

## Production Capital

### Production Capital <sup>16</sup>

**Development of NIAEP production capital is aimed at achievement of the strategic goals both of the Company and of State Corporation ROSATOM in whole. Increase in production capital was achieved through execution of investment programs.**

### Making Investment Decisions

Investment decisions in NIAEP are made on the basis of the approved Investment Program. The Investment Program for 2012-2016 was approved during the Board meeting of State Corporation ROSATOM (Minutes of the meeting No. 62 of December 22, 2011).

2012 NIAEP entered the unified hierarchical investment management structure of State Corporation ROSATOM in the capacity of Financial Responsibility Center-2 "Foreign Construction". In 2012 the project approach was introduced to investment projects management (introduction of the Company's Standard on Investment Activity Management No. 35.02-12).

### Execution of Investment Projects in 2012

The investment projects are financed from the NIAEP equity capital (amortization and profit). In addition, leasing tools are used.

In 2012 within the NIAEP Investment Program the Company's investment projects were reviewed and rescheduled up to 2017 (see Table 7.6).

### Table 7.6. Investment Projects Executed by NIAEP



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Investment Project	Investment within the Project (excl. of VAT), Million Rubles		
	2009–2011	2012	Total (2009–2017)
Motorization of construction sites for performance of construction and mounting operations	684	185	4,565
Equipment for design and exploration work	72	5	210
IT-projects	718	463	4,681
Infrastructure development	378	67	908
Total:	1,851	720	10,364

## Motorization of Construction Sites for Performance of Construction and Mounting Operations

Within this project NIAEP shall be provided with the necessary mechanisms of high lifting capacity, equipment and rigging for performance of construction and mounting operations during construction of generating units. It is planned to purchase construction machines, sometimes unique ones, for performance of general contractor functions, including provision of subcontracting organizations with expensive machines on a rental basis. Execution of the project excludes the risk of violation of the construction deadlines set by the customer, as it permits to conclude contracts with highly qualified subcontractors, whether they possess expensive construction machines or not.

## Purchase of Equipment and Machines for Design and Exploration Work

Within the frames of this project it is planned to purchase special equipment and machines for performance of field surveys. The main scope of exploration work is carried out within the first two or three years from the moment of decision making on location of NPP construction site (substantiation of site location safety and parameters for making project decisions on NPP structures and equipment, creation of monitoring networks for control over environmental parameters significant for NPP safety). Further work is carried out within monitoring of facilities construction and operation. The project provides for procurement of geodesic equipment, drilling equipment, and measuring devices.



## IT Projects

Within the frames of this direction it is planned to purchase modern software for development of key competences in the field of designing and engineering, to provide NIAEP employees with modern computers and office machines, develop communication means, including construction of telecommunication infrastructure of NIAEP branches for implementation of field engineering functions.

## Infrastructure Development

Execution of the project provides for performance of a number of activities aimed at reconstruction of buildings and structures, improvement of labor conditions, purchase of motor vehicles for uninterrupted day-to-day operation, and development of infrastructure on construction sites.

## 2013 Arrangements

In 2013 it is planned to actively purchase modern equipment and machines on the basis of leasing procedures. Application of leasing shall intensify re-equipment of key assets and is aimed at keeping of leading positions on the market of engineering services.

In 2013 NIAEP investment management will be performed in strict compliance with the Standard of the Company.

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<sup>16</sup> Information in Chapter 7.2. Production Capital is given with regard to JSC NIAEP.



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*engineering*