



PoCTEX

Rostec's Radioelectronics cluster increases revenue from civilian production by 84%

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Press Release

Rostec's Radioelectronics cluster has increased sales of civilian production by 84% in the first half of 2018. The cluster forecasts revenue growth in this segment to reach 60 billion rubles in 2018. Most of this growth is due to the implementation of large-scale infrastructure projects associated with the 2018 FIFA World Cup, the introduction of *Safe City* technologies in Russian regions, and the digitalization of the power industry and other industries.

The cluster, which comprises more than 160 enterprises with more than 100,000 employees, manufactures a wide range of products - from electronic components and units to complex software tools and systems. Its total annual revenue in 2017 was more than 220 billion rubles, and the plan for 2018 is to exceed 290 billion rubles.

In accordance with the cluster's Strategy, the share of civilian production in the overall revenue should increase threefold by 2025 - rising from the current 20% to 60%. In the first half of the year, the REC increased revenue from civilian production by 84% compared to the same period in 2017 - to 18.4 billion rubles.

"We are focusing on implementing large-scale ecosystem projects that involve the widest range of our developments. These projects include the creation of ICT infrastructure for the 2018 World Cup, *Safe City* in Irkutsk Region, and the implementation of smart elements of the Moscow transport system. The current portfolio of civilian orders exceeds 45 billion rubles and continues to grow, which means we are able to forecast revenue from civilian production of 60 billion rubles by the end of 2018," says the Industrial Director of Rostec's Radioelectronics cluster **Sergey Sakhnenko**.

Among the main areas supporting the increase in the civilian revenue of the cluster are the building and maintenance of ICT infrastructure for the Confederations Cup and the FIFA World Cup, the implementation of the *Bright City*, *Safe City*, and *Smart Transport System* projects and energy service contracts in a number of constituent entities of the Russian Federation, the comprehensive provision of medical equipment at public healthcare institutions, and the supply of ICT infrastructure to large state and corporate customers.

Since the beginning of 2018, the cluster has brought a large number of civilian products to the market, including product marking equipment, new generation inspection and security screening systems, POS equipment for retail businesses, new types of diagnostic equipment for use in medicine, data storage systems for communications service providers, and others.



Ростех

Rostec Corporation is a Russian corporation that was established in 2007 to facilitate the development, production and export of high-tech industrial products designed for civilian and military applications. The Corporation comprises over 700 organizations that are currently part of eleven holding companies operating in the military-industrial complex and four holding companies working in civilian industry, as well as over 80 directly managed organizations. Rostec's portfolio includes well-known brands such as AVTOVAZ, KAMAZ, Concern Kalashnikov, Russian Helicopters, UralVagonZavod, etc. Rostec companies are located in 60 constituent entities of the Russian Federation and supply products to the markets of more than 100 countries. In 2017 the consolidated revenue of Rostec reached 1 trillion 589 million rubles, while the consolidated net income and EBITDA amounted to 121 and 305 billion rubles respectively. In 2017 the average salary in the Corporation was 46 800 rubles. According to Rostec's strategy, the main objective of the Corporation is to ensure that Russia has a technological advantage in highly competitive global markets. Rostec's key objectives include the introduction of a new techno-economic paradigm and digitalization of Russian economy.

Press service

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