



HMS Group

**Executive Summary of
Investor Presentation**

December, 2012

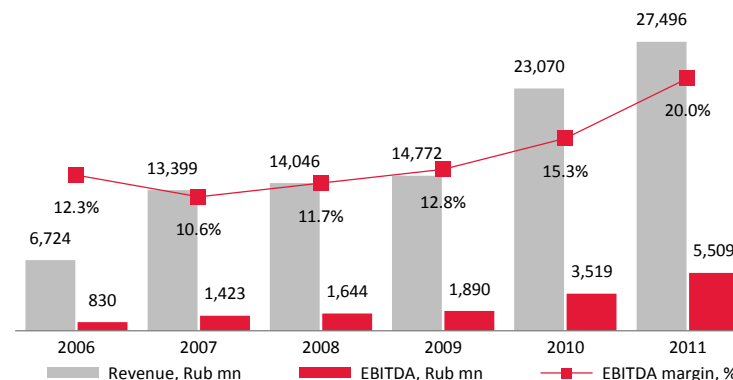


HMS at a Glance

Overview

- HMS Group is the leading pump & compressors manufacturer and provider of flow control solutions and related services to oil and gas, nuclear and thermal power generation and water utility sectors in Russia and the CIS
- 18 operating facilities in Russia and the CIS with 7 research & development centres, one of the largest pump testing facilities
- Leading position on growing markets driven by strong investments in oil & gas, power generation and water supply sectors
- The 20 year story of resilient financial growth organically and through M&As on the back of moderate debt position

Key financials for 2007-2011



Source: Company data

Current business structure

Industrial pumps



Pump station of the Baltic pipeline system, Transneft

- Design, engineering, manufacturing, delivery and installation of pumps and pump related products

Oil & gas equipment



Example of Oil Pumping Station

- Manufacturing and installation of oil & gas equipment, including modular (pump stations, metering equipment, oil, gas and water processing and preparation units, tanks & vessels, etc.)

Engineering, Procurement, Construction



Oil Pump Station "Tayezhnaya", Transneft

- Project & design, construction, turn-key projects

Compressors

since July 2012

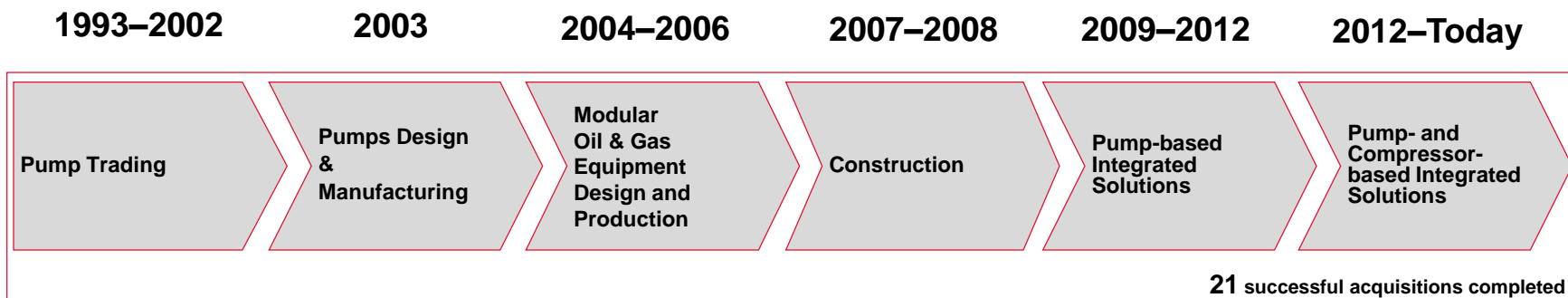


Twin modular compressor unit

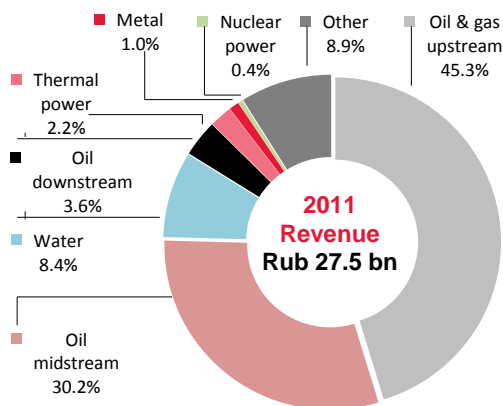
- Design, engineering, manufacturing, delivery and installation of compressors, compressor packages and compressor stations

Unique Business Model

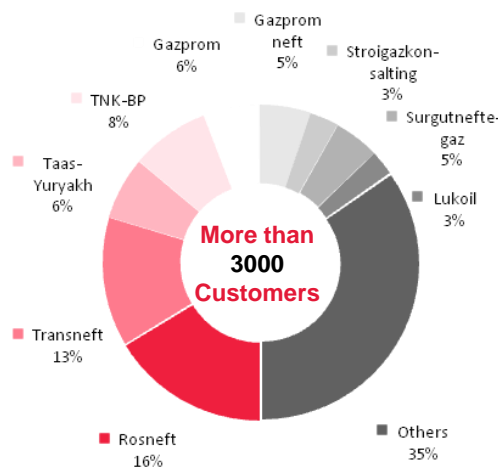
Top market consolidator: 20years way from a pump trader to the provider of flow-control integrated solutions



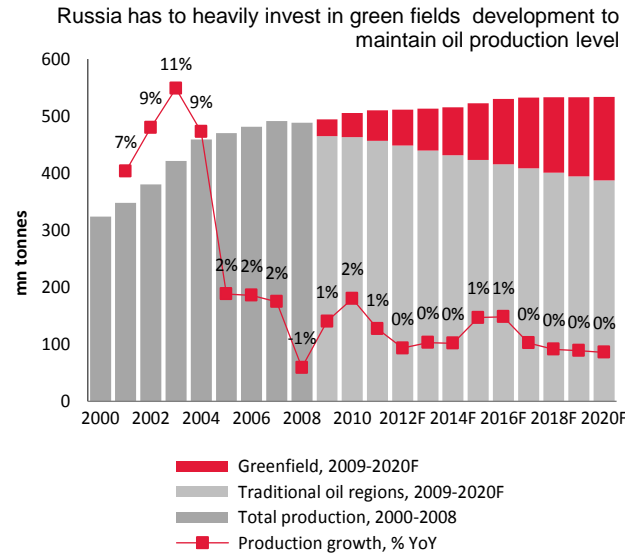
Exposure to attractive end-markets... through a blue-chip customer base... ...with rapidly growing demand



Source: Company data



Source: Company data as of 30.09.2012

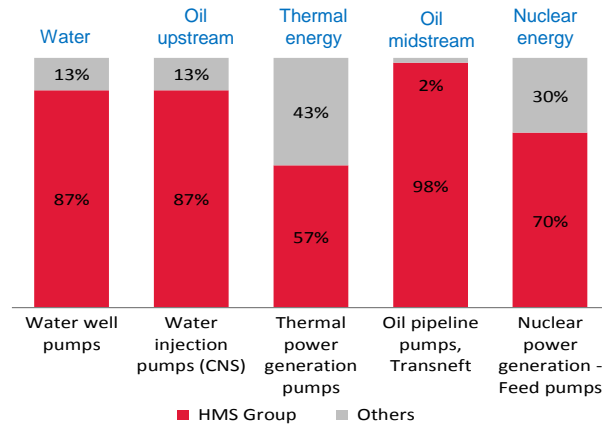


Source: RuEnergyCo, Rosstat

Focus on Value-added Integrated Solutions



Serving the largest installed base in Russia



Advanced R&D allows to provide complex integrated solutions

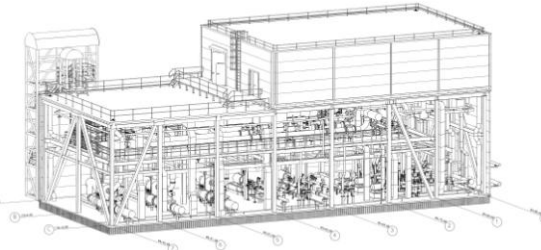
Case Study:

Oil transportation: participation in the globally unprecedented ESPO project of Transneft

Oil upstream: participation in Vankor oilfield development operated by Rosneft

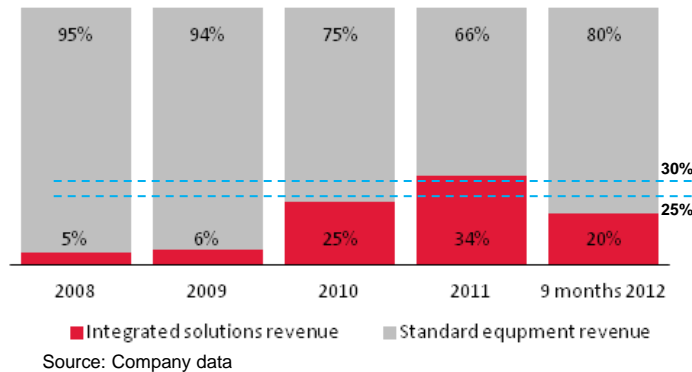


ESPO-1 oil transportation station



Super-block X-9001 for Vankor oilfield

Growing share of integrated solutions

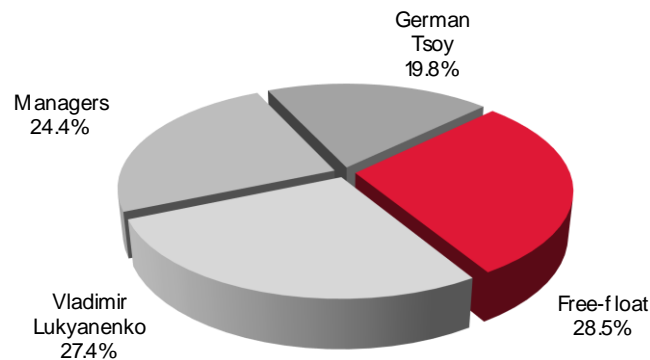


Key takeaways

- **The largest installed base in Russia** supports a stable and resilient flow of orders for replacement, upgrade, modernisation and maintenance of the operating equipment...
- ...while advanced R&D capabilities allows to offer customers **high value-added integrated solutions**, which associated with higher margin, large contracts size and offer aftermarket opportunities
- **Market share varies from 20% to 77%**, depending on the market niche, which makes HMS the key beneficiary of the Russian pump market growth
- Growing demand for complex solutions on the back of limited competition, strong references and solid relationships with customers creates **best-in-class profitability**

Shareholders Run the Business

Shareholders Structure



Source: Company data as of May 8, 2012

Comments

- The Board is comprised of professionals with significant experience in flow control and oil and gas industries
- The Board includes founders, who has led HMS business since its inception
- The Board has two committees (Audit committee and Remuneration committee), both led by independent Directors
- HMS is a core business of the largest shareholders

Board of Directors

German Tsoy
Shareholder
Chairman of the Board
In company since 1993

Artem Molchanov
Shareholder
Managing Director (CEO)
In company since 1993

Kirill Molchanov
Shareholder
First Deputy CEO (CFO)
In company since 1993

Vladimir Lukyanenko
Shareholder
Non-executive Director
In company since 2005

Nikolay Yamburenko
Shareholder
Head of Industrial Pumps
Division
In company since 2003

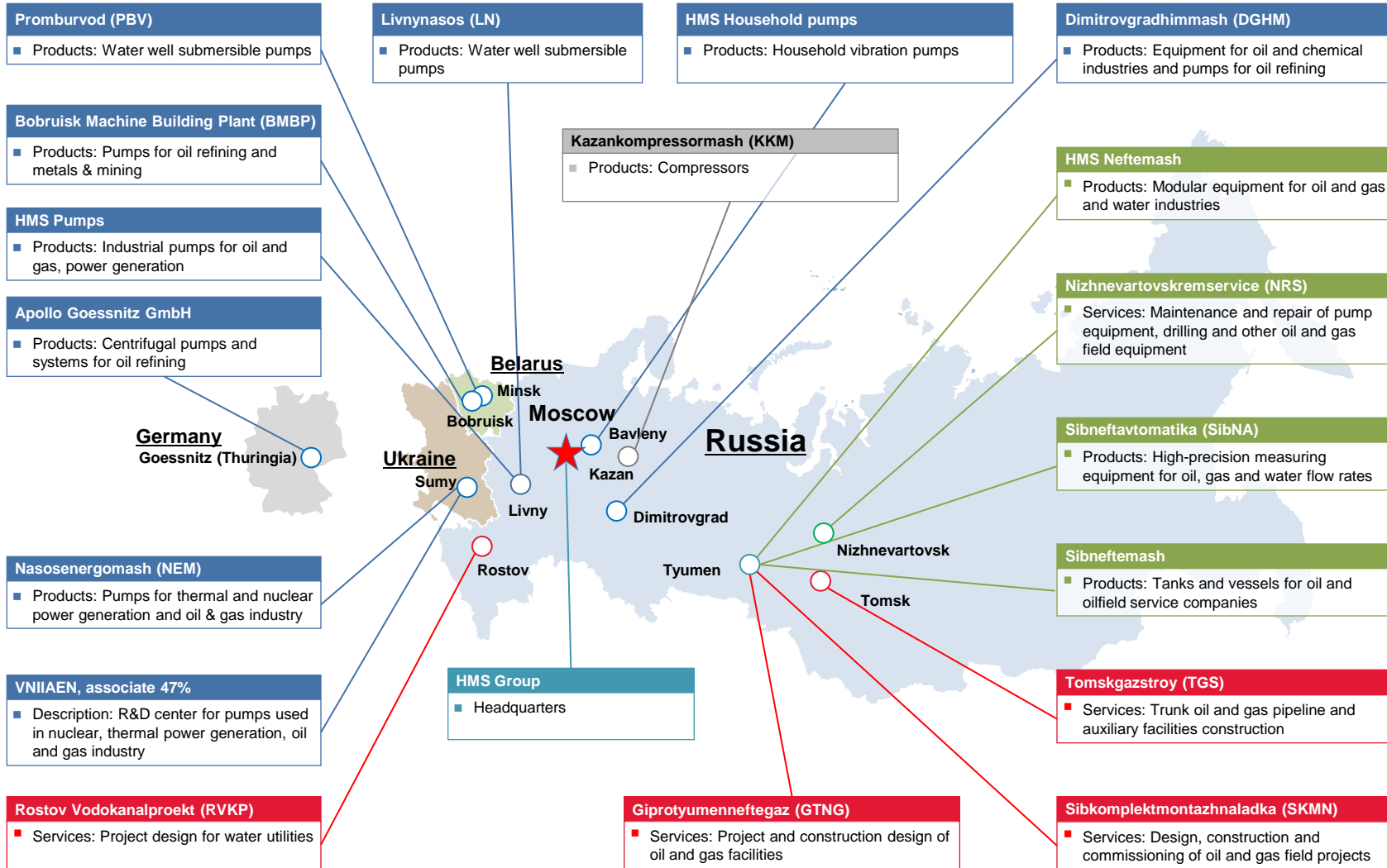
Yury Skrynnik
Shareholder
Head of Compressor
Business segment
In company since 2005

Philippe Delpal
Independent Director
Chairman of the Audit
Committee

Gary Yamamoto
Independent Director
Chairman of the
Remuneration Committee

Andreas Petrou
Non-Executive Director

HMS Production Assets



- Industrial pumps
- Modular equipment
- Compressors
- EPC (Construction and Project & design)

Source: Company data

Key Investment Highlights

- 1 Supportive Industry Fundamentals
- 2 The Leading Provider of Flow Control Solutions
- 3 Focus on Value-added Integrated Solutions
- 4 Operating on Protected Markets in Russia & CIS
- 5 Advanced Research & Development Capabilities
- 6 Well-established Top-tier Customer Base
- 7 Shareholders Run the Business

Contacts and HMS Group Key Details

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HMS Hydraulic Machines & Systems Group Plc is listed on the London Stock Exchange (Main market, IOB):

Identifier	Number	Number of shares outstanding
ISIN	US40425X2099	117,163,427
Ticker	HMSG	
Bloomberg	HMSG LI	
Reuters	HMSGq.L	