIS was a milestone in our history. Today we cooperate with many companies and purpose to scale new heights in regional markets. Foundation of Kron Industrial in Miami, a company intended for study of state-of-the-art technologies and search of innovation products in oil and gas and industrial field, and establishment of our representative offices in Moscow and Atyrau (Kazakhstan) are another two important events in 2011.

**Andrey Spirin:**

The year 2011 is a watershed year for our business. We have come to realize that it is high time to unite all of our business assets under one brand – **KRONDE**. The united group has imbibed the huge potential of our companies and experience acquired over 17 years, thanks to which our business conceptions have become broader, we are taking in stride establishing new directions and are willing to realize the most bold ideas and ambitious projects. This year our group gained a musical band, Russian Horn Orchestra, as one more member. The KronDe Group of companies became the title partner of the band, and we consider the musicians to be part of our team.

**Sergey Sukhachev:**

The long way gone by us has taught us to meet trouble halfway and to believe in ourselves. Energy of every our colleague is a tremendous driving force. And day after day we are conquering the summits inaccessible yesterday by force of common energy.

**The interview was conducted by  
Natalia Sulimova**

**Our congratulations!**



## OILMAN DAY

The 4th September is a professional holiday for petroleum, gas and fuel industry workers. Fuel and energy complex is one of key sectors of Russian economy. The people extracting energy resources from the depths of our motherland provide our enterprises with fuel, and our homes with heat.

It is a holiday for true masters of their craft, real wizards, fellows who can solve the most intricate tasks.

**Employees of KronDe Group of companies send their greetings to their partners working in the energy sector and are looking forward to further cooperation.**



## MECHANICIAN DAY

This year Mechanician Day was celebrated on the 25th of September. Mechanical engineering is a branch on which a task of industrial regeneration of Russia is imposed now. Mechanical engineers furnish machines to many industrial sectors, build vehicles, tools, supply defense enterprises with equipment.

**Our company is proud of cooperation with Russian engineering plants, congratulates their workers and promises to go on doing the best to provide such an important industrial field with reliable equipment.**



## NUCLEAR EXPERT DAY

Nuclear workers of Russia have their professional holiday on the 28th of September. This date was chosen because establishment of a specialized laboratory for atomic nucleus under Academy of Sciences was approved by order of Defense Committee of the USSR on the 28th of September 1941 "On organization of uranium researches".

Presently nuclear power plants generate above 15% of electricity in Russia, in the near future it will be 25%. We take pride in our participation in construction of the 4th unit of the Beloyarsk NPP and we trust for a future cooperation with all 10 nuclear power plants of Russia.

**KronDe Group of companies sends their greetings to the people providing energy security of our country.**



## NAVY FOUNDING DAY

The Navy Birthday is celebrated annually on the 20th of October. It was the day when Council of Boyars made a decision to found a regular navy in Russia in 1696.

This day is one of few holidays equally popular in the tsarist Russia, the USSR and the present Russian Federation. Russia has always been a great maritime power; our company retains the traditions and contributes to domestic shipbuilding by providing Russian vessels with up-to-date equipment.

**We send our greetings to all the workers of shipbuilding and ship-repair enterprises, ports and steamship companies of Russia.**

**Exhibitions**

# KronDe Exhibition Calendar AUTUMN 2011

Summer is over, employees returned from the vacation and continued their work with renewed energy. KronDe Group of Companies has also extensive plans for autumn. New equipment and even directions of supply are to be demonstrated by KronDe at exhibitions in Moscow, St. Petersburg and other regions.

○ As a start of autumn exhibition period, KronDe took part in NEVA-2011. The holding was represented by the company Kronstadt, a supplier of marine and port equipment since 1998.

**HEBA 2011** International exhibition on shipbuilding, navigation, port operation and ocean and shelf development NEVA celebrates its 20th anniversary this year. Kronstadt's activity began with marine equipment deliveries, so the jubilee exhibition NEVA is a symbolical event for us. At the exhibition the whole range of supplied equipment was available, but particular attention was paid to the following trademarks:

DESMI A/S (Denmark) – manufacturer of world-known marine pumps; Tripomet (Romania) – a new strong player in Russian market of deck equipment; a major supplier of waterjet propulsion for ships Hamilton Jet (New Zealand), and a producer of diesel engines, diesel generators and hybrid engines Nanni Diesel (France). The exhibition was attended by delegations of the manufacturers.

**The 20th exhibition NEVA-2011 took place in St. Petersburg on 20-23 September, in Lenexpo Exhibition Complex, hall 7, stand 7041.**

○ The second exhibition which we are taking part in this autumn is the Samara Industrial Show.

**ПРОМЫШЛЕННЫЙ САЛОН 2011** Samara region is one of the most developed and investment-attractive regions of Russian Federation. Industrial Show in Samara is the largest exhibition in Volga area. The exhibition covers various industry branches such as mechanical engineering, machine tool industry, metal-

working and welding, laser and thermal cutting, measuring equipment etc.

The company Kronstadt takes part as supplier of metal-working equipment. Operation of the bandsaw Beka-Mak (Turkey) will be demonstrated at our stand. The visitors will get advice of metal-working department experts and become personally convinced of quality of the demonstrated equipment, if they let saw their own billets brought to the exhibition.

**The 10th anniversary international specialized exhibition Industrial Show-2011 takes place in Samara on 11-14 October, in Expo-Volga Exhibition Complex.**

○ Another event important to us is the largest exhibition for welding materials, equipment and technologies WELDEX/ROSSVARKA 2011.

**weldex** Our company will feature equipment for arc welding Migatronic (Denmark) and spot welding guns Dalex Schweißtechnik (Germany) as follows: multifunctional semiautomatic welding gun SIGMA GALAXY 400, hand-operated arc welding gun DELTA 160, plasma cutter ZETA 100, semi-automat MIG 545 and argon-arc welding gun PI 350 AC/DC. Operation of SIGMA GALAXY 400 and PI 350 AC/DC will be demonstrated at the exhibition. Our stand will be of "interactive" nature – Kronstadt's specialists will advise our guests about all the questions connected to welding equipment. A welding table will also be installed at the stand where diverse materials and, of course, samples brought by our visitors will be welded.

**The 11th international specialized exhibition on welding materials, equipment and technologies**



**WELDEX takes place in Moscow on 18-21 October, in EcoCentre Sokolniki.**

○ After WELDEX the next thing on the agenda is participation in the exhibition CHEMISTRY 2011.

**ХИМИЯ 2011** CHEMISTRY is the largest trade show and forum in this field in Russia and CIS and it is held in alternate years. Kronstadt will demonstrate respective equipment at a specialized show "Chemical Engineering and Pumps" which will be held for the second time as part of CHEMISTRY exhibition. Our range of equipment will consist of chemical pumps by various manufacturers – high pressure gear pumps MAAG PUMP SYSTEMS (Switzerland), gear pumps DESMI ROTAN (Denmark), gear pumps POMPE CUCCHI (Italy), centrifugal chemical pumps in thermoplastic material AFFETTI (Italy). The show will be attended by our sales managers and technical experts, as well as by top-management of the above four companies taking part in the exhibition together with Kronstadt.

**The 16th international exhibition for chemical industry and science CHEMISTRY-2011 takes place in Moscow on 24-27 October, in Expocentre Exhibition Complex, hall 2, room 3, stand 23B38.**

○ Pumps for other purposes supplied by Kronstadt will be shown at the exhibition OIL AND GAS, CHEMISTRY.

**НЕФТЬ. ГАЗ. ХИМИЯ** This exhibition will familiarize the specialists with new technologies and equipment for oil and gas production, transportation and processing.

Fuel-energy complex, petrochemistry and chemistry give more than 50% of overall production of the Perm Territory (annual oil production is above 10 MT there). It gives us title to consider Perm oil and gas and chemical enterprises to be our prospective buyers. In addition to pumps, Kronstadt will bring metal-working equipment and compressors to the exhibition. Our managers and technical experts will advise the visitors.

**The 13th international exhibition on technologies and equipment for chemical and oil-and-gas industry OIL AND GAS, CHEMISTRY takes place in Perm on 25-28 October, in Permskaya Yarmarka Exhibition Centre.**

**The jubilee 10th exhibition PCVEXPO-2011 will be the last autumn exhibition where KronDe is taking part.**

**PCVEXPO** PCVEXPO is a well-known Russian forum-exhibition for everyone who buys or sells industrial pumps, compressors, air tools, valves and fittings, engines, drives and seals. Kronstadt is a long-time participant of this exhibition, this year it will demonstrate equipment manufactured by world leading companies: pumps, hoses, expansion joints, compressors which can be ordered by Russian and CIS customers. Experts of our company and of all our respective partners – equipment makers – will be ready to answer your questions.

**The exhibition PCVEXPO-2011 takes place in Moscow from 31 October to 3 November, in Crocus Expo International Exhibition Center, hall 1, room 4, stand A 327.**

## Visit To The Company

You are cordially invited to make a trip to our company together with our newspaper and to learn more about activity of some departments from their managers and workers.

### Department of marine and port equipment Kronstadt Ltd.



**Igor Chausov,**  
Deputy General Manager for marine  
and port equipment

One of the most important events for Russian seamen, shipbuilders and all the other people connected with sea occurred on the 20th September 2011. We mean the exhibition NEVA this year taking place for the 20th time. As usual, the participants – more than 650 companies from 40 countries – met in St. Petersburg exhibition centre Lenexpo. The exhibition covered major changes in Russian shipbuilding and situation in marine equipment market.

Department of marine and port equipment is one of the company's oldest divisions, it exists since 1998 and has been taking part in NEVA for 13 years already. Products of all our partners were exhibited at our stand, to some of them special attention was paid. In general, our department specializes in equipment supply for shipyards and port facilities.

We cooperate with a number of design offices and take part in development of custom designs. So we are used to solving non-standard tasks. Now, having acquired a solid experience, we consider ourselves not only a seller, but also a partner and a full-fledged participant, concerned in success of the cause.

There are many prominent Russian shipbuilding and ship-repairing companies among our permanent customers. We could mention Admiralty Shipyards, Pella Shipyard, ALMAZ Shipbuilding Company, Nobel Shipyard, Marine Façade Passenger Port, Novorossiysk Commercial Sea Port and some companies developing gas and oil fields on the Arctic shelf (e.g., Sakhalin Energy).

### Marine equipment for Admiralty Shipyards

In spring 2011 the expedition vessel "Akademik Treshnikov", intended for serving the Russian Antarctic Expedition, was launched solemnly by Admiralty Shipyards in St. Petersburg. A ship of this class has been built in Russia for the first time in 30 years.

Our company furnished the vessel with arctic version deck equipment – A-ramp and reels by our exclusive partner Tripomet (Romania), a hinging device for mast by FLUIDMECANICA (Spain), accommodation ladders and gangways by MME (Netherlands).

"Akademik Treshnikov" will deliver cargoes and transport staff to and from Antarctic stations, carry out scientific research of natural phenomena and processes occurring in the Ocean, remove waste and refuse from Antarctica. Therefore one of the most important criteria of the specifications for marine equipment, especially for

weather deck equipment, was its operability in temperature range of  $-40^{\circ}\text{C}$  to  $+35^{\circ}\text{C}$ . Kronstadt offered for this application the deck equipment by Tripomet, which is a newcomer in Russian market, but is already known as a good designer and manufacturer of special (for example, arctic) version equipment.



Launching of "Akademik Treshnikov" at  
Admiralty Shipyards, St. Petersburg

### Design department Kronstadt Ltd.



**Pyotr Antonov,**  
Chief Technology Officer

Kronstadt Ltd. has its own design office with experienced staff. Our main activity consists in recommending measures for manufacturing optimization to our customers. We render design services, make feasibility studies of projects, as well as computational and analytical studies.

A comprehensive approach applied by us for equipment design for new facilities and updating operating enterprises includes customer's pro-

duction analysis, advice on technical re-equipment, development of high performance technologies and applying the latest engineering and design solutions.

Cooperation with leading European and American industrial enterprises and many Russian design offices enables us to implement advanced solutions. Among our partners are Uralgiprometz, Gipronickel, Vnipineft, JSC Institute of Plastics, Soyuzchimpromproject, Giprogazoochistka, Polichimservis etc.

### Rubber expansion joints for Beloyarsk NPP

Kronstadt Ltd. has supplied Ditec rubber expansion joints for the 4th unit of the Beloyarsk nuclear power plant with BN-800 reactor. The expansion joints were factory-tested in Germany. According to Ditec's experts, 18 items of the first batch are ready for installation.

Supply of rubber expansion joints for the Beloyarsk NPP is a compli-

cated project. Specialists of our design department worked out a set of design documents for equipment manufacturing and installation according to specification developed by the St. Petersburg design institute Atomenergoproekt, a designer of the powerhouse hall of the 4th unit of the Beloyarsk NPP. Coordination of documents for such a sophisticated project took two years, and then the products were tested in Ditec's facilities in Germany.

The central difficulty lies in the fact that design life of the expansion joints was specified at least 20 years and extremely high reliability and safety requirements were imposed. According to specification, failure criterion (limiting condition) of a rubber expansion joint was loss of tightness, and availability factor must be equal to 0,995 acc. to GOST 27.002-89. Ditec Dichtungstechnik has developed a new hardness measurement procedure

for this purpose. This procedure determines expansion joint's technical condition from actual hardness of EPDM which enables to eliminate unexpected pipeline ruptures during operation.

Shore A hardness of EPDM when supplied by the manufacturer is  $60^{\circ}\pm 5^{\circ}$ . The expansion joint must be replaced at  $85^{\circ}$ . Safety factor must be more than 6:1. EPDM rubber is a non-hazardous material, it doesn't emit toxic substances during operation and is classified as B2 material (normal flammability, i.e. self-extinguishing in 17 seconds).



Expansion joints testing at the factory  
of Ditec, Germany

Компания

## Department of oil and gas equipment Kronstadt Ltd.



**Sergey Sokolovsky,**  
Head of department

Our activities in oil and gas area began in April 2006. Having worked for

5 years, we have managed to become permanent suppliers for Russia's major oil and gas companies as LUKOIL, Rosneft, Gazprom, Surgutneftegas, TNK-BP, Bashneft. We have also contracts with some large construction organizations operating in oil and gas sector, for example OJSC Globalstroy-Engineering.

Our profile is integrated supply of equipment for oil, gas and oil products processing, transportation and storage, as well as for offshore platforms. Equipment delivered by us includes heat exchangers, valves and fittings, pumps (API- and ISO-compliant), compressors, fire pump stations, diesel generators, lifting equipment and many other associated products. We receive all our equipment directly from its European, Asian and American manufacturers. We offer installation, start-up and commissioning, after-sales service of supplied equipment.

Our department is divided into three subdivisions – for sales, purchase and marketing, engineering. Our team helps you carry out (from scratch even) every project in oilfield infrastructure development, equipment of oil and gas facilities in Russia and CIS. We will choose equipment on the base of your questionnaires or specifications and will coordinate technical aspects with design organizations. Some our projects were executed under the supervision of Germanischer Lloyd.

### Heat-exchange system for LUKOIL-Permnefteorgsintez

Recently we have carried out a significant project. Kronstadt has concluded a

contract for heat-exchange equipment delivery to LUKOIL-Permnefteorgsintez. This project is a part of a strategic development plan 2010-2019 for LUKOIL refineries.

Kronstadt Ltd. supplied a heat-exchange system for a delayed coking unit operating in an oil-residual processing plant.



Delayed coking unit

## Department of metal-working, cutting and welding KronDe Group



**Andrey Efimov,**  
Head of department

Establishment of the metalworking division in October 2010 signified birth

of a new business direction within our company. We are sure that our department will be in demand, because metal-working technologies are in continuous improvement, which means replacement of obsolete equipment by new models, so up-to-date machinery is always needed.

While our department exists, we have opened up relations with a number of external suppliers, well-known companies from European countries, USA, Turkey and Southeast Asia. We contemplate to promote existing relations and to contact other reliable providers. Presently we are offering four main groups of equipment: sheet metal, profile and pipe processing, metal cutting, welding and painting equipment.

Our specialists continually have to solve modernization and automation problems. As they are can easily select neces-

sary equipment or develop a customized project.

### Procuring equipment for Varel NTS factory in Kurgan

KronDe Group has supplied procuring machinery for a new shop of the Varel NTS oilfield equipment and tools plant in Kurgan.

Varel International is a world leader in drill bits manufacturing. Its trans-Ural plant will furnish production for markets of Russia, CIS and other countries, where PDC bits are not produced yet.

The city of Kurgan has been chosen as a factory site not by chance: It is situated in one of the world's most strategic industrial regions. CIS countries are also an attractive market. Founding a new enterprise, Varel expects to pass on innovative technologies to its customers, to increase production facilities of plants and to support national economies.



Semi Automatic Double Column Bandsaw Beka Mak BMSY 800

## Department of pumps and compressors KronDe Group



**Ivan Ostapov,** Sales Manager

Pumps and Compressors department was established in 2010 expressly for cooperation with dealers throughout Russia and CIS states. It has simplified our work with large amount of orders from various regions of Russia, since now we are handing them over to our respective dealers. Presently we have about 15 local partners and their number will grow.

We supply popular pump and compressor lines by prominent European and American manufacturers such as Finder, Pompe Cucchi, Desmi Rotan, Maag, Herborner, Aurora, Calpeda, Atlas Copco. We would like also to mention separately compressor equipment of a German company CompAir. This high-end equipment hasn't acquired vogue in our country so far, so we have good op-

portunities in this direction. Mid-end and low-end equipment supplies also figure in our plans. Main tasks for our department are product portfolio modernization and search for new brands which would be capable to satisfy our customers' demands and market requirements.

### Compressors for Metrowagonmash

KronDe's authorized agent in the Moscow Region, Trading House AERO, furnished Atlas Copco compressors for a leading Russian carriage builder Metrowagonmash sited in a town of Mytishchi near Moscow.

The Mytishchi machine-building factory was established in 1897 as carriage works. Nowadays the plant is engaged mostly in manufacturing of underground railway carriages, dump trucks, armoured track vehicles.



Carriages manufactured by Metrowagonmash

Partnership



## We stand for respectful partnership relations

**KronDe Group of companies distributes goods of its own production under the KRONDE brand as well as equipment from global producers within Russia and CIS countries through a large dealer network. Our company builds its relationships with its local representatives on mutual benefit, confidence and understanding of the other party's needs. Alexander Durinsky, head of department for dealer network development, is telling about KronDe's cooperation with its agents.**

**- Alexander Sergeevich, could you please tell us how formation of your dealer network began?**

- We set to dealer network development in 2010. It was then that we realized necessity to establish such a structure, because quantity of orders coming to us from Russia's regions was too large to be coped with by our workers. The first way out of this situation that came into our mind was, naturally, employment of new managers for our offices in Moscow and St. Petersburg. However, we recognized that specialists were most needed in the provinces, at the local level. And one person who periodically makes business trips to the city in question is not enough, a whole team is required. A team of local residents knowing peculiarities and specific features of the regional market and having strong links there. A team of qualified people who would be concerned with our business as if it were their own.

**- Did you consider option of founding representative offices?**

- Yes, of course. Any company wishing to enter a local market has to choose between establishment of a branch and entrusting their interests to strange hands. And to what hands? We pondered over and over this issue and wondered how efficient and reasonable our investments may prove to be. If we establish affiliates, how will we conduct relations with them? Finally we decided to take a risk and to open up dealer relations with companies which were a priori interested in our common success. Our management made a decision on setting up dealer network and now, a year later, we don't regret for our choice. Moreover, opportunities of a network are far more ample than these of representative offices, even if there are 15 or 20 such offices throughout the country.

**- What were your first steps?**

- Frankly speaking, our first local partners occurred before we got into action and began to come into local markets. Two companies at once offered us their services as our dealers, it was their own initiative. So we started building up mutual relations bit by bit, since it was our first attempt... But there was one thing that we understood clearly and distinctly: that our local dealers are not just "someone working somewhere for us", they are full participants of KronDe's business process. This attitude towards our partners enables us a constructive dialogue in the course of which we can agree on such cooperation conditions that

would be profitable for both our company and our dealers. And we are interested in long-term relations.

Activity in industrial market is no easy thing. Our dealers must not only have unblemished reputation and sufficient experience, but they must also trust to us. They must have perfect confidence in availability of products in our warehouses, in our creditworthiness, in our good relations with equipment manufacturers, in high level of our logistics. For our part, we justify this confidence by real actions.

**- How could you describe the partner of KronDe?**

- He is worthy. This notion contains much. Worthy to become a member of our crew, capable of taking the responsibility, to develop and to go forward.

**- What does KronDe do for their partners?**

Firstly, we enable our local representatives to earn by themselves. Naturally, we lay down our conditions in a clear manner at the very beginning of relations, and if the other party is agree, our collaboration starts. We visit the facilities of our prospective dealers to see how production is organized, how qualified is the staff, what material resources and potential has the company. Then regular cooperation begins. We render engineering and technical support to our partners to make easier their work with received orders.

Secondly, we certify our partner by providing him with documents not only

from our company, but also from the manufacturer. Besides, we take part in tenders together.

Thirdly, we have increased the number of employees engaged in communication with local dealers and have extended our assortment. At the moment we are preparing documentation, advertising materials and web resources contributing to successful work of our representatives. We arrange consultations, go to our local dealers if required, jointly participate in exhibitions and workshops. Since 2012 KronDe proposes carrying out regular training for dealer network members organized by our company as well as by manufacturers themselves and holding the first congress of dealers. Today we have 15 local dealers from various regions, but this is only the start.

In conclusion I may say that cooperation with us is interesting and profitable. Choosing us as partner, you may rest assured that we will take individual approach to every situation, make concessions, lend a hand, render assistance. But I have to admit that in return we expect adequate attitude of our partner. We need a partnership capital P. Our dealer net is being developed continuously and we are looking to cooperate with new, promising, competent and respectable partners.

The interview was conducted by **Natalia Sulimova**

New products

## KRONDE bellows expansion joints

**In 2011 KronDe Group of companies brought to market a new product - metal expansion joints under the brand KRONDE. Contract manufacturing of the expansion joints is being carried out in enterprises of Europe and Asia.**



KRONDE bellows are designed for installation in heating systems of high-risers. They are competitive with their Western analogues in every respect, but their price is far more reasonable. Structural simplicity in combination with plenty of functional capabilities ensures meeting the requirements of the present market. Terms of delivery throughout Russia and of service and repair are short owing to warehouses held by KronDe in Moscow and St. Petersburg.

Founding of the new direction became possible due to wide experience and high professional skills of specialists from the design office operating within KronDe. The expansion joints are focused on the Russian market, so they are engineered in view of operating conditions which are customary for Russian enterprises.

When we were developing these bellows we were pursuing an objective to create an energy-saving product which would promote process optimization in domestic enterprises.

By Press office of KronDe Group of companies

Service

## A doctor for your equipment

**Our company seeks to maintain long-term and stable relationships with the customers, so we consider cooperation not merely as equipment supply. Warranty and post-warranty service of the supplied products is provided by us as well.**

KronDe has two up-to-date service centers located in St. Petersburg. One specializes in diesel generators, welding and metal-cutting equipment. The other is concentrated on servicing metalworking machinery and compressors.

Both centers carry out commissioning, supervising installation, service, warranty and post-warranty repairs, diagnostics and technical evaluation of equipment, spare parts and consumables supply, arrange training and advise the customers about the supplied equipment.

We provide technical support of all the types of industrial equipment. You may contact our service center only once or set up permanent relations, of your own choice. A wide range of spare parts is always in our stock. If rare, nonstandard parts or out of stock

items are required, they will be ordered directly from the manufacturer and delivered to any place of Russia in a short time.

Our service engineers regularly attend workshops arranged by the equipment makers. The acquired skills are confirmed by certificates permitting to perform respective types of work. Our specialists have successfully completed a number of commissioning, repair and updating projects for major industrial enterprises of Russia.

We draw up a special routine maintenance program for each customer. This program based on data on equipment condition and requirement for spare parts replacement or repair works enables avoiding unscheduled repairs and accidents.

By **Natalia Bondar**

Recent dealer agreements

## New contracts in Europe – new opportunities in Russia



### KronDe presents CALPEDA pumps.

In August 2011 KronDe was appointed official representative of Calpeda (Italy) within Russia. The company Calpeda produces over 2000 types of pumps for industrial and agricultural applications, with power up to 200 kW.

This contract is a valuable acquisition for our company. Calpeda's pumps are used in water supply, drainage, heating, sewerage and other engineering services. KronDe offers also pumps for oil products delivery, fixed and variable speed booster sets and Gettomat, Turbomat, Centrimat and Minimat automatic water systems fabricated by Calpeda.



### KronDe is now authorised dealer of TEKNIKUM OY.

Since July of the current year KronDe is authorized distributor of Teknikum Oy, a Finnish maker of industrial hoses. In October our delegation purposes to visit the works of Teknikum Oy sited in Nokia, Finland. At this meeting prospects of cooperation between our companies will be discussed. Besides, our managers will receive training and make a tour of the plant.

We supply to Russian customers Teknikum hoses designed for delivery of food, acids, chemicals, liquefied gas, vapour and compressed air, fuel, oil and other products.



### KronDe develops: from now on we supply MIGATRONIC welding machines.

Now, since we concluded a dealership agreement with a prominent Danish manufacturer of welding machines Migatronik, we can say that we deal with all sectors of metal working, i.e. cutting, bending and welding. This important event occurred in summer 2011.

Migatronics range comprises machines for MMA, MIG/MAG and TIG welding. KronDe will make presentation of its new partner at WELDEX 2011 (Moscow) where capabilities of equipment will be shown by welding material samples brought by our visitors. If you want to see quality of its operation, it takes you only to expose to welding a sample of the metal or alloy which you are using in your work.



### KronDe recommends cutting metal by SOITAAB machines.

The Italian company Soitaab is a well-known manufacturer of air plasma, flame, hydro-abrasive, laser and plasma cutting machines. This year KronDe Group of companies was appointed its exclusive partner within Russia.

Our service centers render both warranty and post-warranty service of metal-cutting machinery, so the customers may be sure they will not have much trouble with repair. If your enterprise is situated far from St. Petersburg, please contact your local KronDe representative.

Development strategy

At top level

## KronDe corporate programs

**Our group of companies is implementing a number of corporate programs having different tasks, but one common goal – good. Good for our workers, for our partners, for our whole land and society. Presently we are carrying out the corporate programs Zelyonaya Krona (Green Crown), Kron Marathon and KronDe Workshop. In 2012 the program KronDe Academy will launch.**

### Zelyonaya Krona

Industry of Russia holds one of the first places in environmental impact intensity, and our country is, according to expert estimates, one of the most environmentally polluted countries in the world. Purpose of KronDe's program Zelyonaya Krona is to modernize domestic industrial enterprises through their equipping with up-to-date, environmentally friendly machinery produced in Europe.

Deplorable condition of our environment has been caused by many reasons, among which being obsolete production methods and equipment, high energy and material consumption, high concentration of industrial plants including environmentally hazardous enterprises and some other factors.

KronDe Group of companies as an industrial equipment supplier is aware of its responsibility and strives to do something so that trees of our planet should retain their beautiful green crowns.

### Kron Marathon

This program consists in rendering equipment leasing services. It will be recalled that marathon is a long-distance race requiring perfect shape of its participants. Our group of companies hopes that it fully meets these requirements and is ready to take care of its customers. The enterprises taking part in this program have the opportunity to modernize their production facilities and to equip them with new world-brand machines without spending much money at once. In addition, the program participants may obtain tax concessions provided by the law. The program is being imple-

mented by KronDe together with Interleasing Group of companies.

### KronDe Workshop

This program was launched in 2011 to support creative initiatives of talented people. For example, our company has become title partner of Russian Horn Orchestra and has endorsed their idea of founding a hunting horn workshop in St. Petersburg.

Every person has its own talents. KronDe Workshop would like to accumulate these talents, to invite our workers to contribute to this interesting cause and to tell each other about their gifts. Some our employees write poems, some play instruments, others have an uncommon hobby or have an unusual skill. KronDe Workshop is an unrestricted space for cultivation of talents and capabilities.

### KronDe Academy

Main purpose of the program (launch in 2012) is improvement of job skills and professional development of KronDe staff. Both specialists from all our branches and our dealers are welcome.

The program comprises in-house and traveling seminars on supplied range of products. The seminars will be attended by representatives of manufacturing companies. The other constituent of the program are master classes in business communication so that members of our crew should work with more efficiency and enjoy their work.

External experts as well as our specialists will act as teachers.

Some courses will provide certificates of advanced training.

By Natalia Sulimova

## Kronstadt Ltd. took part in a business seminar under the aegis of Margrethe II Queen of Denmark

**A business conference "Russian-Danish Week of Cooperation and Modernization" took place in St. Petersburg, Park Inn Pribaltiyskaya Hotel on the 9th of September. The conference and a reception of business community members were a part of the official visit of Queen of Denmark Margrethe II, Prince Consort Henrik and Crown Prince Frederik to Russia.**

The visit of the Danish Royal Family started on the 6th of September in Moscow where Margrethe II had an appointment with Dmitry Medvedev and Vladimir Putin. Partnership work program for



2011-2012 was signed in the presence of President of Russia and Queen of Denmark at a solemn ceremony in the Kremlin.

The Danish delegation arrived to St. Petersburg on the 9th of September and a business conference on cooperation of the two countries in various branches of industry took place there.

A delegation of Kronstadt Ltd. was invited by the Royal Danish Embassy in Russia and DESMI A/S to take part in the conference. Our delegation consisted of the Director General Sergey Sukhachev and the Purchasing Manager Leonid Grebennik. Kronstadt Ltd. participated in the conference as exclusive partner of DESMI A/S in Russia. DESMI is one of the oldest Danish industrial companies, a world-known manufacturer of marine pumps, ballast water treatment systems, oil spill response equipment and other industrial equipment types.

A seminar on topical issues of shipbuilding and shipping was held within the conference. Leonid Grebennik gave a report on DESMI marine pumps and made a presentation of Kronstadt Ltd.

By Alisa Kalinovskaya

# To the strains of the "Russian organ"

This year KronDe Group of companies became title partner of an uncommon musical band, Russian Horn Orchestra conducted by Sergey Polyanichko. KronDe supports creative activity of the orchestra, assists in arranging performances in leading music venues of Russia, in releasing new CDs, in turning interesting projects into reality. Besides, KronDe favoured the idea of founding a workshop where authentic Russian hunting horns would be manufactured.

## A SHORT EXCURSUS IN HISTORY

Hunting horn music was born in St. Petersburg under Empress Elisabeth I, daughter of Peter the Great and Katherine I. Count Semen Kirillovich Naryshkin who was performing duties of Imperial Theatres Director, was appointed Chief Master of the Hunt in 1751. When he heard harsh sounds of trumpets played by huntsmen Naryshkin thought that they could be improved. The Count had an idea to harmonize common hunting horns down to the semitones. As it has turned out, it was a brilliant idea. Ordinary hunting trumpets, formerly a horror of the forest, sang like an organ, and foreigners gave to the horn orchestra a name of "Russian organ".

The Empress Elisabeth and Russian nobility were amazed by extraordinarily strong sounding and harmonious timbre of the horn orchestra. In a short time horn orchestras became very popular, even two of them were established at court, and many Russian nobles followed suit. Firstly considered a fun for the rich, horn music was gradually turning into a real art.

Naryshkin's idea gave birth to the wonderful field, or hunting music, anything similar to which has never existed in the world. Horn orchestras played everywhere: at coronations, diplomatic receptions, state ceremonies, court balls, royal chase, folk festivals, public concerts.

For more than a century horn music was in fashion, but time passed by, bringing other tastes and preferences. Horn orchestras were supplanted by European wind and symphony orchestras and fell into oblivion. They disappeared in the 1830s.

During the last century and a half attempts to restore horn orchestras have been made several times, but without a long-term success. Secrets of playing and music were lost. The horn music's fundamental principle "one musician – one instrument – one note" which seems so simple proved to be very hard to be brought to life.

The most successful attempt to re-establish the Russian horn orchestra was made by Alexander III. The Tsar issued a decree founding a court horn choir in 1882. A set of instruments manufactured for that purpose has survived and is presently kept in a museum. A horn orchestra played also at coronation of Nicholas II on May 14th, 1896. These were the last sounds of horn music heard till beginning of the twenty-first century. The Revolution of 1917 didn't favour development of this art.



Sergey Polyanichko and Sergey Sukhachev

## HORN MUSIC REVIVAL

A French horn player Sergey Polyanichko established the Russian Horn Orchestra in 2006 with the aid of musicians of our city. Since then the band has been purposefully restoring traditions of the unique horn music.

The rich repertoire of the band includes both recognized classics and modern composers. Since rendering by horn is very difficult, it takes from three months to one year to study one musical composition. Nevertheless, the list of performed pieces is ever increasing.

The orchestra can boast of having given hundreds of concerts on famous stages, among which being State Kremlin Palace, Red Square, the



Nikita Michalkov and Sergey Polyanichko

St. Petersburg Philharmonic Hall, the Smolny Cathedral, Palace Square and many other venues in Russia, as well as tours in Germany, Italy, Estonia, Finland, Latvia.

Russian Horn Orchestra consists of

**I know main features creating an affinity between our team and the Horn Orchestra – these are creative approach to complicated tasks and corporate spirit necessary for efficient work both of horn players and of industrial equipment suppliers.**

Sergey Sukhachev, Chief Executive Officer of KronDe Group

**Our common goal is high, but quite attainable. This goal is revival of greatness. Greatness of a human, of our culture, of our motherland.**

Sergey Polyanichko, Conductor of Russian Horn Orchestra



✓ **Russian Horn Orchestra is a musical band from St. Petersburg restoring the lost tradition of playing the Russian hunting horn. This specific genre arose in Russia in the middle of the 18th century. Horn sounds resemble ones of the organ, but their mode of performing is unique: One musician can elicit only one note from his horn. Only when the whole choir is playing, separate notes are forming an entire musical composition. There are no other orchestras of this sort in the world.**

20 musicians. All of them are graduates of the St. Petersburg Conservatory, prize-winners of Russian and international musical competitions, members of symphony orchestras and musical theatres.

The orchestra is proud of its arsenal of 74 instruments with inimitable sound and a 4 octave range. The maker of the instruments, a talented craftsman Vladimir Goloveshko, doesn't disclose his trade secrets – alloy composition and burning technique. The voice of each horn depends on its shape and metal thickness. Improved mouthpieces ensure extremely clear sounding and enable to vary A pitch from 430 to 442 Hz.

Playing the horn is a difficult occupation from technical and musical point of view, let alone that it is physically hard. Hornists retire five years earlier than other musicians, their work is considered to be comparable with the miner work as to vital systems burden, and their rehearsals before a concert last 3-4 hours a day.

✓ **According to studies made by the Research Center for Music Therapy and Restorative Technologies in 2009, the tone emitted by horns exerts beneficial effect on the human organism.**

When Russian Horn Orchestra began its cooperation with KronDe, the band suggested that they should establish a workshop for manual fabrication of true hunting horns. Our ancestors used such horns while chasing with hounds, and nowadays they also may find application among hunters as traditional chase calls.

Manufacture of horns will be carried out under control of Vladimir Goloveshko, the man who has fabricated the whole set of instruments for the Russian Horn Orchestra. The idea of musicians met with support of KronDe Group of companies, and the workshop named KRONDE has already begun to work.

The first horns produced in the workshop KRONDE were given as a present to the famous French singer Mireille Mathieu who performed with the band at the International Music Festival Spasskaya Bashnya in Moscow, and to



Nikita Mikhalkov at the meeting with him in the St. Petersburg Philharmonic Hall.

Russian Horn Orchestra has many tours throughout Russia and abroad. This autumn they will put on several ROG-concerts (not rock, but horn concerts!) in St. Petersburg, Pskov, Sevastopol, Nizhny Novgorod, Moscow, and afterwards they will make a tour to Germany where they intend to remain till New Year.

KronDe Group of companies is convinced that support of such an unusual band is not only an expression of social responsibility of our company. It is a spiritual contribute to our business. We hope that our business will always be accompanied with the sounds of the Russian organ.

By Natalia Sulimova

