

05.12.2016**White Metallurgy Company ETERNO Has Launched Production of Import-substituting Products Unique to the Russian Market. The Ceremony Was Attended by the President of the Russian Federation Vladimir Putin**

Today, Chelyabinsk factory ETERNO founded by JSC Chelyabinsk Pipe-Rolling Plant (ChelPipe) and RUSNANO held a ceremony to mark the launch of production of stamp-welded parts (split tees) with the use of nanotechnology. The President of the Russian Federation Vladimir Putin, the Minister of Industry and Trade of the Russian Federation Denis Manturov, the Chairman of the Board of RUSNANO Anatoly Chubais, the Plenipotentiary Representative of the President of the Russian Federation in the Ural Federal District Igor Kholmanskikh, the Governor of the Chelyabinsk Region Boris Dubrovsky, and ChelPipe Group shareholders Andrey Komarov and Alexander Fedorov officially launched the production of the new import-substituting products.

ETERNO's split tees will allow for conducting repairs of the main pipelines under a working pressure of up to 9.8 MPa and then putting them into operation without stopping the flow of hydrocarbons. Thus far, it has been foreign manufacturers that have carried out the supply and tying-in of split tees without interrupting flow for Russian energy companies. ETERNO is planning to produce up to 150 units of new products on an annual basis as part of its strategic projects. This includes the second line of the Novy Urengoy - Surgut product pipeline, the Nord Stream 2 pipeline, as well as the projects that meet the repair and maintenance needs of Gazprom, Rosneft, and other oil and gas companies in the CIS. Launch of ETERNO's new product range is a step towards almost entirely achieving full import substitution in pipeline production.

"We are in the process of becoming not only independent in terms of imports, but nanotechnology allows us to produce more reliable and more stable world-class level products. In collaboration with our partners, we are creating White Metallurgy - an area that fundamentally changes the perception of the industry as conservative and dirty. We are confident that our investment of over 4.5 billion roubles is of strategic importance," said Chairman of the Board of MC RUSNANO Anatoly Chubais.

"The domestic market for split tees is rapidly growing, and we are prepared to offer our customers a number of obvious competitive advantages: efficient execution of orders, an individual approach, and high quality products made with modern materials, technologies and equipment. The launch of split tee production sees ChelPipe Group taking its latest important step in developing integrated supply, guaranteeing that the consumer enjoys uniform high quality standards for each and every item on the product range - pipes, couplings and other pipeline components," said ChelPipe Group shareholder Andrey Komarov.

The ceremony was also attended by graduates of the corporate educational program led by the ChelPipe Group - the Future of White Metallurgy. The young mechatronics specialists created a program that allowed for launching the



machines and assembly units involved in the technical process of producing split tees automatically especially for the ceremony.

After the official ceremony marking the launch of production, Vladimir Putin visited the exhibition of RUSNANO's nanotechnology projects in new industrial sectors, which was hosted at ETERNO's premises.

During the visit, the President also held an informal meeting with the staff and long-standing employees of the ChelPipe Group's enterprises.

RUSNANO was founded as a joint stock company in March 2011, through reorganization of state corporation Russian Corporation of Nanotechnologies. RUSNANO is instrumental in realizing government policies for nanoindustry growth, investing in financially effective high-technology projects that guarantee the development of new manufacturing within the Russian Federation. The company invests in nanotechnology companies directly and through investment funds. Its primary investment focus is in electronics, optoelectronics and telecommunications, healthcare and biotechnology, metallurgy and metalwork, energy, mechanical engineering and instrument making, construction and industrial materials, chemicals and petrochemicals. The Government of the Russian Federation owns 100 percent of the shares in RUSNANO. By the moment thanks to RUSNANO's investments 73 plants and R&D centers are launched in 28 regions of Russia.

Management of the investment assets of RUSNANO are carried out by a limited liability company established in December 2013, RUSNANO Asset Management. **Anatoly Chubais** is Chairman of its Executive Board.

Work to establish nanotechnology infrastructure and carry out educational programs is fulfilled by RUSNANO's **Fund for Infrastructure and Educational Programs**, which was also established during the reorganization of the Russian Corporation of Nanotechnologies.

Contact information:

10A Prospekt 60-letia Oktyabrya, Moscow, Russia 117036

Telephone: +7 (495) 988-5677, fax:+7 (495) 988-5399, e-mail:press@rusnano.com

ETERNO LLC is a joint project run by ChelPipe and RUSNANO: a factory that produces couplings for pipelines using nanostructured materials. The new production plant with an annual capacity of 10,000 tons of parts was put into operation at the end of 2015 at the Chelyabinsk Pipe-Rolling Plant. This created about 500 jobs. The plant produces stamp-welded parts for pipelines (SWPP) with a diameter of up to 1,420mm - elbows, tees, reducers, bottom plates. ETERNO's product range is aimed at meeting the needs of vertically integrated oil and gas companies, as well as companies involved in pipeline projects, primarily PJSC Gazprom and OJSC Transneft. The new plant kitted out with modern equipment made by leading manufacturers from Sweden, Switzerland, South Korea, Poland, and Italy offers unique technological advantages, which guarantee that global quality standards are met while maintaining competitive costs and minimal supply times. In November, 2016, ETERNO received certification from ANO Nanocertifica for its nano project.



The ChelPipe Group is one of the leading industrial groups in the Russian metallurgical industry. At the end of 2015, ChelPipe's share of the total shipments of Russian pipe producers amounted to 17.7%. The ChelPipe Group includes enterprises and companies in the ferrous metallurgy industry: The Chelyabinsk Pipe-Rolling Plant, Pervouralsk New Pipe Plant, a warehouse complex involved in the sale of pipeline products of the group in the regions, META - a company that collects and processes scrap metal; COT, ETERNO, MSA (Czech Republic) - enterprises producing pipeline production equipment; and Rimera - an oil services business.

The Corporate Educational Programme "The Future of White Metallurgy". Training skilled workers for the metallurgy industry is being carried out by a public-private partnership between ChelPipe, the Government of the Sverdlovsk Region and the Pervouralsk Metallurgical College (PMC). Investments in the project totalled 900 million roubles, 700 million of which were invested by ChelPipe. In 2011, an educational centre with the most modern laboratory equipment was built in order to facilitate successful training at the Pervouralsk New Pipe Plant (part of the ChelPipe Group). Students are trained using a dual system (40% - theory, 60% - practice). The ChelPipe Group was one of the first in Russia to join the international movement WorldSkills. Students of the Future of White Metallurgy programme have repeatedly earned prizes and won skills excellence competitions at WorldSkills in Mechatronics, Robotics, and Industrial Automation, etc. On the basis of an agreement concluded in 2012 between the Air Force and Air Defence Command of the Central Military District, the Government of the Sverdlovsk Region, and ChelPipe, all graduates of the Future of White Metallurgy programme shall undergo compulsory military service sponsored by the company in the Urals in the village of Gorniy Shchit. Over the last five years, the programme has trained more than 400 qualified workers for the following metallurgical professions - welders, mechanics, electricians, field engineers, crane operators, etc. The best graduates went on to find employment with the White Metallurgy plants.