



Rostec

Rostec expands cooperation with Latin America

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Press release

United Engine Corporation (UEC, part of Rostec) is expanding its cooperation with the largest gas transmission company in Argentina—Transportadora de Gas del Sur S.A. (TGS). The plans include new deliveries of NK industrial gas turbine engines manufactured by JSC Kuznetsov (part of UEC), and also the transfer of technologies for semi knocked-down (SKD) repair of TGS engines.

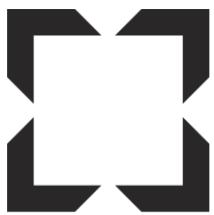
In June this year, Rostec's holding company supplied the NK-14ST gas turbine engine to Argentina. Installation and commissioning works have been completed and the engine has successfully been put into operation. Four NK-12ST engines and three NK-14ST engines are being operated successfully in the country as part of the gas pumping units of the state-owned company TGS at the Belisle and Indio Rico compressor stations. Under the new contract signed between UEC and TGS in June, the delivery of another NK-14ST is expected in 2019.

The Corporation's holding is also implementing a contract for the overhaul of two NK-14ST gas turbine engines operated by the Argentine company, as well as an agreement for the supply of spare parts to support the operation of TGS engines. In addition, the companies are exploring the possibility of concluding new agreements for the supply of both spare parts, as well as new engines.

"Rostec is particularly focused on not only expanding the range of supplies in the region, but also developing after-sales service for its products. We are not offering our partners a single, standalone product, but a full range of related services," said **Viktor Kladov**, Rostec's Director for International Cooperation and Regional Policy. "Latin America is a promising region for the Corporation. Rostec is ready to offer its partners solutions that are competitive both in terms of price and quality, with the subsequent transfer of technologies."

Another promising area of cooperation between UEC and TGS is localizing individual projects for the overhaul of gas turbine engines at the production facilities of the Argentine company, with the prospect of concluding a technology transfer contract. Technology transfer is an issue that is discussed at the regular meetings held by the two parties.

TGS is the largest producer and supplier of natural gas in Argentina. The company operates the longest pipeline system in the country and the whole of Latin America. Thanks to three trunk pipelines—Neuba I, Neuba II, and San Martín—the company transports 60% of all the natural gas consumed in Argentina and delivers it to distributors and industrial enterprises.



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Rostec continues to implement its Development Strategy, the main goals of which are to increase revenue by an average of 17% in ruble terms until 2025, to improve operational efficiency and enter global markets. Latin America is one of the key regions for Rostec. Alongside its Latin American partners, the Corporation is developing projects in the field of engine building, machine manufacturing and helicopter engineering.

Rostec is a Russian State Corporation established in 2007 to promote the development, production and export of high-tech industrial products designed for civil and military applications. The Corporation comprises over 700 organizations that are currently part of eleven holding companies operating in the military-industrial complex and three 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, Kalashnikov Concern, Russian Helicopters, VSMPO AVISMA, UralVagonZavod, etc. Rostec companies are located in 60 constituent entities of the Russian Federation and supply products to more than 100 countries. The consolidated revenue of Rostec in 2017 amounted to RUB 1 trillion 589 billion rubles, while the consolidated net income and EBITDA amounted to 121 and 305 billion rubles, correspondingly. In 2017 the average salary in the Corporation was 46.8 thousand 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.