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Alstom and Soyuz join forces in high voltage switchgear manufacturing in Russia

Alstom Grid and Soyuz Holding signed a joint venture agreement to manufacture and commercialise high voltage switchgear as part of on-going efforts to modernise the Russian electrical grid. The joint venture will be owned 51% by Alstom Grid and 49% by Soyuz Holding and will be part of Alstom's worldwide industrial organisation, benefiting from its industrial know-how and technological expertise. This agreement follows the memorandum of understanding signed in 2011.

It is a key milestone for Alstom Grid to address the Russian market, with its increasingly localised production of equipment for electricity transmission. The manufacturing deal includes the continued manufacture of 110-220 kV circuit breakers and enlargement to circuit breakers up to 500 kV. It also foresees the introduction of a wider range of products, including disconnectors and gas insulated substations. This equipment will be produced at Soyuz's High Voltage Switchgear Factory at Mozhaisk, near Moscow.

This range of products, designed to cope with severe climate conditions, will contribute to the significant upgrade undertaken by Russia of its electricity transmission and distribution system, spanning over 2.1 million kilometres across the country. Russia is one of the largest producers and consumers of electric power in the world. In 2012, the total volume of electricity transmitted by the network, including the lines from 0.4 kV to 750 kV, was over one trillion kW/h. The Russian grid market represents €1.5 billion with an annual average growth of 10% due to the country's increasing demand for electricity capacity and its need to upgrade existing equipment.

Gerhard Seyrling, Vice President Central and Eastern Europe, Russia of Alstom Grid, says: "*Alstom Grid has been committed to the Russian market since many years and makes technology transfers bringing Alstom's best-in-class expertise to modernise Russia's electricity grid. It also strengthens our cooperation agreement with FSK, the largest publicly traded electricity transmission company in the world, signed in 2010. We have a strong presence in Russia with seven locations spanning the entire country*".

Alstom Grid brings its latest high voltage technology, project management expertise and manufacturing know-how to provide Russian customers with reliable and customer-inspired products for a sustainable grid. Soyuz Holding, a long-time partner of Alstom, will bring its outstanding knowledge of the Russian market and sound experience as a leader of Engineering, Procurement and Construction Management market (EPCM).

By inviting a large foreign manufacturer of high voltage equipment, Soyuz Holding expects to localise the production of the entire range of switchgears for the networks between 110-500 kV, which will increase the sustainable operation of the largest transmission and distribution grids of Federal Grid and Holding MRSK, as well as those of large industrial plants.

“Quick and easy access to a high-quality equipment manufactured in Russia and its full maintenance are the key advantages for our customers. By doing so, we will increase the share of localised products in our grid and generation-related projects,” said Igor Prikhodko, Director of Soyuz Holding.

Production at the Soyuz factory is already underway with 110 kV and 245 kV circuit breakers, increasing now in quantity, and in 2013 the portfolio will enlarge to supply up to 500 kV circuit breakers, an entire range of disconnectors and gas insulated substations.

About Alstom

Alstom is a global leader in the world of power generation, power transmission and rail infrastructure and sets the benchmark for innovative and environmentally friendly technologies. Alstom builds the fastest train and the highest capacity automated metro in the world, provides turnkey integrated power plant solutions and associated services for a wide variety of energy sources, including hydro, nuclear, gas, coal and wind, and it offers a wide range of solutions for power transmission, with a focus on smart grids. The Group employs 92,600 people in around 100 countries. It had sales of €20 billion and booked close to €22 billion in orders in 2011/12.

***Alstom Grid** has 130 years of expertise in electrical grids. Whether for utilities or electro-intensive industries or facilitating the trading of energy, Alstom Grid brings power to its customers' projects. Alstom Grid ranks among the top 3 in electrical transmission sector with an annual sales turnover of more than €4 billion. It has 19,000 employees and around 90 manufacturing and engineering sites worldwide. At the heart of the development of Smart Grid, Alstom Grid offers products, services and integrated energy management solutions across the full energy value chain—from power generation, through transmission and distribution grids and to the large end user.*

Websites www.alstom.com, www.alstom.com/grid

About SOYUZ

SOYUZ Holding is a group of companies, providing a complex of services of construction of power generation facilities and power transmission and distribution facilities. Currently the Holding includes about 30 enterprises: engineering, production and service companies, located on the territory of Russia, Ukraine, Kazakhstan and the Czech Republic. The design and engineering potential of the Holding consists of 5 design centers with 900 specialists. The total number of personnel of the Holding exceeds 3000 employees.

SOYUZ Holding was created in 1991. Its activities are concentrated in two segments of construction of power engineering facilities: power grid and generation. The key competences of the Holding include all the types of project engineering works, power facilities construction management

(EPCM), turnkey construction of power facilities (EPC), production of electrical equipment (under license of ALSTOM), package delivery of electrical and heat-power equipment of leading Russian and foreign producers.

In the course of long-term gradual development the company firmly established itself on the market of construction of power generation facilities and power transmission and distribution facilities. In the power grid segment more than 150 substations have been built over the last 10 years. The total length of high-voltage lines of different voltage classes is more than 1.5 thousand kilometers. The Holding implements projects, significant for the Russian power industry: construction of the underground substation in the innovation center "Skolkovo", construction of electrical grid facilities for servicing the Olympic Games - 2014 in Sochi. The Company ranks among the five biggest companies, participating in the investment program of the OJSC "FSK UES".

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