

WE CREATE THE FOUNDATION FOR A SUSTAINABLE POWER SUPPLY OF SOCIETY AND EVERY MAN

IZOLYATOR

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Russia and Vietnam - strategic partnership



Prospects for HV Business

Izolyator strengthens business ties with the Globe's largest Power and Grid companies as part of its International markets integration strategy. Our business development activities pursue a wider presence in Generation, Transmission and Distribution of electric power in HV segment of domestic markets in many countries across the world. Recent progress in cooperation with PowerGrid company and leading HV transformer makers of India

serves an inspiring example to put extra effort and reach out to the new markets.

The Socialist Republic of Vietnam is a state in Southeast Asia located on Indochina peninsula.

Friendship is a good start

In April this year Dmitry Medvedev, Prime Minister of Russian Federation, announced Foreign Trade Activity Program for 2014-2015, which goal is to support leading Russian OEMs in global market promotion.

Russian Ministry of Commerce and Industry named Vietnam as one of prospective partners for Power Transmission development in the coming years. Our positive results on Indian market laid

foundation for establishing economic ties with Vietnamese counterparts.

Historically Russia and Vietnam have deepened relations building them on friendship: traditionally high level of trust brings forward a wide specter of topics in business circles. In view of that Izolyator approached package equipment manufacturers and utility companies of Vietnam with a number of initiatives.



Russia-Vietnam Forum at VIIF 2014

Solid basis for cooperation

Izolyator has a vast experience in electrotechnical products design and manufacture – with a dominating market share in Russia for its key product high-voltage bushing. The company’s innovative designs have won recognition from Federal Grid Corporation of Russia resulting in years of cooperation. Higher competitive ability of our products on global market allows us to offer our customers in Vietnam additional value in long term power grid development projects with inherent durability and technical excellence. Our participation in VIIF 2014 was aimed at demonstrating our strong focus on the electric power market of Vietnam.

International Industrial Fair in Vietnam 2014

Among Government measures aimed at increasing exports is Russian Federation Presidential Decree “On long-term economic policy of the State”. Ministry of Industry and Trade adopted action plan in line with WTO regulations significantly raising amount of support in exhibiting and convention activities of exporters as well as identifying and eliminating administrative

barriers. Thus, VIIF 2014 invitation did not only include Izolyator but also listed over 30 corporate delegates among joint representation bringing to Hanoi, Vietnam such names as Rosatom, Sudoexport, Samara State AeroCosmic University named after Sergey Korolev, Gubkin State University of Oil and Gas, etc. and uniting them under collective stand of the Ministry in October.

Russian exposition was highly appreciated by the Vietnamese partners concluding that bilateral contacts should be made a yearly routine at field-specific conventions in future. Head of Russian delegation – Deputy Minister for Industry and Trade – and visiting Executives took part in panel discussion “Russia and Vietnam: Integral Strategic Partnership”.

Power Economy in Vietnam

United power grid of Vietnam includes 500kV HV networks 3890 km long, 220kV networks with 210015 km spread and 110kV networks 13 141 km long as well as medium voltage facilities: 35kV and 6kV.

Ministry of Industry and Trade of Vietnam delivers strategic planning and

manages power industry mainly through its electric power division ERAV. Vietnam’s EVN Corporation is a monopoly for purchase, electric power distribution and retail sales. United power grid and associated infrastructure are controlled by EVN through affiliated companies.

Izolyator people appreciate the decades-long history of friendly contacts between Vietnam and Russia. In the context of new global market challenges we hope to form a foundation for efficient cooperation between power industries of the two countries that will turn into a true partnership for decades to come.

Meetings

In October Izolyator took part in the largest multi-industry annual exhibition in South East Asia VIIF 2014. This venue is popular with international audience and is organized by the Government of Vietnam in VEFAC exhibition center. Ivan Panfilov and Natalia Mazova of

Izolyator met with Alexander Kardo-Sisoev, Consultant of Russian Trade Mission in Vietnam and moderator who facilitated dialogues on:

- state-to-state liaison between Russia and Vietnam
- trade and investment projects promotion

- framing and setting-up Russian business missions or representations

Visits of Izolyator delegates took place with active engagement of our partner in Vietnam – Mrs. Mac Thi Vinh Phu from Sao Mai Company Ltd.

According to International Monetary Fund Vietnam's GDP rates 57 among 187 states, the country playing active role in integration processes



MINPROMTORG
RUSSIA

Natalia Mazova at VIIF 2014 exhibition. The stand of Ministry of Industry and Trade of Russian Federation



Ministry of Industry and Trade of Vietnam

Izolyator visit to the Ministry of Industry and Trade of Vietnam



Ivan Panfilov meeting Nguyen Cam Tu

In the frame of international exhibition Ivan Panfilov and Natalia Mazova met Deputy Minister of Industry and Trade of Vietnam, Chief of Government negotiation delegation, Mr. Nguyen Cam Tu. The meeting covered principal areas of cooperation between Vietnam and Russia. The representatives exchanged views on current status of trade and economic relations and cooperation prospects for power industries of the two countries.

Deputy Minister of Industry and Trade highlighted the importance to increase cooperation and expressed interest in sharing experience between the countries that would allow for mastering innovative technologies and introduce Russian manufacturers to the market of Vietnam. Mr. Nguyen Cam Tu pointed out the most promising lines of cooperation:

- Exchanges in all fields of economy and industry
- Russia's advanced technology application in power industry of Vietnam
- Sharing experience in equipment installation, operation



Nguyen Cam Tu Deputy Minister of Industry and Trade of Vietnam, Chief of Government negotiation delegation

and maintenance at power generation, transmission and distribution objects

- Showcasing track record of innovating technologies and implementation approaches
 - Application of HV equipment produced by Russian Federation
- Izolyator endorsed initiative of The Ministry of Industry and Trade of Vietnam by proposing intense contacts with grid companies



Meeting at Ministry of Industry and Trade of Vietnam

and power equipment OEMs with special emphasis on offering experience of solid insulation bushings (RIP) implementation with positive economic effect. Such pilot project could be especially interesting for power generating, transmitting and distributing systems in Vietnam.

The sides agreed on a number of points in the result of talks at The Ministry:

- The Ministry of Industry and Trade of Vietnam expressed interest for expanding dialogue with participation of state federal bodies of power industry in Russia and invited Izolyator's assistance to arrange it
- The Vietnamese colleagues supported our initiative concerning Izolyator-made equipment with delivery of details on specification and application advantages at power grid facilities in Vietnam
- The Ministry of Industry and Trade of Vietnam took a good notice of Izolyator's successful track record with Federal Grid Corporation of Russia, generation facilities and HV transformer manufacturers on the territories of Russia and other countries
- The colleagues also ensured active facilitation of any future dialogue between Izolyator and any objects of generation, transmission and distribution in Vietnam and transformer plants.

At the moment there are 47 investment projects with Russian capital participation in Vietnam (total volume – \$271 mln). The Vietnamese business invested in 11 projects in Russia



Meeting at Ministry of Industry and Trade of Vietnam



Building of EVN Corporation

Meeting EVN Corporation

During Izolyator representatives' visit to Vietnam a trilateral meeting took place including Executive Management of Electric Power Corporation EVN, Russia's Trade Mission in Vietnam and Izolyator.

Vietnam's Electric Power Corporation EVN is the largest power distribution company in the country with 8860 MW capacity and 19396 km network. The corporation expressed interest in development of power industry with high level of innovation and sharing experience between Vietnam and Russia with special focus on current projects on the territory of the country.

The following action plan was adopted as result of the talks:

- Bilateral exchanges in the power industry best practices between The Socialist Republic of Vietnam and Russian Federation
- Sharing innovation management experience in regard to new technologies and equipment R&D in electric power industry
- Establish dialogue with Federal Grid Corporation of

Russian Federation in order to share expertise of a vast grid management experience with Izolyator company mediation

- Sharing best practice for new construction and management of HV and MV power objects
- Sharing experience of HV transformers and completing equipment operation across a

wide range of climatic zones and temperature modes

- Regular contacts on operation, warranty and post warranty service issues and remote control over operating modes of installed HV equipment at electric power transmission and distribution facilities
- Izolyator HV bushings application and operation study for EVN's

GDP growth rate in Vietnam is 5.42% today with an increasing share of service sectors



Representatives of EVN, Russian Trade Mission, Vietnamese partner companies and Izolyator



Representatives of EVN, Russian Trade Mission, Vietnamese partner companies and Izolyator

facilities including operational advantages of solid insulation bushings RIP justified by the company's track record on the territory of Russia and beyond.

Izolyator expressed high interest in immediate:

- Supplies of high-voltage bushings to transmission

and distribution facilities of Vietnam

- Provision of full service support ranging from pre-sale and design works to operation and maintenance of high-voltage bushings at any type of facilities
- Provision of entire product range specifications and

mediation of the dialogue between Federal Grid Company of Russian Federation and EVN Corporation.

Intense interest to continue talks with both sides brought confidence in the high potential of the continued dialogue. EVN Corporation adhered

to promotion of innovative technologies and products on the market of Vietnam with strong recommendation to start direct dialogue with leading HV transformer makers, namely Dong Anh Electrical Equipment Manufacturing JSC and Thu Duc Electro Mechanical JSC.

Izolyator representatives visited a transformer plant

Ivan Panfilov and Natalia Mazova visited the transformer plant of Dong Anh Electrical Equipment Corporation JSC. This facility is one of leading electrotechnical manufacturers of 500kV type equipment in Vietnam and Southeastern Asia. The plant takes pride in years of experience in design, production, marketing and maintenance of equipment for the national grid and largest State projects in particular.

Dong Anh Electrical Equipment Corporation JSC showed great interest in:

- Quality of high-voltage bushings made by Izolyator



Dong Anh Electrical Equipment Corporation JSC transformer plant



Representatives of transformer plant, partners in Vietnam and Izolyator

company and long term cooperation with our plant as principal supplier of RIP

insulated bushings
 • Studying RIP insulation as alternative to OIP insulation

• Promotion of fail-free operation advantages of the new generation RIP HV

Territory – 330 000 square kilometers,
 Capital – Hanoi

bushings among end users and assistance with direct contacts in the market

• Izolyator engagement into current projects

On Izolyator plant side, extensive reference on cooperation with transformer plants was provided as well as the full scope of products supplied to grid companies on the Russian market. Complete reference list with operation and maintenance statistics proved a high design reliability and endurance of RIP technology products.

As result of meeting at Dong Anh Electrical Equipment Corporation JSC our colleagues confirmed their intention to use bushings with RIP solid insulation and requested to design a range of HV bushings according to requirements of the plant.

Summary on the business prospects

Russia and Vietnam's cooperation on the government level opens ways for active engagement in business projects in various directions including energy security and regional integration projects.

Regular contacts between the two countries ensure promotion and diversification of bilateral cooperation in the highly dynamic Asia-Pacific economy and global market. Fuel and Energy sector being the main driver of Russia-Vietnam relations progress allows for experience accumulation in power facilities construction.

Izolyator believes that continued dialogue with Vietnam with The Ministry of Industry and Trade, Electric Power Corporation EVN, Dong Anh Electrical Equipment Corporation JSC will remain a prominent growth factor for the power industry in the coming years.

The sectors of priority are Energy, Processing, Hi Tech, Mining, Metallurgy, Chemical and Defense Industries

Acknowledgement

As result of meetings all sides expressed high degree of interest in continued cooperation and expansion of contacts between Russia and Vietnam. We would like to express our gratitude to Messrs. Maxim Golikov, Chief Trade Mission Representative in The Socialist Republic of Vietnam, and Alexander Kardo-Sisoev, Consultant, for their support and engagement.

We highly appreciate our partners for arrangement of Government level visits and would like to express our gratitude towards Mr. Nguyen Cam Tu, Deputy Minister of Industry and Trade of Vietnam, for a warm welcome.

We would like to send our kind regards to Dong Anh Electrical Equipment Corporation JSC and thanks for invitation and a very productive meeting.

Izolyator would like to thank all the participants and partners:

The Ministry of Industry and Trade of Vietnam:

Nguyen Cam Tu, Deputy Minister of Industry and Trade of Vietnam, Chief of Government negotiation delegation of Vietnam

Trinh Dinh Thang, Deputy General Manager of International Affairs Department

Duong Hoang Minh, Deputy Head European Section

Phan Thu Le, External Relations Department,

Trade Mission in The Socialist Republic of Vietnam:

Alexander Kardo-Sisoev, Consultant

EVN:

Lai Van Cuong, Technical specialist of production at EVN Corporation

Le Thanh, Specialist of Technical department of The National Energy Corporation

Nguyen Xuan Sean, Director of materials company within The National Energy Corporation

Nguyen Thi Anh, Specialist of the External Relations Department

Hoang Ziang, External Relations Department

Dong Anh Electrical Equipment Corporation:

Le Van Diem, Deputy General Manager

Nguyen Hai Quang, Deputy Head of Technical Department

Nguyen Xuan Son, Head of Materials Department

Nguyen Quang Tue, Deputy Head of Technical Department

Representative of Izolyator company in Vietnam:

Mac Thi Vinh Phu

Le Anh Hien

Natalia Mazova

International Business

Development Manager

Izolyator company