



Press-release  
Moscow, 7, May, 2014

## **Kalashnikov Concern to undergo rebranding using its own funds**

*The Kalashnikov Concern, part of the state corporation Rostec, will introduce a new brand in fall 2014. The rebranding campaign will be carried out at the concern's own expense and through private investment.*

The rebranding of the Kalashnikov Concern will help to create a company image worthy of the leader of the Russian arms industry. All aspects of the Kalashnikov brand, including its website, stores, exhibition pavilions, and a 3D video presentation about the activities and products of the company, will be united together under a single concept. The new website will be the hallmark of the enterprise. Every user will not only be able to browse the product catalogue, but can also buy unique accessories, elite weapons, and related goods.

In addition, under the terms of the contract, the design team will develop a naming system for all products manufactured by the concern. It is currently difficult for a customer to make sense of all the different products. For example, the legendary smoothbore carbine Saiga has 13 different variations. Furthermore, given the difficulty of translating various names, such as Izyubr (Red Deer), Los (Moose), Korshun (Kite), and Medved (Bear), it has been hard to introduce these products in foreign markets. This issue is particularly relevant for the concern, as 80% of its products are exported to other countries. The new naming system will unify the existing system and will be adapted for sales in Western markets.

The Kalashnikov Concern's own funds, as well as private investors such as CEO Alexei Krivoruchko and co-owner Andrei Bokarev, will finance the rebranding of the weapons holding company. It is not planned to use any money from the state budget for this project.

Before making the decision to rebrand, the concern's leadership carefully considered its options, as well as opinions and information from the international professional community and customers about Kalashnikov's existing brand. Experts noted that it lacked a necessary level of seriousness and style.

In 2014, an investment program for the enterprise was developed and approved. During the first quarter of 2014, under the leadership of the new CEO Alexei Krivoruchko, Kalashnikov achieved record results for small arms production, manufacturing 31,000 units, which is 230% greater than the corresponding figures for the first quarter of last year. It is expected that by the end of the second quarter, the holding company for the first time since 2008 will reach the level of an operational profit.

The main priority for the new leadership group of the Kalashnikov Concern is expanding its markets and increasing exports of civilian weapons. Creating a recognizable brand that is in step with the current market trends is entirely consistent with the development strategy of the weapons holding company.

**The Kalashnikov Concern (formerly known as Izhmash)** is the Russia's largest producer of automatic and sniper combat arms, as well as guided artillery shells and a wide range of civil products, including shotguns, sporting rifles, machines, and tools. The company was founded in 1807. Being now part of the state corporation Rostec, Kalshnikov brings together the largest state enterprises of Russia's weapons industry, including Izhmash and the Izhevsk Mechanical Plant. In the future, the Kalashnikov Concern will also include the Vyatskie-Polyansky Machine Factory Molot, KBAL named for Koshkin, and RDTI Progress. Products from the Kalashnikov Concern are delivered to 27 countries, including the USA, the UK, Germany, Norway, Italy, Canada, Kazakhstan, and Thailand.

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