



atomenergomash



ROSATOM

WIN-WIN INTERACTION

**INVESTMENT ATTRACTIVENESS OF POWER GENERATION EQUIPMENT
MANUFACTURING COMPANIES IN CENTRAL AND EASTERN EUROPE**

**BORIS ARSEEV
COMMERCIAL DIRECTOR of ATOMENERGOMASH**

***“ATOMEX-EUROPE”
Prague, Czech Republic
October 9-10, 2012***

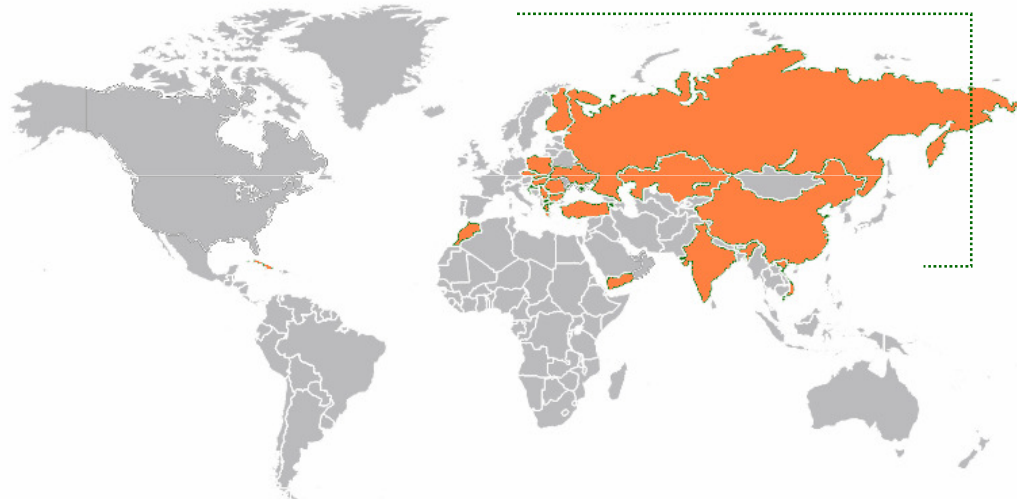
ATOMENERGOMASH IS A POWER GENERATION EQUIPMENT SUPPLIER



AEM Group is one of the largest and leading suppliers of efficient wide-ranging solutions for power and thermal power, as well as for gas and petrochemical industries

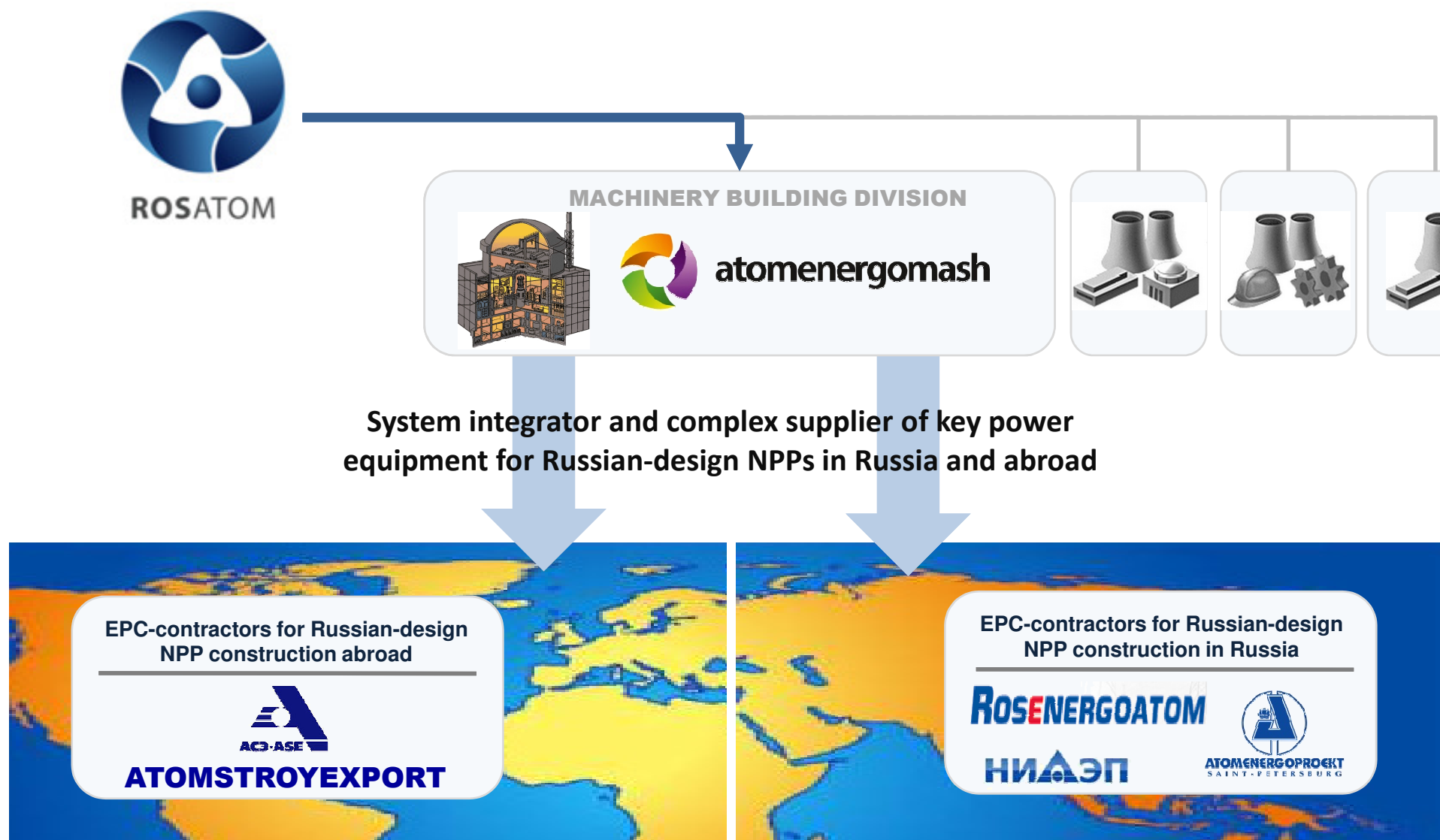
- ▶ **34%** of Russian power generation equipment (PGE) industry
- ▶ about **50** manufacturing, scientific and research, engineering facilities in Russia, Ukraine, Czech Republic, Hungary, Kazakhstan, Bulgaria and Morocco
- ▶ about **21 000** employees*
- ▶ order backlog exceeds **\$2,8 billion**

The company's equipment is installed at more than 13% of NPPs and at about 2% of thermal power stations worldwide, including 40% of power plants in Russia, CIS and Baltic states

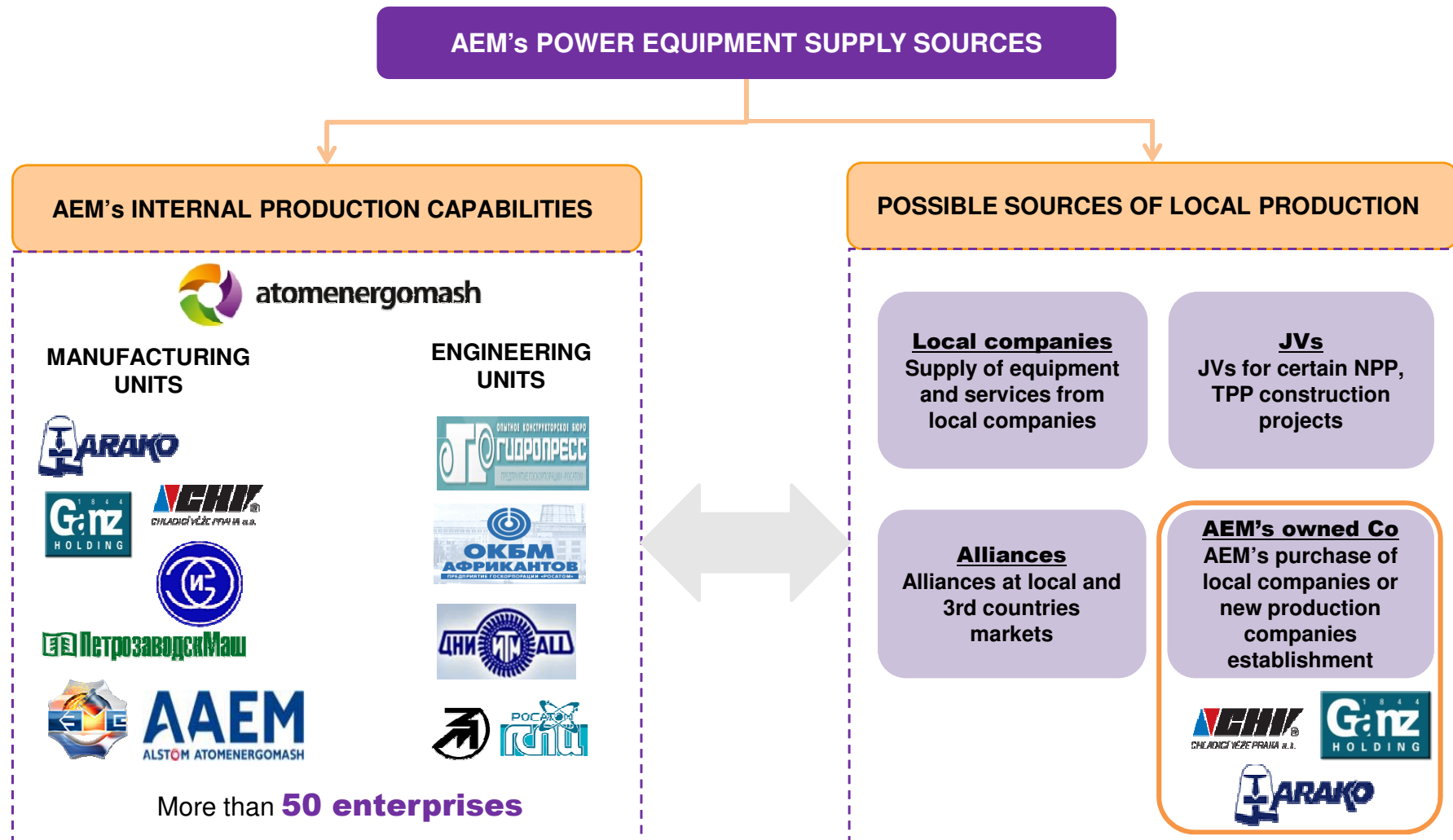


Unique production capacity, strong research base and wide-ranging expertise are the basis for success and sustainable development of
AEM Group

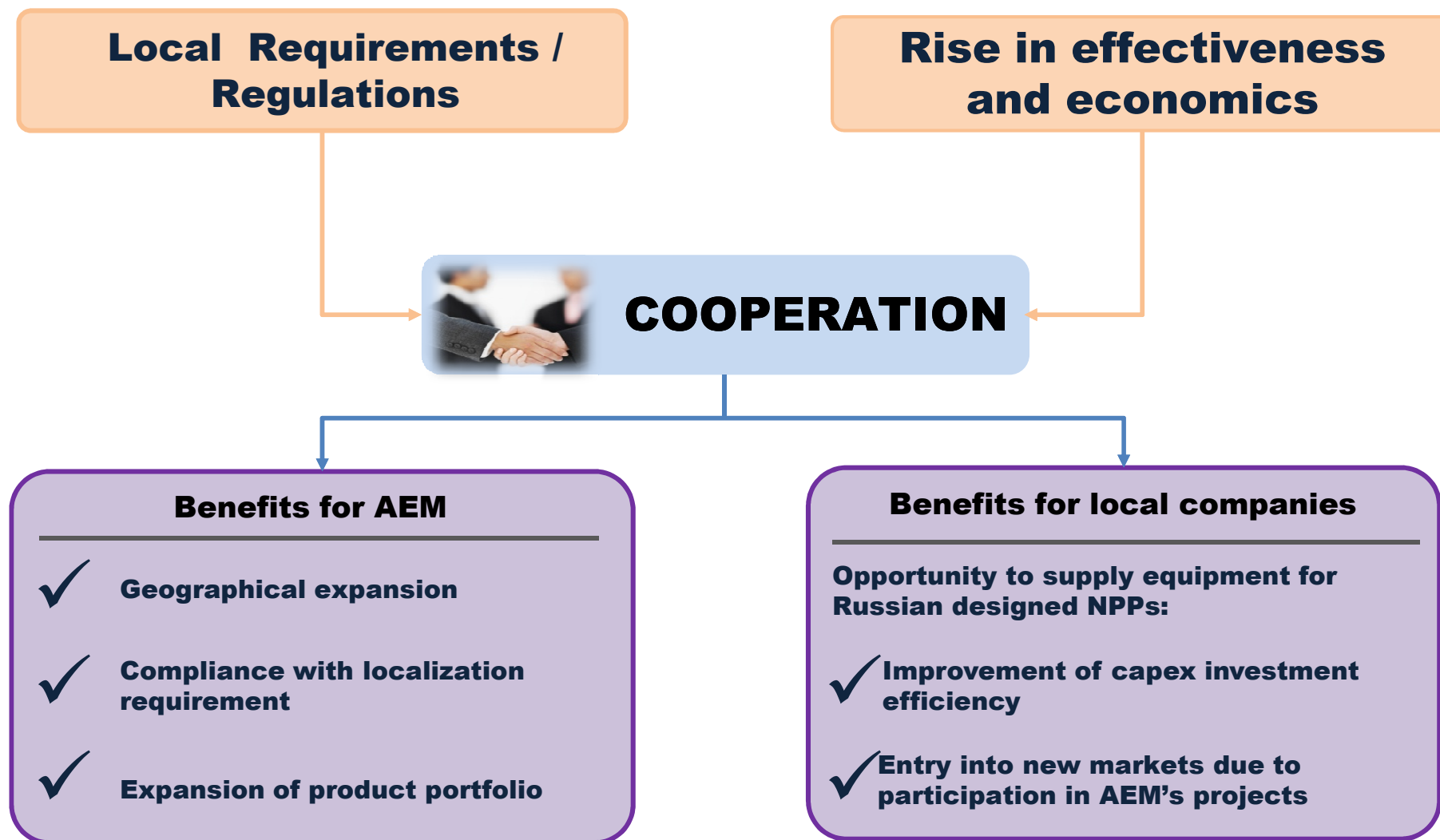
ATOMENERGOMASH IS A MACHINERY BUILDING DIVISION OF SC «ROSATOM» AND TECHNOLOGICAL PARTNER



AS A COMPLEX SUPPLIER AEM IMPLEMENTS DIFFERENT FORMS OF COOPERATION



WIN-WIN INTERACTION FOR BOTH AEM AND LOCAL COMPANIES



BENEFITS FOR AEM: DIVERSIFICATION



Piping valves

production for nuclear power industry, thermal power generation, gas & petrochemical industry

1,5 – 2%
of NPP's
equipment costs



Complete supply of **industrial cooling equipment** for nuclear and traditional power industries

2-2,5%
of NPP's
equipment costs



Fuel-handling machine for NPP and turn-key solutions for pumping stations, turbines, oil drilling equipment

1– 1,5%
of NPP's
equipment costs



✓ **Rising potential share in NPP's equipment value up to 5,5%**

✓ **Widening geographical expansion into target markets**

Arako, CHV and Ganz comprise in average 46% of AEM's export revenues for 2009-2011 period

BENEFITS FOR MARKET: LOCALIZATION REQUIREMENTS

Localization is the client's requirement and a necessary condition for AEM's long-term presence in the market



- ▶ **Specific proposals regarding costs of NPP construction**
- ▶ **Guaranteed quality of products**
- ▶ **Increase in production volumet**
- ▶ **Lower production costs**
- ▶ **Greater technological competences**
- ▶ **Meet local requirements**

RELATED CASE

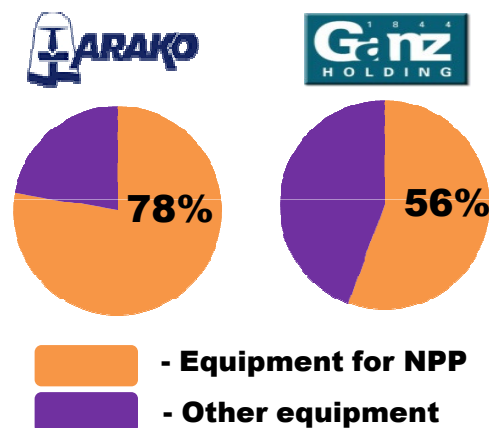
Requirements for localization for project NPP «Temelin» (unit 3 and unit 4) – **70%**



BENEFITS FOR LOCAL COMPANIES

Integration into supply chain of equipment for Russian designed NPPs

For **ARAKO** and **Ganz** nuclear order is the key order in terms of revenue (2011)



MARKET OPPORTUNITIES (STANDALONE)

Up to 6 NPP units by 2030



(Local – CEE**)

Up to \$ 4,8 bln by 2030***

MARKET OPPORTUNITIES IN THE STRUCTURE OF SC «ROSATOM»

Up to 54 NPP* units by 2030



(Global – World)

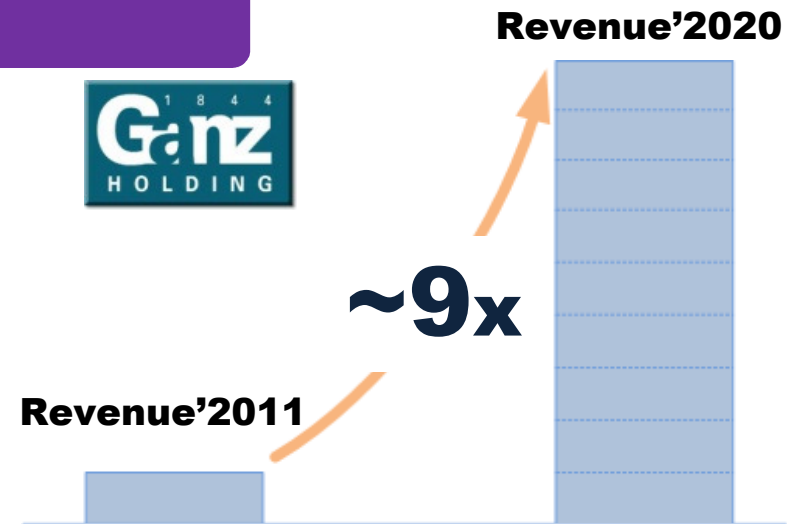
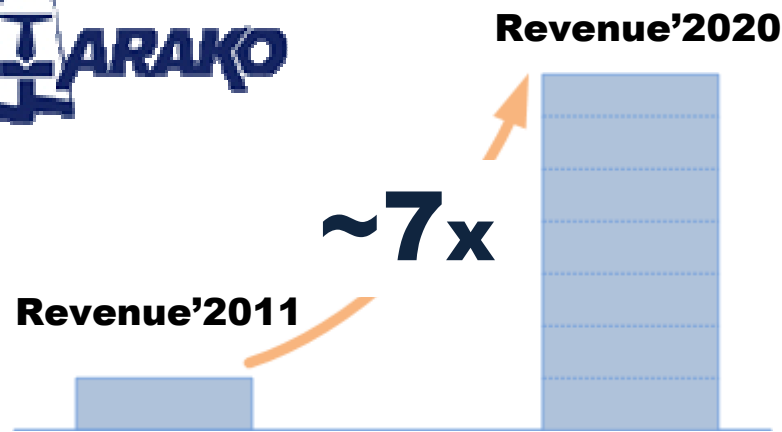
Up to \$ 43 bln by 2030***

▶ ~30% and ~40% of the order backlog of Arako and Ganz respectively accounted for Russian clients

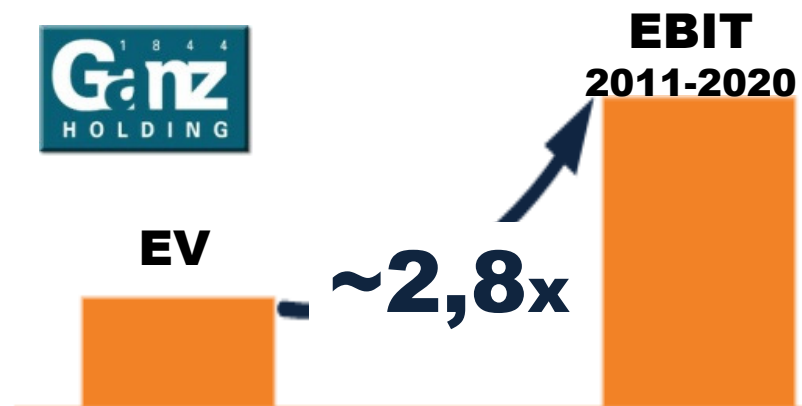
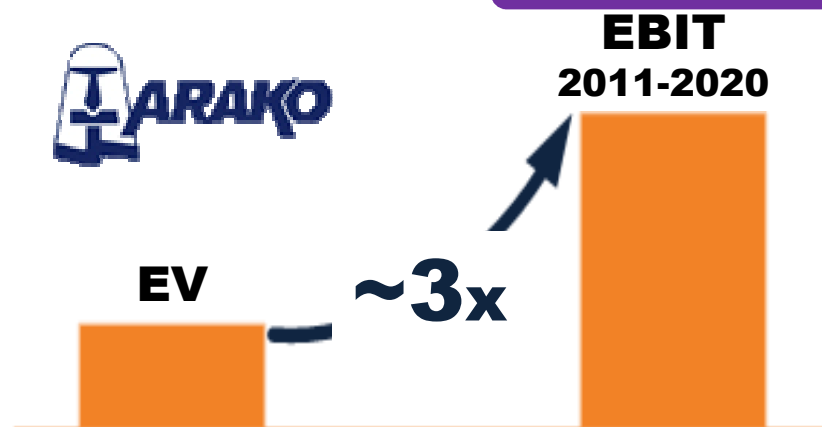
▶ Availability of stable and long-term order allows Arako and Ganz return their investments on CAPEX

ECONOMIC EFFECTS'2020 will heavily exceed the initial investment and current financial performance

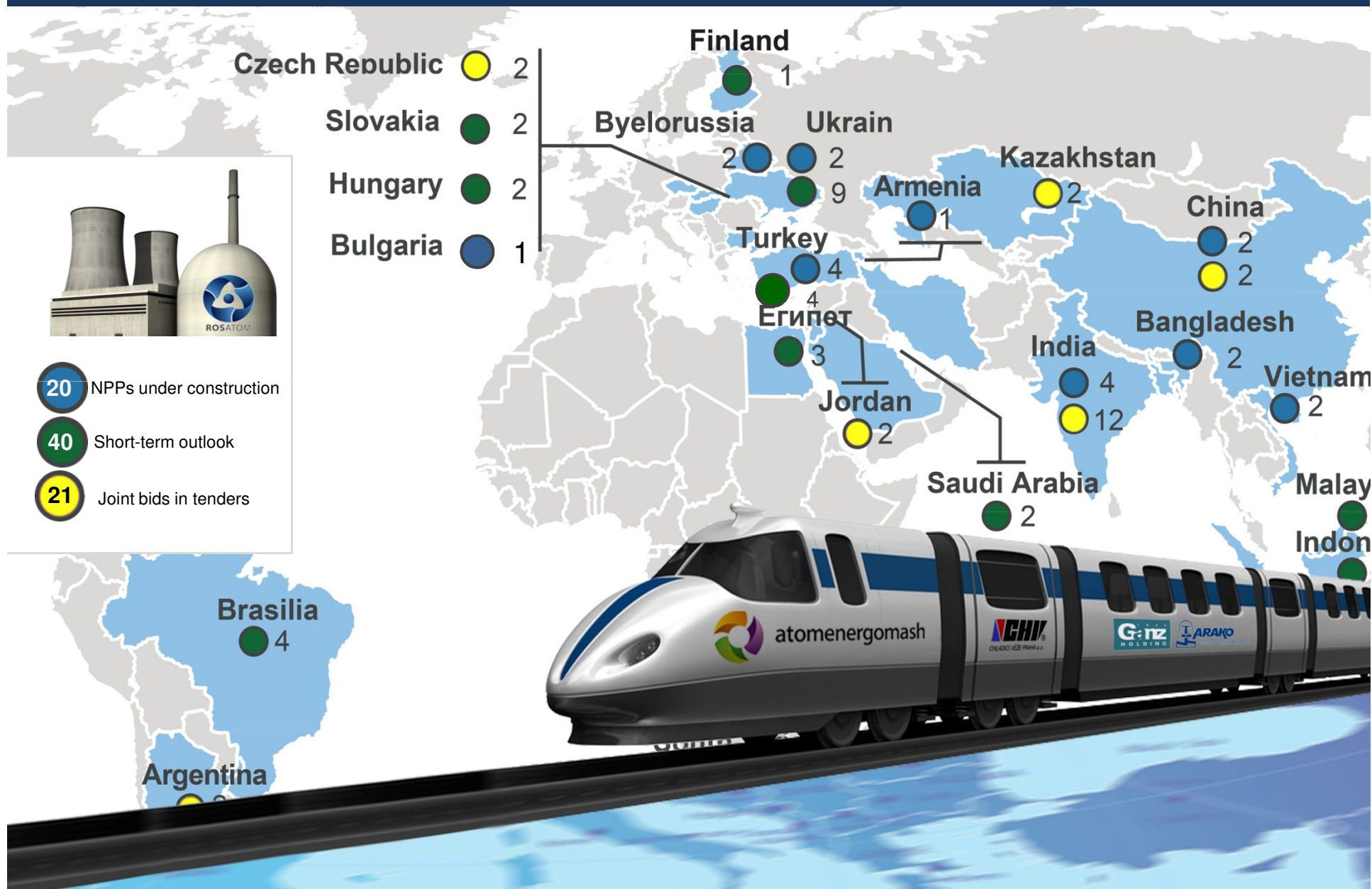
Revenue forecast



Return on investment expectations



LET US TRAVEL TOGETHER!





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