

HMS Hydraulic Machines & Systems Group plc
(the “Company”, and together with its subsidiaries, the “HMS Group”)

HMS GROUP 4Q AND FY 2013 ORDER INTAKE

Moscow, Russia, HMS Group (LSE: HMSG), the leading pump and compressor manufacturer as well as provider of flow control solutions and related services in Russia and the CIS , today releases its order intake for fourth quarter and full year of 2013.

FY 2013 HIGHLIGHTS:

- Total order intake¹ for FY 2013 amounted Rub 34.8bn, up 5% y-o-y
- In industrial pumps business segment order intake totaled Rub 13.1bn, down 32% y-o-y
- In oil and gas business segment order intake grew by 75% y-o-y to Rub 12.6bn
- Compressor business segment increased its order intake by 64% y-o-y to Rub 3.9bn
- In EPC business segment order intake¹ grew by 25% to Rub 5.1bn

Order intake for 4Q 2013 and FY 2013

(Rub, mn)

Business segments	4Q 2013	4Q 2012	Change	FY 2013	FY 2012	Change
Industrial Pumps	3,355	2,995	12%	13,142	19,335	-32%
Oil and Gas equipment	7,825	1,764	344%	12,586	7,210	75%
Compressors	523	365	43%	3,946	2,413	64%
EPC¹	2,787	1,262	121%	5,138	4,127	25%
<i>Construction¹</i>	1,194	574	108%	1,369	2,186	-37%
<i>Project and Design</i>	1,593	688	132%	3,769	1,941	94%
TOTAL^{1 2}	14,490	6,386	127%	34,813	33 086	5%

¹Excl. construction subsidiary SKMN due to its disposal in December 2013

²Totals may differ from the sum of numbers as a result of rounding

The Group’s order intake¹ under management accounts for FY 2013 totaled Rub 34.8bn, up 5% year-on-year, while for 4Q 2013 it more than doubled versus 4Q 2012.

Signing a material Rub 5.7bn contract in December 2013 allowed HMS Group to build a solid order intake¹ in the amount of Rub 34.8bn for FY 2013. The composition of order intake remained constant - large contracts composed 1/5 of all orders. As far as the new large contract is attributable to oil and gas business segment, the segment’s order intake grew substantially and reached Rub 12.6bn. The contribution of compressors segment to the Group’s total order intake became more noticeable. There was a new split between input of construction and project and design sub-segments to consolidated EPC order intake. The inflow of orders from construction sharply decreased as HMS is on its way out of construction business.

Industrial pumps

For FY 2013, in industrial pumps business segment order intake declined by 32% to Rub 13.1bn year-on-year due to the lack of large contracts in the reporting period. Slowing-down of investment activities in Russian oil and gas market led to delay of some projects targeted by the Group for its industrial pump business segment. As a result, only one large contract on supply of pump units for the Zapolyarye – Purpe Oil Pipeline for Rub 1.5bn supported the segment’s order intake in 2013. In 2012, there were two large contracts, which jointly added Rub 7.3bn to the segment’s order intake. These contracts included a contract on reconstruction of 3 water-pump stations in Turkmenistan (Rub 2.7bn) and ESPO-2 contract (Rub 4.6bn).

Meanwhile, the segment’s order intake for FY 2013 comprising exclusively small- and mid-sized contracts for standard equipment showed a minor decrease by 3% year-on-year and amounted to Rub 11.6bn versus Rub 12bn for FY 2012.

Compared with 4Q 2012, order intake in industrial pumps business segment grew by 12% year-on-year to Rub 3.4 bn.

Oil and Gas equipment

Orders received by oil and gas equipment business segment for FY 2013 increased substantially by 75% year-on-year to Rub 12.6bn due to signing a Rub 5.7bn contract on delivery of integrated solution for a major Siberian gasfield. As this contract was concluded in December 2013, the segment’s order intake for 4Q 2013 was four times as high as for 4Q 2012.

Compressors

Compressors business segment demonstrated a noticeable growth in its order intake both for FY 2013 (+64% year-on-year to Rub 3.9 bn) and 4Q 2013 (+43% to Rub 0.5bn). The segment benefitted from a number of material contracts on delivery of compressor stations and units, which were signed last year, in line with the Group’s strategy aimed at accelerating development of compressor business.

EPC

The order intake¹ in EPC business segment grew by 25% year-on-year to Rub 5.1bn for FY 2013, supported by strong results of project and design sub-segment. This segment almost doubled its order intake, which reached Rub 3.8bn for FY 2013. Decrease of order intake in construction sub-segment for FY 2013 by 37% year-on-year was related to gradual closing-down of non-core construction business finally resulted in disposal of construction subsidiary SKMN.

Starting from Q1 2013 HMS Group provides the data split under management accounts, which corresponds with the Note “Segment Information” under IFRS accounting, compared to a split by a type of products or services we used to provide in 2012. All 2012 numbers are adjusted accordingly.

HMS Group is the leading pump and compressor manufacturer, as well as provider of flow control solutions and related services to the oil and gas, nuclear and thermal power generation and water utilities sectors in Russia and the CIS. HMS Group's products are mission-critical elements of projects across a diverse range of industries. It has participated in a number of large-scale infrastructure projects in Russia, including providing pumps and modular equipment to the Vankor oil field and pumping stations on recent trunk pipelines projects linking Russia's core oil producing areas to export ports on the Pacific Ocean and Baltic Sea. HMS Group's global depositary receipts ("GDRs") are listed under the symbol "HMSG" on the London Stock Exchange.

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