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INDEPENDENT NEWS FROM RUSSIA

Gazprom, Rosneft, Electrolux: Business in Brief

By The Moscow Times

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Putin Warns Break With Russia to Hit Ukraine Defense Sector

President Vladimir Putin warned Ukraine on Friday that any break in cooperation with Moscow could be "critical" for the former Soviet republic's defense industry.

"Amid an acute state crisis, the Ukrainian defense sector is in practice left without state support. Two-thirds of its subcontractors are in Russia," Putin told a meeting on Russian international cooperation in the defense industry, according to a Kremlin transcript.

Putin said Russia, the world's second largest arms exporter after the U.S., sold more than $15.7 billion worth of arms in 2013. He said Russia would boost production of anti-missile and anti-aircraft systems that it exports. *(Reuters)*

Norilsk to Raise 2013 Dividend by 17%

Norilsk Nickel, the world's largest nickel and palladium miner, plans to increase its 2013 dividend payment by 17 percent year-on-year, the company said Friday.

Norilsk's dividend target for 2013 to 2014 states that the company, part owned by Russian tycoon Vladimir Potanin and aluminum giant RusAL, pays not less than $2 billion per year.

Its board has recommended a dividend payment of 248.48 rubles ($6.95) per share for the fourth quarter of 2013, Norilsk said in a statement. The dividend record date was set on June 17.

Norilsk's dividend payment is a big source of financial support for the loss-making and indebted RusAL. *(Reuters)*

Rosneft Says Gazprom Hinders its LNG Project

The head of Russia's top oil producer Rosneft asked the government to intervene and help it get access to a Gazprom's trunk gas pipeline, vital for the liquefied natural gas project it is planning with ExxonMobil.

Rosneft and ExxonMobil plan to build the LNG plant in Russia's Far East to produce 5 million metric tons per year of the frozen gas starting from 2018.

Sechin, at a government meeting, said both Gazprom and Royal Dutch Shell, an operator of a gas project in the Pacific island of Sakhalin, are denying access to a trunk pipeline for its LNG project. *(Reuters)*

Electrolux Sees Little Impact From Ukraine, Russia

STOCKHOLM — Electrolux has seen only a limited impact from the crisis in Ukraine and the company's business in Russia remains good, CEO Keith McLoughlin said Friday.

McLoughlin said the border between the two countries had been closed for one day meaning deliveries to Russia from the Electrolux plant in Ukraine could not get through, but then the block was lifted.

"Business is continuing as usual, from sourcing or producing in Ukraine and supplying Russia," McLoughlin said.

Earlier Electrolux posted first quarter adjusted operating earnings above expectations. *(Reuters)*

Government to Retain Budget Rule

Russia has decided not to change its basic budget rule limiting the amount of oil revenues which the government spends, Deputy Prime Minister Igor Shuvalov said, RIA Novosti reported.

He said senior economic officials had discussed the matter at a meeting with President

Vladimir Putin earlier this week.

Debate has been raging within the government over the rule, which is designed to protect government finances against falls in the oil price. The rule limits government borrowing to 1 percent of economic output and links government spending to the long-run oil price.

Earlier this month Shuvalov said Russia might change the rule to cope with an additional population of about 2 million people in Crimea, which it annexed last month. *(Reuters)*

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