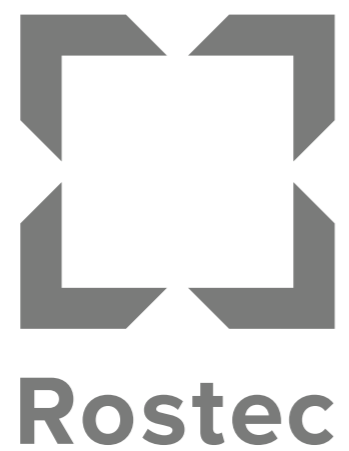


10
years of sustainable
development



***ROSTEC
STATE CORPORATION***

PARTNER IN THE FUTURE

About the corporation

MISSION AND OBJECTIVES

OBJECTIVES:

The corporation was created to further the development, manufacture, and export of high-tech industrial products by providing support to Russian-based organizations in both domestic and foreign markets, in particular, to developers and manufacturers of hi-tech products, as well as raising investment in organizations operating in different industrial sectors, including the defence-industry complex

MISSION:

Improving the quality of people's lives through the creation of high-tech "smart" products



About the corporation

ROSTEC IS THE LEADER IN CIVIL AND DEFENSE INDUSTRY

>700

ORGANIZATIONS
in 60 regions, including
over 200 scientific
organizations

15

HOLDING COMPANIES
in most of Russian
industrial sectors

21

ENTERPRISES
are town-forming

512 thousand

EMPLOYEES
work for the State Corporation

AREAS OF OPERATIONS:

- Electronics
- Aircraft engineering
- Mechanical engineering
- Production of arms and military equipment
- Production of ammunition and special chemistry
- Engine building
- Automotive industry
- Metallurgy
- Information technologies
- Telecommunications
- Robotics
- Optics
- Chemistry
- Composite and other structural materials
- Medical equipment
- Pharma
- Instrument engineering
- Machine-tool industry and production of industrial equipment
- Finances
- Mineral resources
- Security
- Construction

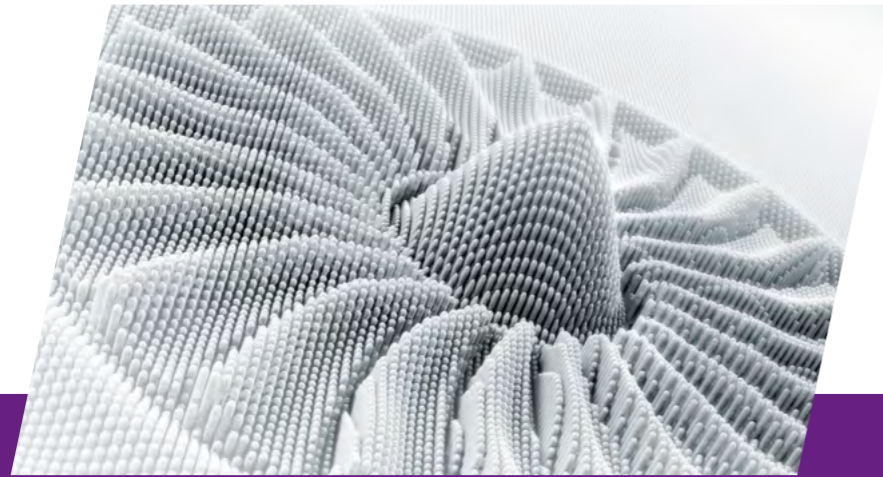
70/30

THE RATIO
of military to non-military products
in product portfolio



About the corporation

INDUSTRIAL CLUSTERS

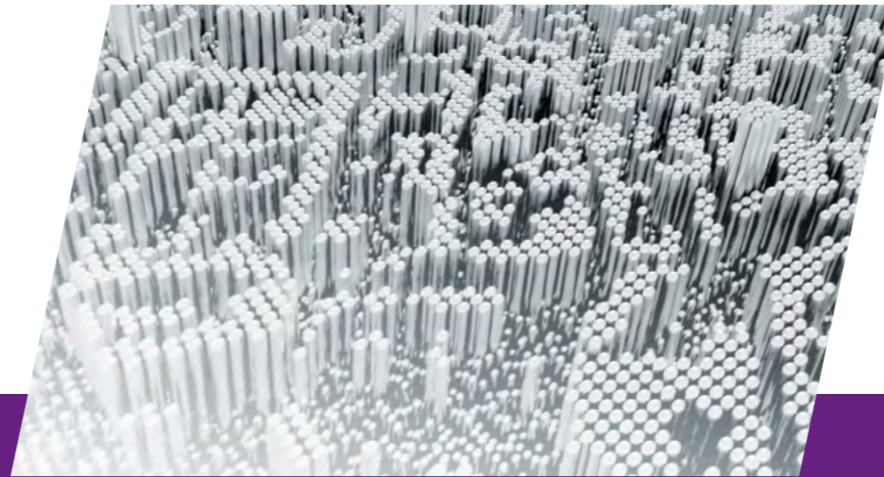


Aviation cluster

- *United Engine Corporation JSC*
- *Russian Helicopters JSC*
- *Radio-Electronic Technologies Concern JSC*
- *Technodinamika JSC*

611,4 billion rubles
(**9,7** billion dollars)

REVENUE in 2017

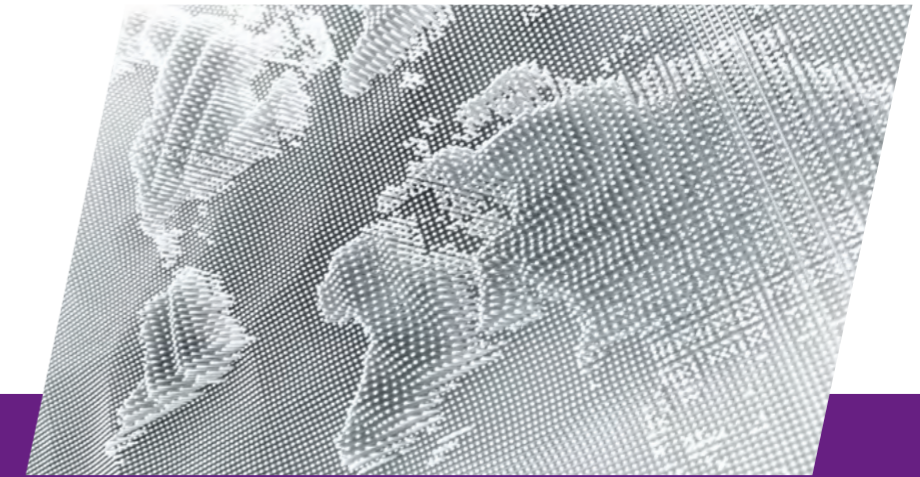


Electronics cluster

- *Ruselectronics JSC*
- *Shvabe JSC*
- *Avtomatika Concern JSC*
- *Electronica Central Research Institute JSC*

220,2 billion rubles
(**3,5** billion dollars)

REVENUE in 2017



Armament cluster

- *JSC Scientific Industrial Concern Tecmash*
- *High Precision Systems NPO JSC*
- *Kalashnikov Concern JSC*
- *SPLAV NPO JSC*
- *TSNIITOCHMASH JSC*
- *RT-Chemcomposite JSC*

342,9 billion rubles
(**5,4** billion dollars)

REVENUE in 2017



About the corporation

MANAGEMENT



Sergey Chemezov

CEO OF ROSTEC



Vladimir Artyakov

FIRST DEPUTY CEO



Nikolay Volobuev

DEPUTY CEO



Igor Zavyalov

DEPUTY CEO



Dmitry Lelikov

DEPUTY CEO



Aleksandr Nazarov

DEPUTY CEO



Oleg Yevtushenko

EXECUTIVE DIRECTOR



Sergey Sahnenko

INDUSTRIAL DIRECTOR OF
ELECTRONICS CLUSTER



Anatoly Serdyukov

INDUSTRIAL DIRECTOR OF
AVIATION CLUSTER



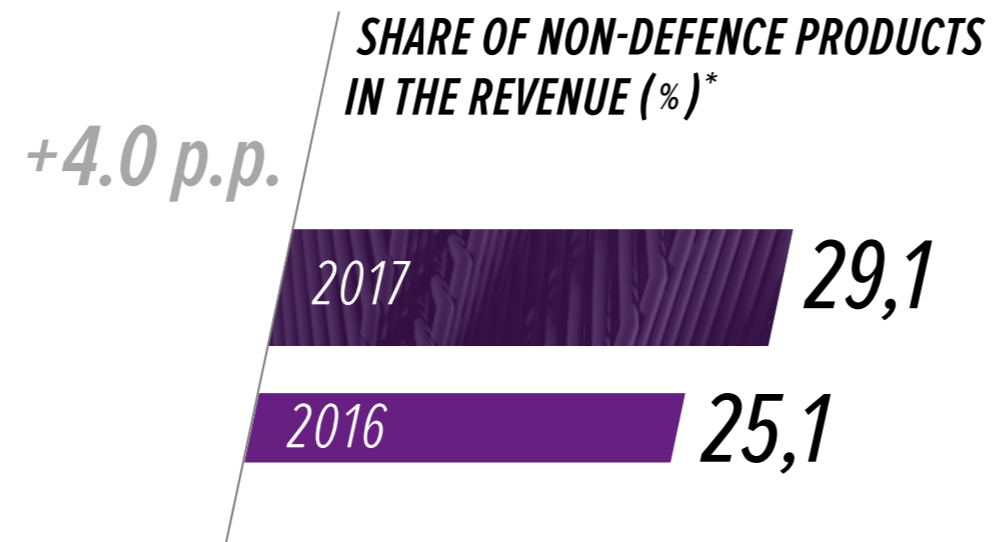
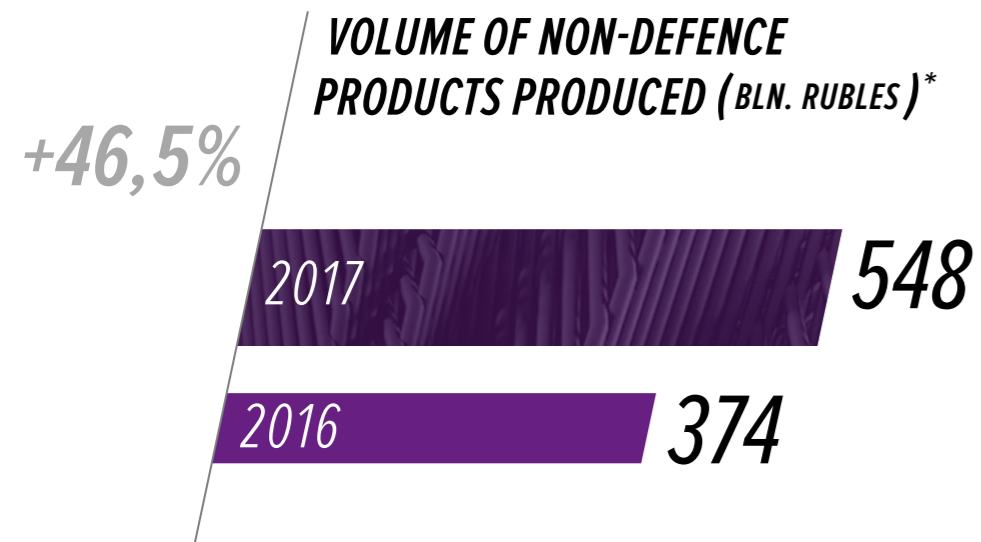
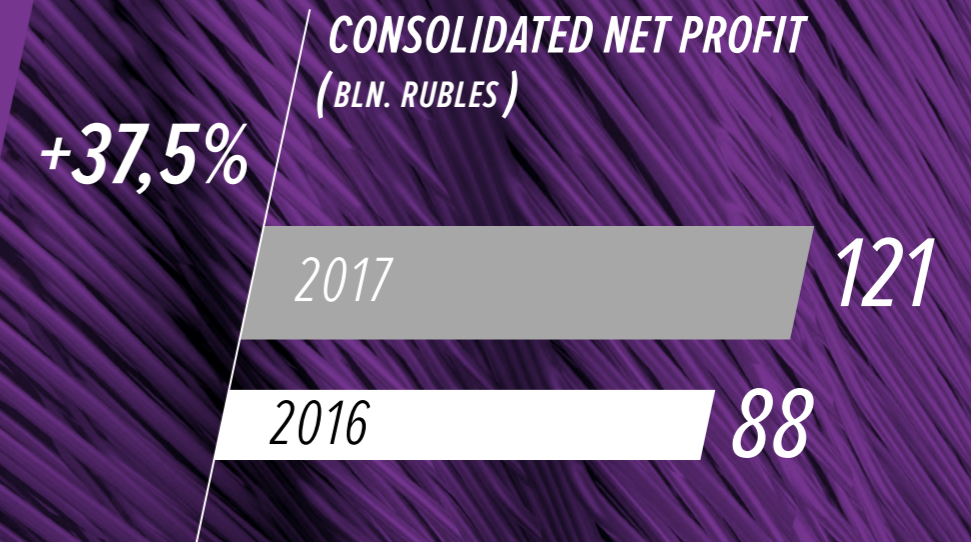
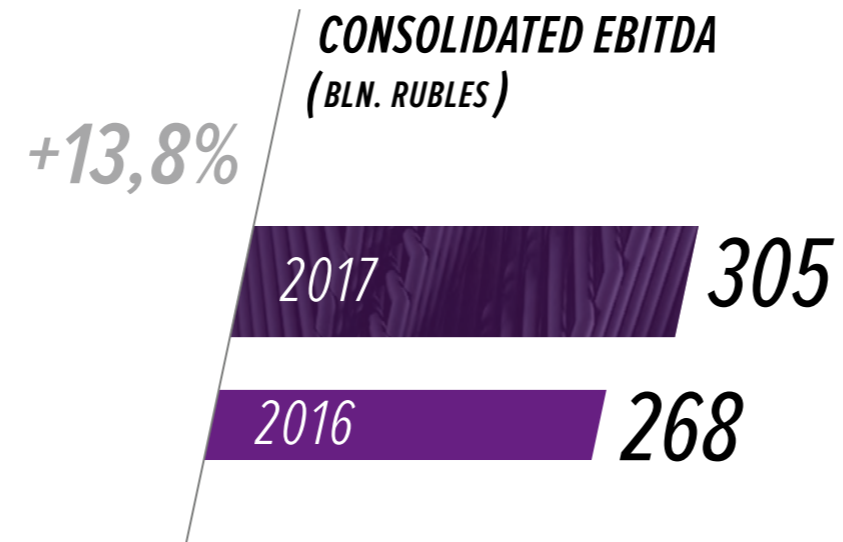
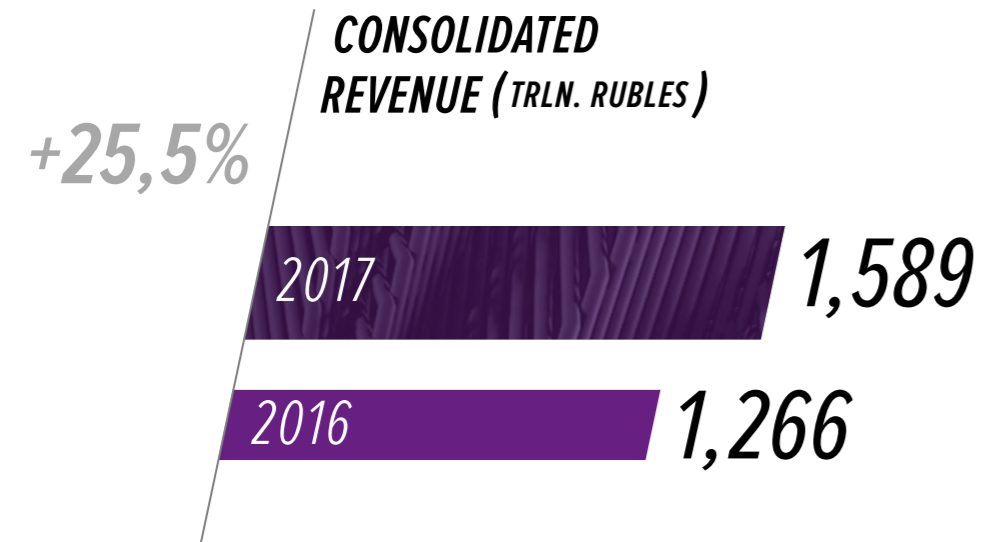
Sergey Abramov

INDUSTRIAL DIRECTOR OF CONVENTIONAL
WEAPONS, AMMUNITIONS AND SPECIAL
CHEMICALS CLUSTER



About the corporation

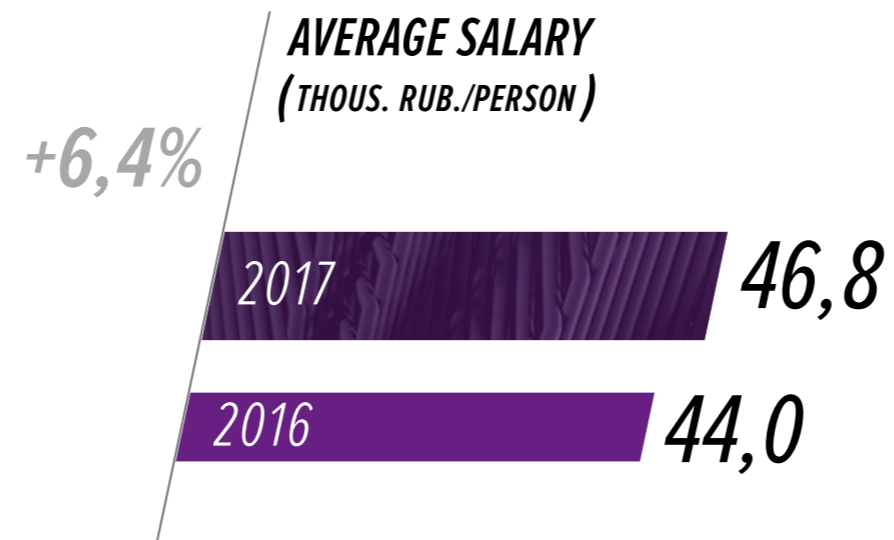
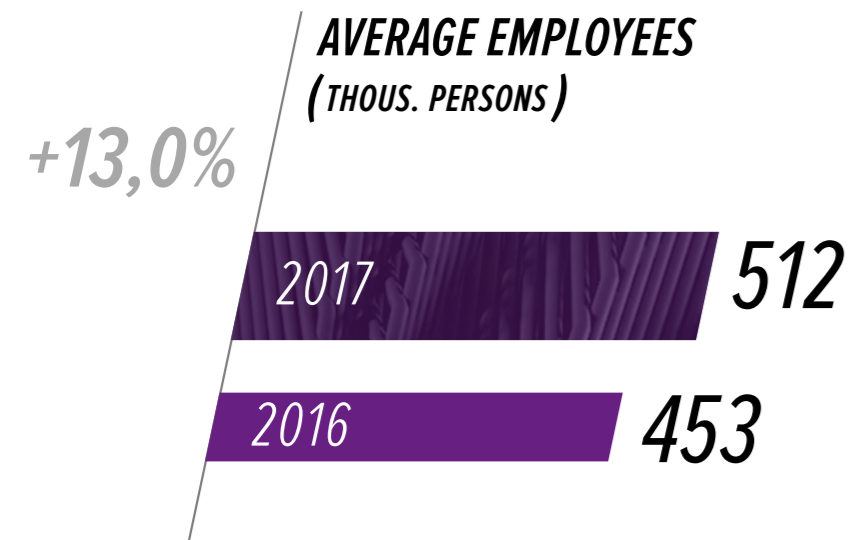
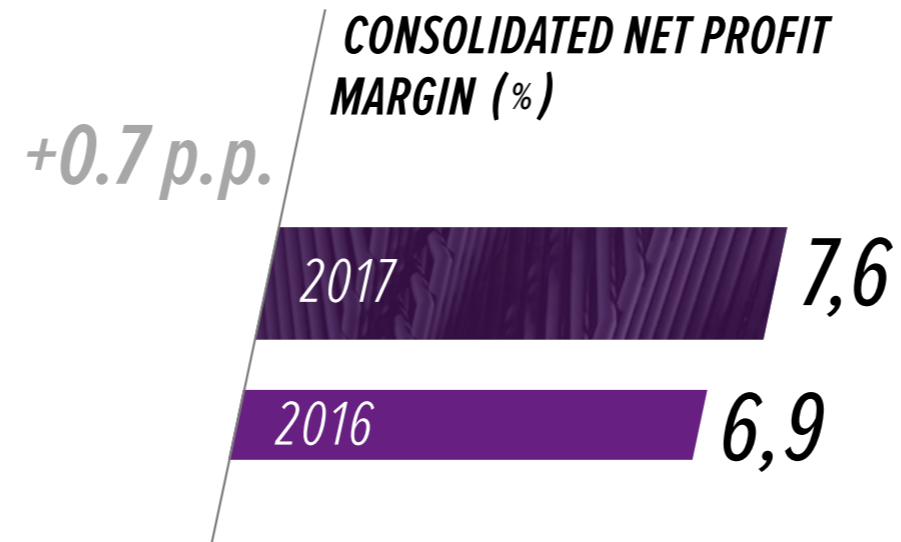
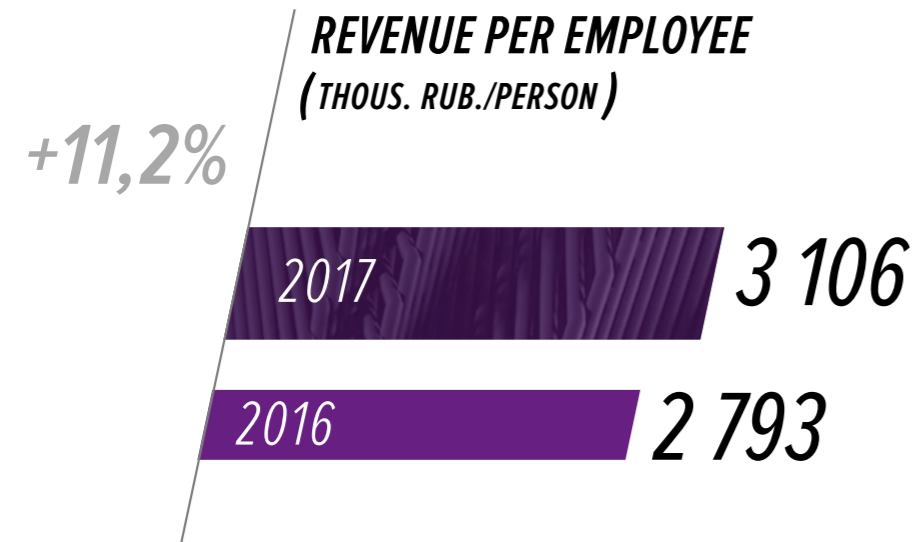
KEY PERFORMANCE INDICATORS IN 2017



* BASED ON AGGREGATE (NON-CONSOLIDATED) INDICATORS

About the corporation

KEY PERFORMANCE INDICATORS IN 2017



* BASED ON AGGREGATE (NON-CONSOLIDATED) INDICATORS



Development strategy

FOCUSING ON «SMART» NON-MILITARY MARKETS

Growth

Our objective is to achieve 17% ruble-denominated growth rates

Markets: from iron To intellect

To achieve such rates, we need to focus on high-growth markets such as electronics, IT, automation, management systems, robotics, and novel materials are a priority

Operational Efficiency

Operational efficiency improvement program is a key objective of the Strategy. Our goal is to improve productivity up to the levels enjoyed by the 25% of highest achieving global players. To improve management efficiency, we've consolidated the assets within three clusters. Every cluster has its own target performance indicators

Partnerships

We have years of experience of partnership with the top global manufacturing companies like Agusta Westland, Boeing, Siemens, Daimler, Pirelli, Renault-Nissan, etc.

Roll-out Mechanism

The roll-out of the Strategy is based on the staging of the general objectives of the Corporation down to cluster strategies, holding company strategies, and individual support function strategies

50% *The proportion of non-military products*



High-technology product export

ROSOBORONEXPORT JSC

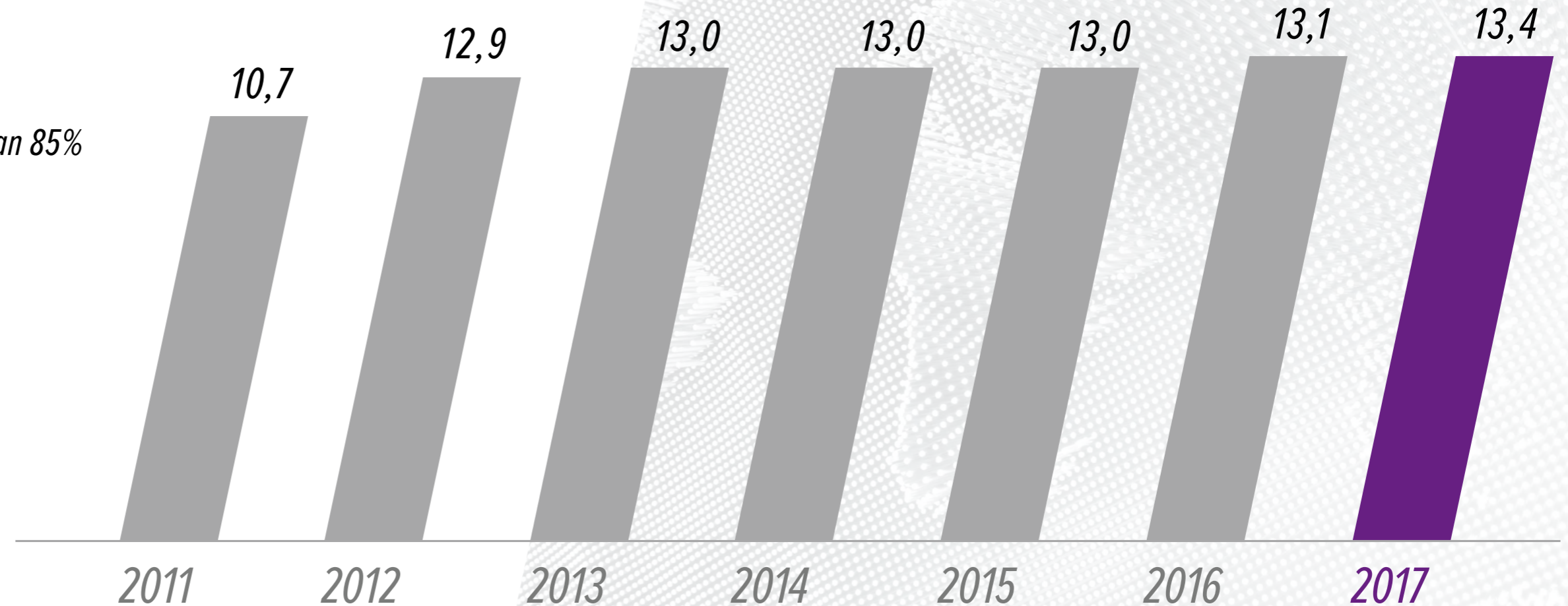
Russia's only state intermediary for the export/import of a full range of final goods, technologies and services for military and dual-use

Rosoboronexport accounts for more than 85% of Russia's military product exports

Total orders portfolio

46 USD, BLN

MILITARY PRODUCT EXPORT THROUGH ROSOBORONEXPORT
(USD, Bln)



About the corporation

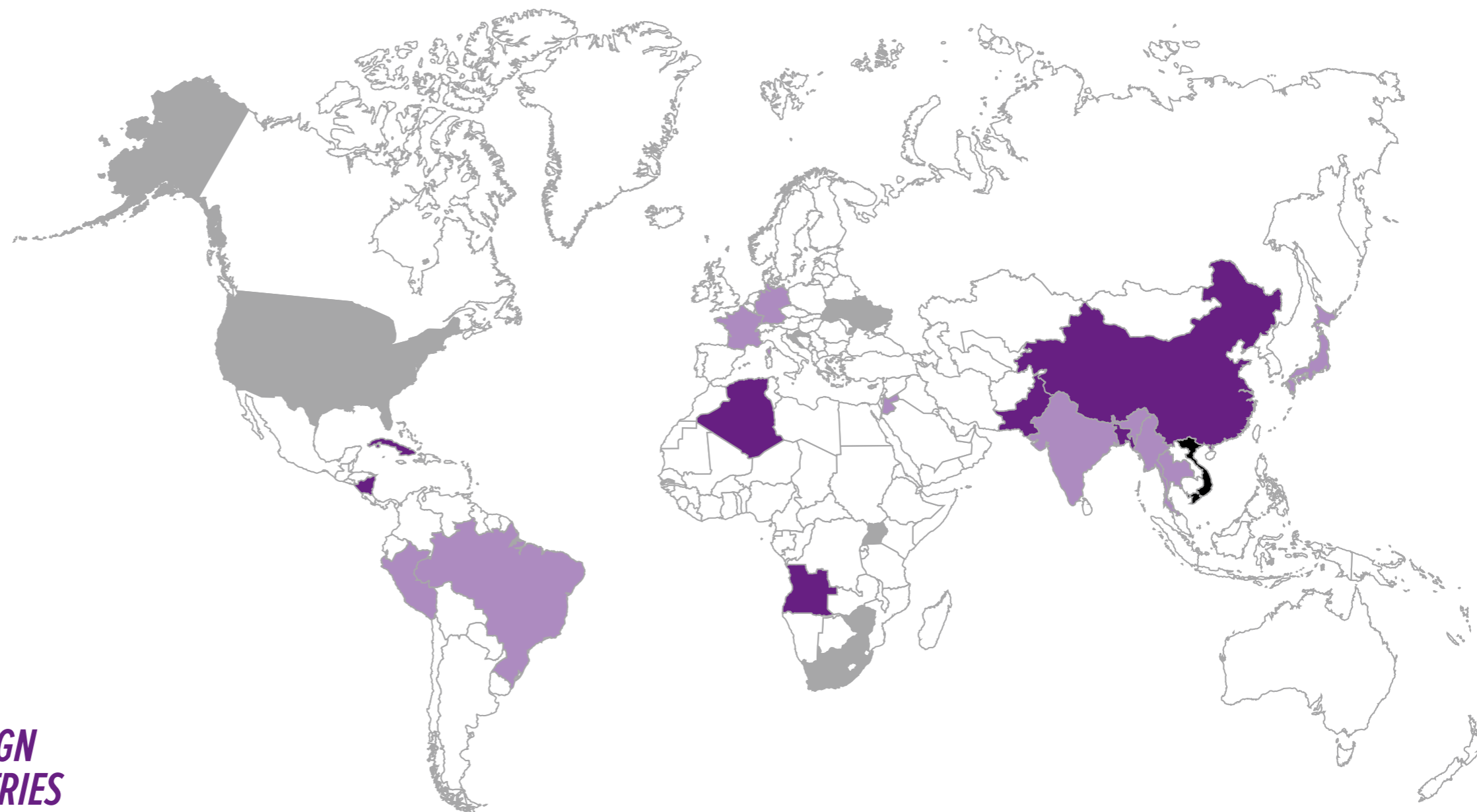
EXPORT AND FOREIGN OFFICES

- Military and technical cooperation
- Joint manufacture
- Export
- Other cooperation

The Corporation supplies its products to

100 COUNTRIES OF THE WORLD

The Corporation has its own representatives in **53** FOREIGN COUNTRIES



About the corporation

KEY INTERNATIONAL PARTNERS



Aviation cluster

UEC, RUSSIAN HELICOPTERS, KRET & TECHNODINAMIKA

UEC

United Engine Corporation JSC (UEC) is a leader in Russia's engine manufacturing industry, owning over 85% of the industry's assets. The holding company produces engines for civil and military aviation, aerospace programs, power plants of various capacities for electric and heat energy, gas turbine units for oil and gas pumping and gas turbine units for ships

RUSSIAN HELICOPTERS

Number one global manufacturer in the strike, medium-heavy and super-heavy helicopter segment. Russian Helicopters' enterprises covers the entire country. The holding company includes construction bureaus, helicopter plants, production enterprises, maintenance and repair enterprises, aircraft repair plants, as well as service companies that provide after-sales service in Russia and beyond.

In 2016, the revenue from the after — sales service amounted to almost 30% of the total revenue of the holding

TECHNODINAMIKA

Technodinamika Holding Company specializes in the development, manufacture and after-sales service for systems and equipment for civil and military airplanes and helicopters, and also produces a number of products for aerospace, oil and gas, transport and other industries. The holding's products are installed on all Russian airliners, transport aircraft and helicopters. In the segment of transport aviation, the holding's share is 75%, in the segment of military aviation — 63%, in the segment of passenger aviation — 17%

KRET

The holding company is a leader in the field of radioelectronic warfare (more than 60% of the market) and IFF systems (more than 90% of the market), aviation devices and radioelectronic equipment systems (more than 80% of the market), and measuring instruments for various purposes. A promising direction of the holding's development is a significant expansion of the range of civilian products



Radioelectronics cluster

RUSELECTRONICS, SHVABE & AVTOMATIKA CONCERN

RUSELECTRONICS

Ruselectronics unites companies of the electronic sector, which specialize on development and manufacture of electronic products, materials and equipment, as well as microwave equipment and semiconductor devices. One of the main events of 2016 in the field of development was the creation of a prototype of data transmission equipment, built entirely on the Russian element base. The equipment is intended for creating portable radio stations with a secure communication channel

SHVABE

Holding company of developers and manufacturers of hi-tech production. The holding unites several dozens of organizations, including 19 enterprises that make up the core of the optical industry. Today, the portfolio of intellectual property objects of the holding is more than 1800 units. The amount of products exceeds 6500 units. The products of the holding successfully replace imports and confirm the high scientific and technical potential of Russia in 95 countries of the world

AVTOMATIKA CONCERN

The largest enterprise of the Russian Federation developing and producing information security systems, technical systems of the classified communication, secured information-telecommunication systems, as well as automated control systems for special purposes



Conventional weapons, ammunition and special chemistry cluster

HIGH-PRECISION SYSTEMS, TECMASH & KALASHNIKOV

HIGH-PRECISION SYSTEMS

The holding carries out the development, production, modernization and repair of promising weapons, military and special equipment. The products manufactured by the enterprises comprising the holding company have leading positions in the domestic market of high-precision weapons, operational-tactical and tactical guided missile systems for ground forces, man-portable air defense system and anti-tank missile systems. Share of military products In the total volume produced by the enterprises of the holding, is about 98%

TECMASH

The holding specializes in the development and production of ammunition to ensure the combat capabilities of the main strike groups of the Armed Forces of the Russian Federation. The holding specializes in the production of ammunition for the attack group of the Army, the Aerospace Forces, the armament of the main combat assets of the Navy, as well as missile systems for various purposes from the rocket-space, anti-aircraft and other weapons systems of the nuclear deterrence forces and strike groups of various bases

KALASHNIKOV

The Concern is the largest producer of combat automatic and sniper weapons, guided artillery shells, as well as a wide range of high-precision weapons. Today the concern is already producing the fourth generation of Kalashnikov assault rifles, the state tests of the Kalashnikov fifth generation AK-12 assault rifle are being completed. The concern is the flagship of the domestic shooting industry, it accounts for about 95% of Russia's small arms production



Conventional weapons, ammunition and special chemistry cluster

SPLAV NPO, TSNITOCHMASH & RT-CHEMCOMPOSITE

SPLAV NPO

The company is a manufacturer of naval rocket weapons systems for engagement of above-water shore targets, heavy flamethrower systems, unguided and guided aviation missiles, artillery equipment complexes, armored vehicles and tanks, etc. NPO Splav is a developer of multiple rocket launcher systems Grad, Uragan and Smerch

TSNITOCHMASH

The company develops and manufactures small arms, ammunition, small arms simulators, combat equipment for military men, weapons for the Airborne Forces and protection facilities for weapons and military equipment from high-precision weapons. One of the significant results of 2016 is the successful fulfillment of a three-year state contract with the Russian Ministry of Defense for the development of second generation combat equipment kits for military men

RT-CHEMCOMPOSITE

The holding is the production volume leader in the Russian industry of polymer composites for military-industrial complex, transport, construction and energy. The major markets for the chemical sector are the construction industry, agriculture, industrial chemistry, general engineering, household chemicals and medicine



Automobile business

AVTOVAZ AND KAMAZ



KAMAZ

The largest Russian enterprise for the production of trucks. The company includes more than 150 organizations located in Russia, CIS and abroad.

The single production complex of the group of organizations of PJSC «KAMAZ» covers the whole technological cycle of production of trucks, from the development, manufacturing, assembly of vehicles and auto components to the sale of final products and service support. The share of the enterprise on the Russian heavy trucks market is 56%



AVTOVAZ

The largest enterprise of the automotive industry in Russia. The AVTOVAZ-Renault-Nissan Alliance ranks 4th in the world in car production.

Cooperation with Renault and Nissan involves the transfer of innovative technologies. Production of the joint venture will take more than 30% of the Russian car market. AVTOVAZ has a full cycle of the car production under four brands (LADA, Renault, Nissan and Datsun). By 2020 at the plant in Togliatti more than 1 million cars go off the assembly line per year, which will make AVTOVAZ the largest auto producer in Europe





Rostec

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