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Kudankulam NPP (India), 2010.

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1. GENERAL INFORMATION

1.1. Liability Restriction

The present Annual Report (hereinafter referred to as «the Report») has been prepared using the information available for Joint Stock Company Atomstroyexport (hereinafter referred to as «the Company» or «JSC Atomstroyexport») as of the date of its preliminary approval by the resolution of the Board of Directors of JSC Atomstroyexport

dt. _____, _____, 2011

The Minutes of the Meeting of the Board of Directors of JSC Atomstroyexport No. _____

dt. _____, _____, 2011

The Report includes complex results of the Company activity during Year 2010. The positive dynamic of the Company development as compared to the previous reporting period has been shown. The information about the plans of the Company for 2011 is presented, as well as intermediate and long-term perspectives, which are of anticipated nature, are specified. Due to its specific character, the forecasting statements are connected with the risk and uncertainty, both of general and private character. For this reason the actual data can differ from the forecasting statements made for 2010.

The activity of the Company is given within the context of relationship with State Corporation «Rosatom» concerning the achievement of goals and aims by the Company.

The priority subjects of the Report are the results of implementation of the current projects for NPP construction («Bushehr» NPP in the Republic of Iran and «Kudankulam» NPP in India); conclusion of strategic

agreements; extension of the order portfolio; BOO model (Build – Own – Operate) in Turkey as a competitive advantage of the Russian atomic industry; the Company activity in the sphere of SF and RAW management; safety of Russian designs; information risk leveling.

The deadlines of the Report are determined by the countries, where the Company has carried out its activity, subdivisions, projects, sphere of the Company activity, subsidiaries, joint stock companies and by suppliers.

The financial data given in the Report is based on the data of the Company accounting balance sheet formed in compliance with the requirements of the Russian legislation, and does not contain any information on consolidated financial statements.

The target group is the management of the majority share holder of the Company – State Corporation «Rosatom», Company Board of Directors, Company management, management of the minority share holder - JSC «OMZ», management of the banks – partners in NPP «Akkuyu» (Turkey) project (the bank community in the framework of the corresponding project of the Company can get the presentation version of the Annual Report for familiarization).

The present Report has been prepared in accordance with the Policy of State Atomic Energy Corporation «Rosatom» in the field of public accounting.

The policy considers the Russian and international requirements to accounting: Guidelines for reporting in the field of sustainable development of Global Reporting Initiative (GRI, version G3), series of standards AA1000, Institute of Social and Ethical Accountability and Recommendations of RUIE (for using in the management practice and in the corporate non-financial accounting).

The annual reporting cycle in the field of public reporting is fixed by the policy of State Atomic Energy Corporation «Rosatom».



The determination of subject priorities in the framework of the Report and identification of the concerned parties, to be considered as potential users of the Report, had been revealed at the stage of development and approval of the Report concept in the public reporting board of State Corporation «Rosatom» and by the Company President.

The Company Report for Year 2009 was not published. Upon agreement with State Corporation «Rosatom» it is not planned to arrange public hearings of the Company Annual Report as of Year 2010, its public disclosure is not planned either. Due to this reason the independent audit of the Company Report has not been carried out.

For providing reliability of application of GRI indices the Company service of internal control and audit was involved. The relevance of the subject priority in the Report and sufficiency of the information disclosure were determined in the process of carrying out of internal dialogues in the Company without involvement of external persons.

The subject of the 1-rst dialogue: «New business model BOO in Turkey as a competitive advantage of the Russian atomic industry».

The subject of the 2-nd dialogue: «Extension of JSC Atomstroyexport order portfolio in 2010 and for the short-term prospect». The comments and wishes of the dialogue participants have been taken into consideration.

In the Report of the Company as of 2010 there are considerable changes regarding the previous report. The information on the Company activity concerning cooperation with contractors in the safety field has been presented more completely, including sections of nuclear and radiation safety.

There is complete information specifying systemic approach to risk management, risk map, description of risks and activities on their management. Special attention has been paid to disclosure of the information

on ecological and social risks management. The geographic information demonstrating risks significance and dynamic of changes in their assessment as compared to the previous reporting period was used. The assessment methods have been modified: the dynamic of the Company development is given using a great number of GRI indices.

The Table of application of standard reporting elements and GRI (G3) performance parameters is given in it. 5.3 of the Appendix.

The indicators of the public reporting accepted in the international community do not allow to present the specific character of the Company activity adequately, for the above reason the indicator system for the nuclear sector companies developed by State Corporation «Rosatom» has been used. The list of indicators used in the present Report is given in it. 5.3. of the Appendix.

The present Report is not a public JSC Atomstroyexport annual report and creates the foundation for practice of the Company public accounting in future.



1.2. Address Of The Chairman Of The Board Of Directors

Dear colleagues! !

The results of business and economic activity of JSC Atomstroyexport in 2010 testify implementation of the strategic tasks set for the Company in the reporting period.

Certificates concerning the final acceptance of reference Units 1, 2 in Tianwan NPP by the Customer have been signed. The first operating nuclear power plant in the world with safety systems of new generation has not only become a symbol of the successful Russian-Chinese cooperation in the sphere of atomic energy, but is an example of the highest nuclear safety standard in the whole world.

Further development of relationship with the most important partners – China and India – has been one of the main achievements of the Company



in the reporting period. The General Contract for construction of the 2-nd stage of Tianwan NPS, as well as the contract for implementation of priority design works for construction of Units 3&4 in «Kudankulam» NPP in India have been signed.

«The road map» for development of the cooperation between Russia and India in the field of nuclear energy assumes construction of 16 NPP power units in this country.

I would like to emphasize that despite the tragic events in Japan a certain interest in atomic energy in the world is kept, and the world market of NPP construction has an actual growth potential.

In 2010 the Company has not only extended its order portfolio, but actively developed its engineering competences.

The contract with Turkey under BOO model («Build – Own – Operate») has become a unique solution for the world atomic energy.

The design company, JSC Atomstroyexport is among its shareholders, will not only construct the NPP in Turkey in compliance with the Russian technology, but will own this plant, operate it, sell the energy generated by it during 60 years.

That considerably expands the prospects for economic cooperation between Russian and Turkey.

In the reporting period the project for construction of the first nuclear power plant in Vietnam - NPP «Nintkhuan-1» was commenced.

The first NPP to be constructed under the Russian technologies in the Socialist Republic of Vietnam will be also the first Russian nuclear power plant in the South-East Asia countries.

Year 2010 has been significant also from the point of view of the Company promotion to the European market and to the market of CIS countries. The basic provisions of the Contract Agreement on construction of the first NPP in the Republic of Belarus under project NPP-2006 have been agreed.

Intergovernmental agreements on cooperation in construction of new power units in Armenia and Ukraine have been signed, the Intergovernmental Agreement with the Republic of Kazakhstan on cooperation in arrangement of joint works for designing and preparation of the nuclear power plant construction with RF VBER-300 in the Mangistauskiy region of the Republic of Kazakhstan has been initiated.

The analysis of the international market of services in the sphere of atomic energy has shown that the Russian technologies proposed by JSC Atomstroyexport to its international partners are in demand.

The effective support of the Company projects by the Government of the Russian Federation ensures its further sustained development.

**Chairman of the Board of Directors
of JSC Atomstroyexport
Alexander Markovich Lokshin**



1.3. Address Of The Company President

***Dear shareholders,
colleagues and partners!***

Summarizing the results of the Company activity in Year 2010, first of all, I would like to emphasize that JSC Atomstroyexport has not only maintained its status in the world nuclear energy market, but essentially strengthened it.

The facilities comprising more than two thirds of JSC Atomstroyexport business activity from the moment of its establishment are at the finalization stage. At the same time the reporting period has become the year of starting implementation of new strategic plans aimed at increasing of the Company order portfolio, expansion of engineering competences and sphere of activity.

The Company has fulfilled in full scope and qualitatively all the set tasks for construction of the first



stage of Tianwan NPS, in this regard in April, 2010 the minutes of final acceptance of Tianwan NPS Units 1&2 were signed with the Chinese customer. The construction of Tianwan NPS has allowed domestic specialists to maintain and multiply the available potential, successfully implement also other projects significant for the Russian atomic energy industry.

The commencement of implementation of the first stage of the physical start-up of «Bushehr» NPP power unit and successful carrying out of hydraulic tests of the primary and secondary circuits and containment in the first «Kudankulam» NPP unit are serious achievements in the Company activity in the reporting year.

It should be noted that in the conditions of complex domestic situation in Bulgaria the Company has properly fulfilled its obligations for NPP «Belene» construction. In 2010 the Memorandum of principles for establishment of Belene Energy Company has been signed. The contracts for delivery of the equipment have been concluded with the Bulgarian enterprises.

In 2010 a number of agreements were also achieved providing further sustained development to JSC Atomstroyexport. The Intergovernmental agreement on cooperation in the field of peaceful use of atomic energy and «the Road Map» of serial Russian-designed nuclear power plant construction have been signed between Russia and India in the Republic of India. The Memorandum of Understanding for extension of cooperation in the process of construction of new power units on «Kudankulam» NPP site was signed, and the contract for implementation of priority design works for Units 3&4 «Kudankulam» NPP construction was concluded.

The General Contract for construction of the second stage of Tianwan NPP according to the design

similar to the first stage one has been signed, and Memorandum of cooperation in Sanmen NPS construction as a part of two power units with the demonstration reactor of BN-800 type, which is an actual step to serial production of fast reactors and arrangement of the required industrial infrastructure.

The promising result of the Company management activity is establishment of Design Company «Joint Stock Company for NPP «Akkuyu» Energy Generation», in the framework of the Intergovernmental Agreement on construction of the first NPP in Turkey, among Russian shareholders of which is JSC Atomstroyexport. For the first time in the world practice of atomic energy facilities construction BOO (Build – Own – Operate) business mechanism will be applied. In the long term in the process of extension and deepening of cooperation the Company allows the possibility for involvement of Turkish partners for implementation of its projects in the third countries.

A new JSC Atomstroyexport office has been opened in Hanoi city, and the project for NPP «Nintkhuan-1» construction – the first nuclear power plant not only in Vietnam, but in the whole ASEAN countries region, was commenced. That means that the Company representative office in Hanoi in the course of time will become a launching ground for promotion of the Company to the markets of South-East Asia countries.

In 2010 the Agreement on cooperation in construction of power Units 3&4 in Khmel'nitskaya NPP between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine has been signed.

The Draft of the Intergovernmental Agreement on cooperation in arrangement of joint works on designing of the nuclear power plant with reactor facilities of VBER-300 type with the purpose of its further con-

struction has been initialed between Russia and Kazakhstan. The Agreement on cooperation in construction of new power units in the nuclear power plant in the territory of the Republic of Armenia between the Government of the Russian Federation and the Government of the Republic of Armenia has been signed. Basic provisions of the Intergovernmental Agreement on cooperation in construction of 2 power units of «Ruppur» NPP between Russia and Bangladesh have been agreed. Basic provisions of the Contract Agreement on construction of the nuclear power plant in the territory of the Republic Belarus have been agreed.

Along with conclusion of the contracts for NPP construction under the Intergovernmental Agreements, in the reporting period the Company has carried on its activity in the open competitive environment of the world atomic energy market. In 2010 the International consortium consisting of SKODA JS a.s., JSC Atomstroyexport and JSC «OKB GIDROPRESS» has handed over to Czech customer ČEZ a.s pre-tender materials for construction of 3&4 power units in NPP «Temelin». In the nearest plans of the Company is participation in tenders for NPP construction in Jordan, Egypt, Hungary, as well as in the tender for extension of NPP «Bohunice» in Slovakia.

In 2010 the Company has concentrated its efforts on expansion of the sale market of goods, works, services and on business diversification. Implementation of new projects for construction of thermal power engineering facilities has started, as well as of the projects in the field of RAW and SP management both abroad, and in the territory of Russia.

In the framework of the state support of JSC Atomstroyexport, as well as for increasing of the Com-

pany equity capital, in 2010 an additional issue of JSC Atomstroyexport shares for the amount of 13 bln. Roubles has been registered.

In the reporting period the Company management has paid great attention to further increasing of optimization efficiency of manufacturing and administration costs, to forming a transparent and effective system for purchase of goods, works and services of the third parties by the company and forming a balanced social policy.

In 2010 JSC Atomstroyexport has acquired a territorial integration in its own building at the address: Bldg. 1, 2, Dmitrovskoye Shosse, Moscow. The work in the united team, possibility of establishment of not only work, but also warm friendly relations between the employees of JSC Atomstroyexport – all these factors is an integral condition for solving the matters set for the Company. When assessing the results of the Company performance activity in the reporting period positively, management and level of efficiency and specialists' professionalism, I would like to express my sincere gratitude to all the employees of the Company for the performed work.

I am sure that the accumulated unique experience, rich labour traditions, high professionalism of JSC Atomstroyexport employees will allow to provide considerable competitive advantages of the Russian atomic energy technologies in the world market in future.

**President of
JSC Atomstroyexport
Alexander Anatolievich Glukhov**



1.4. General Information About The Company

JSC Atomstroyexport is a key engineering company of State Corporation «Rosatom» in construction of atomic energy facilities abroad. The Company rests upon a semicentennial experience of development of the Russian technologies in the sphere of nuclear energy industry, state-of-the-art management and innovations that gives an opportunity to the Company to implement equally large-scale and unique projects charged to it within the framework of implementation of the bilateral intergovernmental agreements, as well as a result of gaining the leading status in the opened international tenders.

JSC Atomstroyexport Is The Only Enterprise In The World Nuclear Energy Branch:

- *Possessing reference NPP units of new generation (Tianwan NPS in China);*
- *using BOO business model (Build – Own – Operate) in the projects for construction of nuclear energy facilities (the project for construction of NPP «Akkuyu» in Turkey).*

JSC Atomstroyexport offers the NPP designs for construction abroad, which have been developed within the framework of state program «Environmentally safe energy», corresponds to updated Russian and international norms, IAEA regulations and recommendations. Under project NPP-92 a certificate of the Union of European operating organizations (EUR) has been obtained.

Full name of the organization:

Joint Stock Company Atomstroyexport

Abbreviated name of the organization:

JSC Atomstroyexport or JSC ASE

Place of location: **Russian Federation**

Address: **bldg. 1, 2, Dmitrovskoye shosse,
127434, Moscow City**

Telephone: **+7(495)7379037**

Site address: **www.atomstroyexport.ru**

E-mail: **post@atomstroyexport.ru**

press@atomstroyexport.ru

JSC Atomstroyexport was established in March, 1998. (Certificate No. 872.219 dt. 25.03.1998).

JSC Atomstroyexport Auditor

Joint Stock Company

«Independent Consulting Group «2K Audit-Business Consulting /Morison International»

Address: **bldg. 2, 68/70, Butyrskiy Val Str.,
127055 Moscow City, Russia**

PSRN: **1027700031028**

Telephones: **+ 7 (495) 626-30-40,
+ 7 (495) 721-14-57, + 7 (495) 777-08-95,
+7 (495) 777-08-94**

E-mail: **info@2kaudit.ru**

Address of the corporate site in Internet:
www.2kaudit.ru

JSC Atomstroyexport Registrar

Joint Stock Company

«Registrar Company «STATUS»

*bldg. 1, 32, Novorogozhskaya Str.,
109544 Moscow, Russia*

Phone: **+7(495) 974-84-45, 974-83-50**


Fax: **+7(495) 678-71-10**

E-mail: **office@rostatus.ru**

Affiliates And Representative Offices Of The Company

JSC Atomstroyexport

Representative Offices

 **China**
(Beijing/Lianyungang)

 **India**
(Mumbai)

 **Iran**
(Tehran)

 **Bulgaria**
(Sofia)

 **Hungary**
(Budapest)

 **Slovakia**
(Bratislava)

 **Ukraine**
(Slavutich)

 **Czechia**
(Prague)

 **Vietnam**
(Hanoi)

Affiliates

 **North-west affiliate**
(St. Petersburg)

 **Affiliate in Belene**
(Bulgaria)

In the reporting period (30.10.2010, in the period of holding the summit meeting Russia – ASEAN) the JSC Atomstroyexport Representative Office in Hanoi, Socialist Republic of Vietnam, was opened.

Main Types And Directions Of The Activity

According to the provisions of the JSC Atomstroyexport Articles of Association the main types of the Company activity are the following:

- signing and implementation of contracts and agreements in order to implement intergovernmental agreements and investment projects for construction of nuclear energy and industry facilities abroad;
- reconstruction and development of nuclear energy facilities to be constructed abroad and providing conditions for their efficient operation;
- construction and reconstruction of the facilities in the Russian Federation involving foreign companies and organizations;
- carrying out export –import transactions.

The priority direction of the Company activity is NPP construction with WWER-1000 and WWER-1200 light-water power reactors.

Associated Directions Of JSC Atomstroyexport Activity:

- construction of nuclear thermal power plants and heating plants;
- reconstruction and modernization of operating NNPs, decommissioning of power units with expired service life;
- nuclear fuel delivery for NNPs;
- establishment of Centres and laboratories for nuclear research on the basis of different types of reactors;
- preparation and training of specialist in the field of NPP construction and operation;
- construction of thermal power facilities.



1.5 Mission, Values, Strategy

As the Company is a leading Russian engineering Company implementing intergovernmental and commercial agreements on construction of nuclear energy facilities abroad, the Mission, Values and Strategic goals of the Company can be stated as follows:

Company Mission

- To provide strategic competitiveness of the Russian atomic branch in the international market of NPP construction;
- To provide reliability, quality and safety of the atomic energy industry, compliance with the highest international requirements and standards of nuclear, radiation and ecological safety;
- To provide access to the atomic energy industry for all the concerned parties for the efficient development of the economy and life quality improvement on condition of observance of environment preservation.

Values

NPPs construction abroad is the business focused on the client. Taking a decision for NPP construction, the customer-client, therefore, takes a decision on choosing the atomic generation technology for many decades ahead, sometimes determining the course for further development of the national energy system in general. Thus, the only principle of work with the customer in JSC Atomstroyexport is great respect to the client needs, interface according to the individual scheme

and maximum constructive dialogue concerning all the matters of cooperation.

Strategy

- Global expansion of the WWER technology platform and providing of the efficient construction of new atomic energy and industry facilities abroad;
- Submission of the complex offer to the client concerning the support of atomic energy facilities during the whole life cycle: from «turn-key» construction to decommissioning;
- Providing closure of the nuclear fuel cycle on the basis of fast reactors;
- Efficient construction of thermal power facilities.
- Establishment of strategic alliances with participants of the world market of energy technologies for increasing competitiveness of the offer and for providing an efficient implementation of the Company projects;
- Providing nuclear and radiation safety of atomic energy facilities, personnel, population and environment;
- Providing public and ecological suitability of the atomic energy industry development.

Principles and mechanisms for development of main directions for achievement of strategic goals

- Extension of the Company order portfolio abroad, in the first instance, in the segment of new NPP power units construction and increasing efficiency in operation of the existing atomic energy facilities;
- Export financing;
- Using BOO mechanism;
- Development of international cooperation in various forms, which includes provision of the

International Participation in the NPP construction project



sufficient localization level. Elaboration of the global industrial base providing deliveries of the goods, works and services for NPPs construction in foreign markets;

- Development of RAW and SF management technologies;
- Implementation of the policy of constructive information coordination with the concerned parties.

Extension Of The Company Order Portfolio

In the long-term forecasting up to 2025 the Company is planning construction of 37 new atomic power units in 16 countries of the world: India, China, Turkey, Armenia, Jordan, Ukraine, Czechia, Byelorussia, Kazakhstan, Vietnam, Slovakia, Hungary, Bangladesh.

The governments of the above countries made statements on continuation of implementation of na-

tional atomic energy development programs and on support of the projects for new NPPs construction.

The Company is also planning to extend the order portfolio for the following types of works and services aimed at providing nuclear safety to NPPs and at modernization of the operating power units with the purpose to bring them into compliance with the updated international atomic energy requirements:

- rendering engineering and consulting services;
- taking part in fulfillment of works on modernization of WWER-440 and WWER-1000 power units taking into account the experience in operation of similar facilities in Russia;
- executing deliveries of removable equipment and spare parts for NPPs;
- extension of service life and increasing capacity of the operating power units.



Export Financing

The necessity in the state financial support of NPPs construction abroad is caused by the following factors:

- Lack of funds for NPP construction and development of atomic energy infrastructure with the vast majority of potential customers. This is, to the full extent, referred to the Russian traditional and perspective markets (Bulgaria, Armenia, Turkey, Vietnam, developing countries);
- Currently there is the transfer from the state contracting and financing (within the framework of intergovernmental agreements) to the combined state-commercial cooperation in the sphere of financing of the Russian projects for NPP construction abroad;
- The package bid evaluated as a single package taking into account technical-and-economic and commercial criteria, including the conditions for the customer crediting, is the product competitive in the tender. The selection of the supplier shall be determined by the possibility to gain financial support for construction of atomic power units and/or (for developing countries) development of infrastructure elements;
- Investors and banks often are not ready to assume project financing risks.

In accordance with the proposals of State Corporation «Rosatom» sent to the address of the RF Government, financing of new projects for NPP construction abroad will be provided also out of the proceeds of state financial and state export credits to be granted to foreign states from the budget of the Russian Federation (the NPP in the territory of the Republic of Belarus, Units 3-6 NPP «Kudankulam» in the territory of the Republic of India, Units 3, 4 Khmelnitskaya NPP in the territory of Ukraine), as well as by increasing the Company

authorized capital stock for acquisition of shares in authorized capital stocks of foreign companies: Units 1, 2 NPP «Belene» in the territory of the Republic of Bulgaria, Units 1-4 NPP «Akkuyu» in the territory of the Turkish Republic.

Application Of BOO Mechanism

The development of BOO (Build – Own – Operate) agreement mechanisms in the world market of NPP construction is connected with the fact that the countries - «newcomers» in the atomic energy industry, as a rule, do not possess the required competences for providing the entire NPP life cycle, as well as the required volume of investment funds.

The participation of the Company in the development of the atomic electric power industry of the country in this NPP construction format will allow to strengthen the status of the Russian atomic branch in the world market of NPP construction, including the countries that have just started to develop their atomic energy industry.

Development Of International Cooperation

The development of partnership relations with the companies dominating in their process segments is one of the main strategic directions of the Company development.

The concept for implementation of a certain project is individual in each specific case.

Within the framework of international contracts the Company is working in close cooperation with the design, scientific, industrial and construction organizations of the customer countries involving them in the deliveries of the equipment and materials, rendering services within the framework of the projects and to implementation of works in the facilities.

Designing of the participating country

Russia France Germany Bulgaria

Designing	Russia	France	Germany	Bulgaria
General designer				
RF and Turbine hall				
NO and S I&C				
Electric systems				
Substation 110/ 400 kV				
SFSF, TSC, RAW management				
TC Construction part of auxiliary buildings within the employer's liability				

Development Of RAW And Sf Management Technologies

In the process of nuclear power plant operation spent fuel (SF) and radioactive waste (RAW) are generated. Currently all the NPP construction projects stipulate construction of the corresponding facilities for treatment and storage of this waste, which allows to provide ecological and nuclear safety in the work of the facility.

Therefore, one of the most important strategic directions of the Company development is further growth of its engineering competences for successful implementation of contracts in the field of RAW and SF management.

A specialized structural subdivision of the Company united professional technologists and designers implementing design tasks on construction of facilities for liquid and solid radiation waste management within

the framework of the contract obligations of JSC Atomstroyexport on NPP «Kudankulam» and NPP «Bushehr» construction.

The Company competences are used and will be used for complete fulfillment of other contracts within the framework of NPP construction.

The specialists of the structural subdivision will take an active part in implementation of the Company projects under the contracts and agreements with Russian and foreign customers in part of rendering engineering services for development of the infrastructure for SF and RAW management, as well as for decommissioning of radiation-hazardous facilities, including ones in implementation of the activities within the frame of Federal purpose-oriented program «Provision of nuclear and radiation safety for 2008 and for the period of up to 2015». 100% of NUKEM Technologies GmbH shares are owned by the Company.

The mentioned Company assets are used for gener-



ation and implementation of complex solutions in the process of development of the SF and RAW management infrastructure in the framework of construction and operation of NPP and NFC power units – nuclear fuel cycle facilities.

In the reporting period the Company has implemented independent contracts in the field of SF and RAW management in the Russian Federation, Republic of Bulgaria and in Ukraine. Besides, the Company is participating in several tenders for carrying out works in this sphere.

Consolidating design resources the Company is getting an opportunity to create and license its own technologies.

To possess them means to dispose additional assets increasing competitiveness of the Company in the world market.

Implementation Of The Policy Of Constructive Communication With Concerned Parties

The strategy of the Company activity in the information area is based on the necessity to bring arguments

in favour of nuclear, radiation and ecological safety of the atomic energy industry.

Perspectives of nuclear energy export, problems of NPP no-failure operation and of other nuclear fuel cycle enterprises, ecologically safe condition of the regions adjacent to nuclear power plants have a paramount importance for the people's life and directly depend on the support of the concerned parties.

In this connection the information activity is the most important for the Company.

The basic principles of this work are openness, transparency and reliability of the information to be presented to the professional community and wide public.



Bushehr NPP (Iran), 2010.

1.6. History

JSC Atomstroyexport was established in 1998.

The founders of the company were:

- All Russian Production Association Zarubezhatomenergostroy State Enterprise (VPO Zarubezhatomenergostroy) registered in the Moscow Registration Chamber on February 3, 1992, registration No. 007.722., location address: bld. 4, 5 Potapovsky per., Moscow 101990, Russia;
- Foreign Economic Association Atomenergoexport Joint Stock Company (Atomenergoexport JSC) registered by the Moscow Registration Chamber on June 7, 1994, registration No. 020.779, location address: bld.3, 35 Malaya Ordynka, Moscow 115184, Russia.

By 1998 VPO Zarubezhatomenergostroy and JSC Atomenergoexport have been working for 25 years and

have accumulated great experience of international co-operation.

In 1970-1980 their main activity became implementation of intergovernmental agreements on rendering technical assistance to Eastern Europe countries and other states in the development of nuclear power engineering. About thirty nuclear power units and ten nuclear research centers were built.

The main goal for JSC Atomstroyexport establishment was to consolidate the available technologies and accumulated experience, material and human resources of its founders in the field of construction of nuclear power plants abroad.

VPO Zarubezhatomenergostroy and JSC Atomenergoexport assigned JSC Atomstroyexport to implement a set of its contracts for construction of NPPs in China, India and Iran, concluded with the aim of implementation of intergovernmental agreements, made during USSR period, as well as to implement intergovernmental agreements of the Russian Federation.

Having become the leading company presenting the Russia on the global NPP construction market JSC Atomstroyexport started to build up its activity in new



Loviisa NPP (Finland), 70-s of the XX-th century



conditions. Transfer to market relations required the maximum result-oriented commitments – it was necessary to prove the competitiveness of the Russian nuclear technologies and provide their extensive promotion abroad.

The company was expected to fulfill the contract for Tianwan NPP first stage construction, the construction works of which were started in 1997, to implement on a key-turn basis the project of Bushehr NPP completion, to render technical assistance to India in construction of two power units at Kudankulam NPP.

Simultaneous implementation of three contracts concluded in compliance with the intergovernmental agreements signed in soviet times was accompanied with a number of difficulties, which were consistently and persistently being overcome.

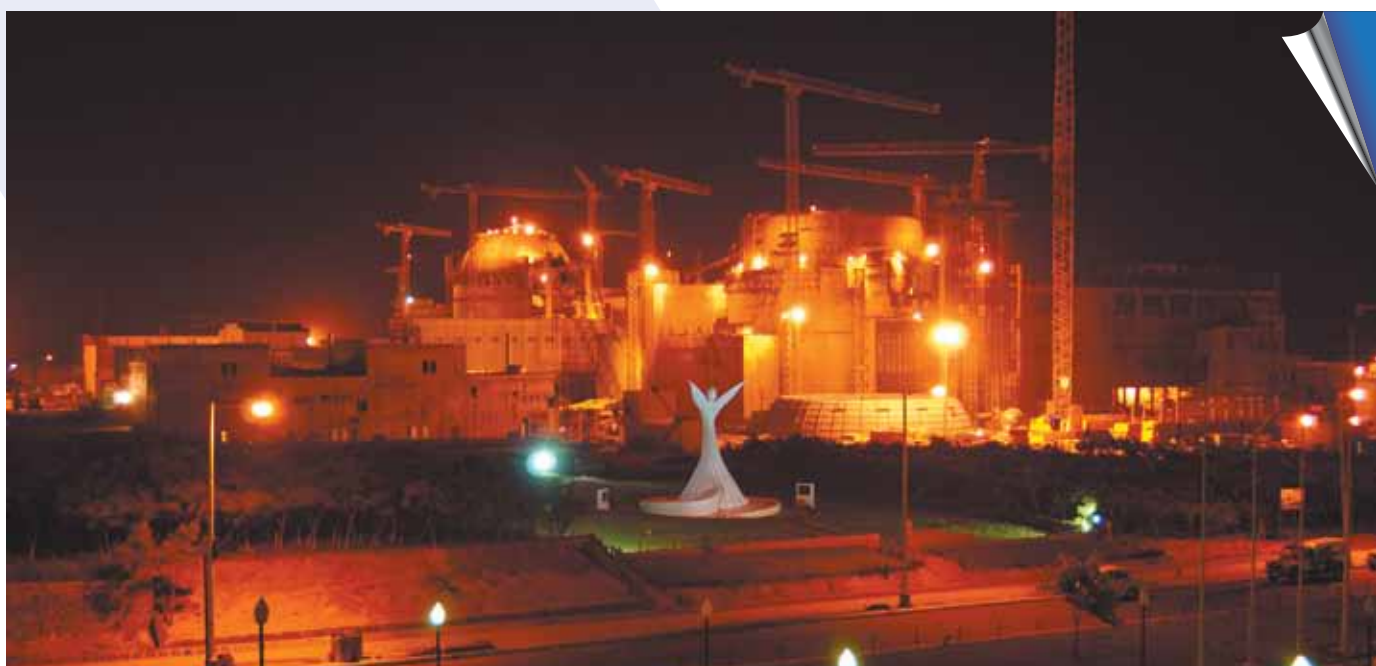
The start of their implementation coincided with a slack period of nuclear power engineering but eventually these foreign projects supported the Russian nuclear industry enterprises, contributed to keeping and increase of existing potential, getting ready to perform a large-scale program on the development of the Russian nuclear industry. In autumn of 2006 Atomstroyexport

JSC won a tender for Belene NPP construction. On the 18th of January in 2008 a Contract agreement for Belene NPP construction between the Company and the National Electric Company of the Republic of Bulgaria was signed.

In 2007 units 1&2 of Tianwan NPP were put in commission. In 2009 their two-year guarantee period came to an end and in April of 2010 JSC Atomstroyexport and JNPC signed the final acceptance of the first phase of Tianwan NPP.

Currently JSC Atomstroyexport implements the construction contracts within the frames of Kudankulam NPP in India, Bushehr NPP in Iran, Belene NPP in Bulgaria, Mohovze NPP in Slovakia. The Company makes arrangements for construction of Tianwan NPP units 3&4 in China. The project portfolio of JSC Atomstroyexport in the short and medium term also includes the construction of Ninhuan-1 NPP in Vietnam, Akkuyu NPP in Turkey, Metsamor NPP in Armenia and others.

JSC Atomstroyexport was acknowledged to be the best Russian EPCM-company on the foreign markets and awarded the National prize in the field of engineering and project management EPCM Awards.



Kudankulam NPP (India), 2007.

1.7. Geographic Prescriptive

During the reporting period the Company, as the general contractor, implemented the contracts for nuclear power units construction in Iran and Bulgaria, as a contractor it took part in construction of nuclear

power units in India, Slovakia and Russia. The Company performed self-sustained contracts in the field of RAW and SNF management in Ukraine, Russia, Bulgaria and Slovakia. It rendered assistance at the commissioning stage of nuclear power units in Hungary, Slovakia, Bulgaria, Check Republic.

The Company carried out power and industrial construction in Russia.

JSC Atomstroyexport in world market



1.8. Main performance rating

Within the main business activities in 2010 JSC Atomstroyexport continues the active work on nuclear technologies promotion on the global market. The contract obligations regarding the supply of equipment and working documentation for Kudankulam NPP in India were fulfilled, Bushehr NPP in Iran was put in commission.

Concluding intergovernmental agreements in the field of nuclear technologies between Russia and Ukraine, Byelorussia, Armenia, Turkey, Vietnam and other countries, signing by the Company of contract documents on extension of existing and construction of new NPPs ensured in 2010 a significant increase of JSC Atomstroyexport business portfolio and provided the basis for positive dynamic of the Company development. Within the frames of Integrated management



system implementation JSC Atomstroyexport demonstrated a consistent work on cost saving, innovation development and efficiency increase of NPPs construction abroad, their modernization and decommissioning.

Average staffing number of the Company increased from 1 487 people in 2009 to 1 644 people in 2010. Average salary of the Company's staff continued to grow the amount of which accounted to 73 thousand rubles at an average.

Main Production Achievements In 2010

Tianwan NPP (China)

Final acceptance acts of Tianwan NPP units 1&2 are signed. Following the results of 2010 Tianwan NPP (PRC) generated 15,7 bln. KW/h of electricity, which exceeded the planned energy output by 4,66% and power production of 2009 by 11%.

At Tianwan NPP a record was made among operating nuclear plants on duration of non-stop operation within the first fuel cycle.

Bushehr NPP (Iran)

Hydraulic testing of secondary coolant circuit equipment and testing of plant sealed enclosure system are completed.

Hot operational testing of nuclear steam generating plant is fulfilled. The NPP commissioning license is obtained. Nuclear fuel loading into the reactor core is completed.

Kudankulam NPP (India)

The loading of simulation reactor core into the reactor of unit 1 is performed. Hydraulic testing for the primary and secondary circuits strength of power unit 1 are successfully carried out.

Project «Construction of cementation facility for liquid and heterogeneous medium- active waste» for FSUE «PA «Mayak» (Russia)

The works on RAW storage facilities foundation slabs casting are performed, currently the works on construction of RAW management facility are coming to an end.



Tianwan NPP (China), 2010.



Bushehr NPP (Iran), 2010.

2. MAIN ACTIVITY

- 2.1. Status Of The Company In The Branch
- 2.2. Competitive Market And Financial Engineering Development
- 2.3. Events, Annual Results And Plans For Current Projects
- 2.4. Search Of New Presence Regions And Extension Of The Order Portfolio
- 2.5. Risk Management
- 2.6. Policy Regarding Presence Regions
- 2.7. Activity In The Innovation Field
- 2.8. Activity Of The Company In The Field Of Nuclear And Radiation Safety
- 2.9. Activity Of The Company In The Sphere Of Sf And Raw Management





2. MAIN ACTIVITY

2.1. Status Of The Company In The Branch

Overview Of The World Nuclear Market

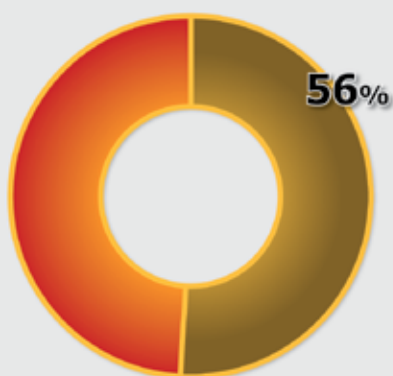
Share of nuclear power engineering in the world's power balance constitutes about 14%. Besides the market of power-intensive developing economies, there exists a wide world's market of the retired capacitance replacement. The greatest part of the existing power units (about 70%) has been in operation from 15 to 30 years, 20% units – for more than 30 years. Considering the average service life of a power unit of

50 years (extended resource – 40 years in case of reactors of the 1st and 2nd generation, 60 years – in case of reactors of the 3rd generation), retirement of the main NPP's generating capacitance is planned for the period 2030-2050.

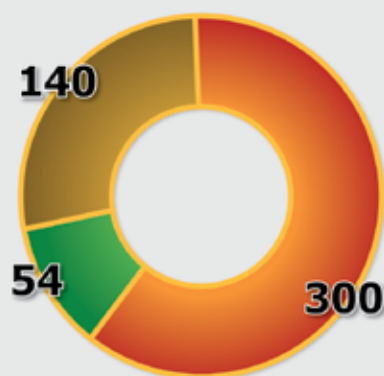
A period of the new nuclear power unit construction is of 4-5 years. In order to have ensured by the year 2030 the simple reproduction of the retired capacitance of the nuclear power production, the scope of the commissioned new power units shall be not less than 20 per year by the years 2020-2025 (the development of the nuclear power engineering in developing countries is not considered in this calculation). The degree of market saturation is still high. Together with that, many countries still seek to diversify their power sources and expand the share of nuclear power engineering market in the power balance of the country, which will expand the existing markets and create new ones.

NPP in the world:

Age structure and new horizons



56% % reactors
older than 25 years



54 units are under construction
140 units are ordered
300 units are offered

The market of nuclear reactor industry has zonal segmentation. Seven segments can be marked out: North American, Western-European, Eastern-European, Asian, African, Latin American, and Middle Eastern.

Western-European and North American markets are the most saturated. In view of major national companies' presence these markets compete rather fiercely. The markets of the Eastern Europe, Asia and the Middle East can be considered the most prospective for the Russian suppliers.

Main Factors, Which Influence The Development Of The Nuclear Reactor Industry Market:

- objective demands in nuclear power industry development in many countries of the world;
- desire of the countries to ensure their own energy security;
- growth of investments in construction of nuclear power facilities;
- need in reduction of the greenhouse gases emission level during power production (environmental safety).

After a man-made disaster in Japan the following factors shall be taken into consideration:

- change in public opinion in respect of NPP's safe operation and of the nuclear power engineering in whole;
- requirement strengthening regarding design parameters of the NPP, as well as seismic resistance, site selection, safety of construction and operation of NNPs;
- growth in demand for the services in upgrading of operating NPP units.

Company Export Program

The main technology, which JSC Atomstroyexport offers at the world's market – are projects of of VVER-

type NPPs of high power capacity (1000&1200 MW.) Moreover JSC Atomstroyexport takes part in preparation of low- and intermediate-power NNP projects.

In general, the Company's export program includes:

- survey works on NPP site selection;
- designing of facilities, engineering services;
- manufacturing and supply of equipment;
- construction, erection and commissioning works, facilities completion;
- warranty operation of the facilities;
- supply of spare parts and maintenance;
- reconstruction and innovation of the completed facilities;
- decommissioning of the facilities;
- training of specialists facilities operation and construction both in Russia and Customer-countries;
- construction of NPPs on a BOO basis (Build – Own – Operate).

Major Competitors

JSC Atomstroyexport conducts its business activities in harsh competitive conditions. The more developed markets are well protected by the set of protection means and by the availability of major national companies, operating in the field of the nuclear power engineering.

At the more developed markets JSC Atomstroyexport competes not only with the traditional rival companies (Westinghouse, General Electric, Areva, AECL), but also with the new companies, entering the world market of nuclear reactor industry, such as Korea Electric Power Corporation (Korea) and China Guangdong Nuclear Power Corporation (China).



Competitive Advantages Of Jsc Atomstroyexport

NPP on a turnkey basis

The Company renders a wide spectrum of services – from the site selection to NPP decommissioning. Such export program allows solving in full all the problems of project realization and, if necessary, solves accompanying tasks including price formation, crediting, supply, integration of the Client's equipment into the new design and further operation of the NPP.

Russian nuclear technologies

All the Company's projects are based on the unique scientific and technological potential of the Russian nuclear power field, which in many aspects is unmatched in the world.

Availability of the operating reference power unit of the new generation

JSC Atomstroyexport – the only in the world engineering company, having a reference unit of the new generation – Tianwan NPP in China

Wide experience in construction of power units with VVER-reactors

JSC Atomstroyexport retains more than 50 years of experience of the Soviet and Russian leading companies of the nuclear field, which took part in construction of 31 NPP power units in 7 countries of the world

Highly professional personnel

More than 1600 specialists with high qualification in technical, economical, legal and financial fields are among the company's employees. Many employees have more than one higher education and have wide experience in the field of nuclear power engineering and foreign-economic affairs.

About 300 leading Russian companies cooperating in the field of nuclear power engineering

The Company involves about 300 Russian companies, consolidating hundreds of thousands experts, and foreign partners in designing, manufacturing of the equipment, construction and operation of the nuclear power facilities abroad. Powerful and well-coordinated pull of partners enables the Company to guarantee timely and complete NPP's main and auxiliary equipment supplies, implemented with the corresponding quality; create up-to-date competitive projects of the NPPs, adapted to the requirements of the Client-country; conduct flexible price-formation policy.

Enhanced Safety, achieved by the joint application of active and passive safety systems

Several independent and different in technology safety systems of the Russian NPPs, based on active and passive principles of protection, allow to avoid drastic consequences even under the conditions of the severe accidents: if one of the systems of the defence in depth fails, the other will be operable. Even in case of full loss of power at the NPP the reactors will be shut down, and the continuous heat removal (up to 72 hours) can be provided. Moreover, Russian NPPs of the new generation are capable of resisting the external explosions and crashes of an aircraft, weighing up to 400 tons, which corresponds to the parameters of Boeing-747.

Complete cycle of the NPP construction – on a turnkey basis

Wide range of services from site selection to decommissioning of the NPP enables the Company to solve in full all the problems within the project implementation and, if necessary, also solve the accompanying tasks, including price formation, crediting, supplies, integration of the Client's equipment into the new project, and further operation of the NPP.

Compliance with the principles of international standards

The Company carries out its economical activity in strict compliance with the principles of international standards ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007.

Compliance of the AES-92 project with the requirements of the European operating organizations (EUR)

The Company uses AES-92 project in construction of Kudankulam NPP in India and Belene NPP in Bulgaria. Upon the analyses, conducted in 2007, experts of the EUR Club acknowledged AES-92 project as being compliant to all the technical requirements of the EUR for the NPPs with light water reactors of the new generation.

Business-model B00 (Building-Ownership-Operation) in the NNP construction abroad

The Company offers to its clients a full package of services, which includes not only up-to-date technologies of the project management, but also modern financing methods. The experience, obtained by Russia during the implementation of the NPP construction in Turkey, can be subsequently used in other projects in the developing countries.

Export Crediting Policy

The company, in cooperation with foreign countries, is assigned to fulfill the task of realization of purpose loans and other financial liabilities of the RF Government in the field of nuclear power engineering.

Competences of the world level in the field of SNF and RW management

Purchase of NUKEM Technologies GmbH, main competence of which is SNF and RW management. Such competences are either not available in Russia, or they are segmented between separate companies.



Major Partners

Development of engineering unit and clear cooperation with Russian and foreign partners strengthen company's position at the world's market.

Among the main Russian partners are JSC Atomenergoproekt of Moscow and Saint Petersburg, OKB Hidropress JSC, RRC Kurchatovsky Institute, Power Machines

JSC and OMZ Group JSC and other leading companies of the Russian nuclear field.

The Company cooperates extensively both with engineering and industrial companies of the Client countries and companies of the third countries, involving them in the supply of equipment and materials, as well as implementation of works at the facilities.



Kudankulam NPP (India), 2010.



Tianwan NPP (China), 2010.

2.2. Competitive Market And Financial Engineering Development

Changes In The NNP Construction Market

For the last ten years organizational-financial models of implementation of large-scale projects for infrastructure and energy development (including NPP construction) have undergone substantial modifications.

The schemes of the governmental mobilization of various resources (human, financial, technical, etc.) existing before by the present time have become non-optimal and are not in compliance with the requirements of stable long-term energy and economic development neither of separate states, nor of the world economy in general.

Changes in the world market of NPP construction have entrusted the NPP suppliers with new tasks. For strengthening their status the companies have to offer not only competitive NPP projects to the customers, but an integrated package of services including state-of-the-art project management and financing technologies.

The key sale markets of Russian atomic technologies are depending countries, as a rule, that do not have a sufficient base for independent financing of large-scale NPP construction projects and required competences in the atomic energy industry.

The selection of the technology supplier for these projects will be determined considering the possibility of getting a financial support for NPP construction or development of the infrastructure elements.

In the reporting period the Company has obtained a new competitive advantage, having applied for the first time in the world a BOO business model (Build – Own – Operate) in the project of the atomic energy facility construction – NPP «Akkuyu» (Turkey).

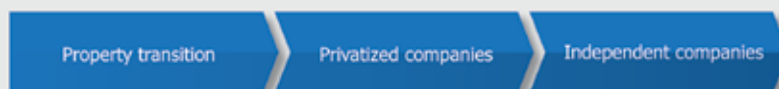
Changes

in the NNP construction market

Debt evolution



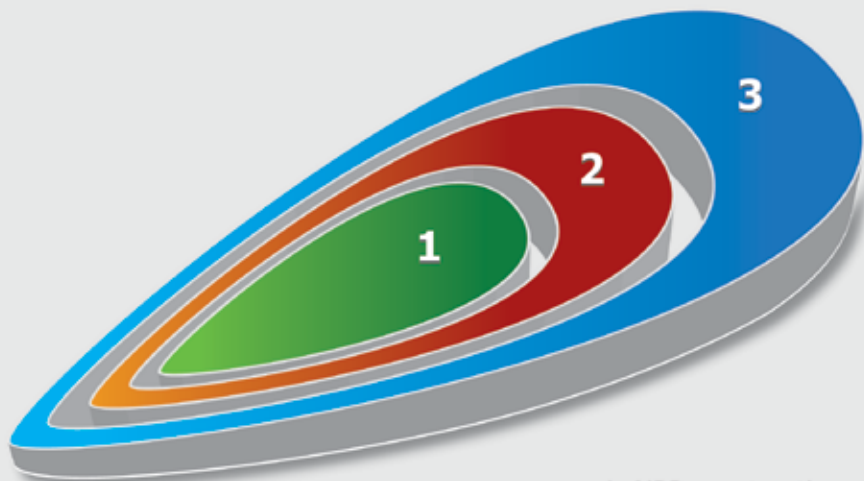
Property transition





Contracts for NPP construction

Transition from EPC to BOO



1. NPP construction
2. Operation
3. Electric power sale

Contract History

On the 24-th of March, 2008 Turkey declared about starting of registration of tender bids for construction of the first nuclear power plant, which is planned to be constructed near Mediterranean port Mersin (Akkuyu region).

The tender documentation was bought by 14 leading companies of the world, but the Russian-Turkish Consortium, composed of JSC Atomstroyexport, «INTER RAO UES» (IRAO) and Turkish Company «Park Teknik», was the only participant, who had submitted the complete package of the required documents in due time. The Turkish Atomic Energy Agency (TAEK) had carried

out the careful analysis of the package with the technical documentation and has taken a decision regarding compliance of the Russian NPP project with all international and Turkish requirements.

The tender bid of the Consortium included construction of four power units with the capacity of 1200 MW each under Russian project «NPP-2006».

According to the tender conditions the supplier shall provide the NPP financing, construction and operation, and the Turkish state – licensing and guarantees for electric power purchase during 15 years, but not later than the end of 2030.

As in November, 2009 Turkey officially canceled the tender for construction of the first NPP in the country, the Company, within the framework of out-of-tender talks offered different engineering schemes

for the project implementation, including the BOO format model.

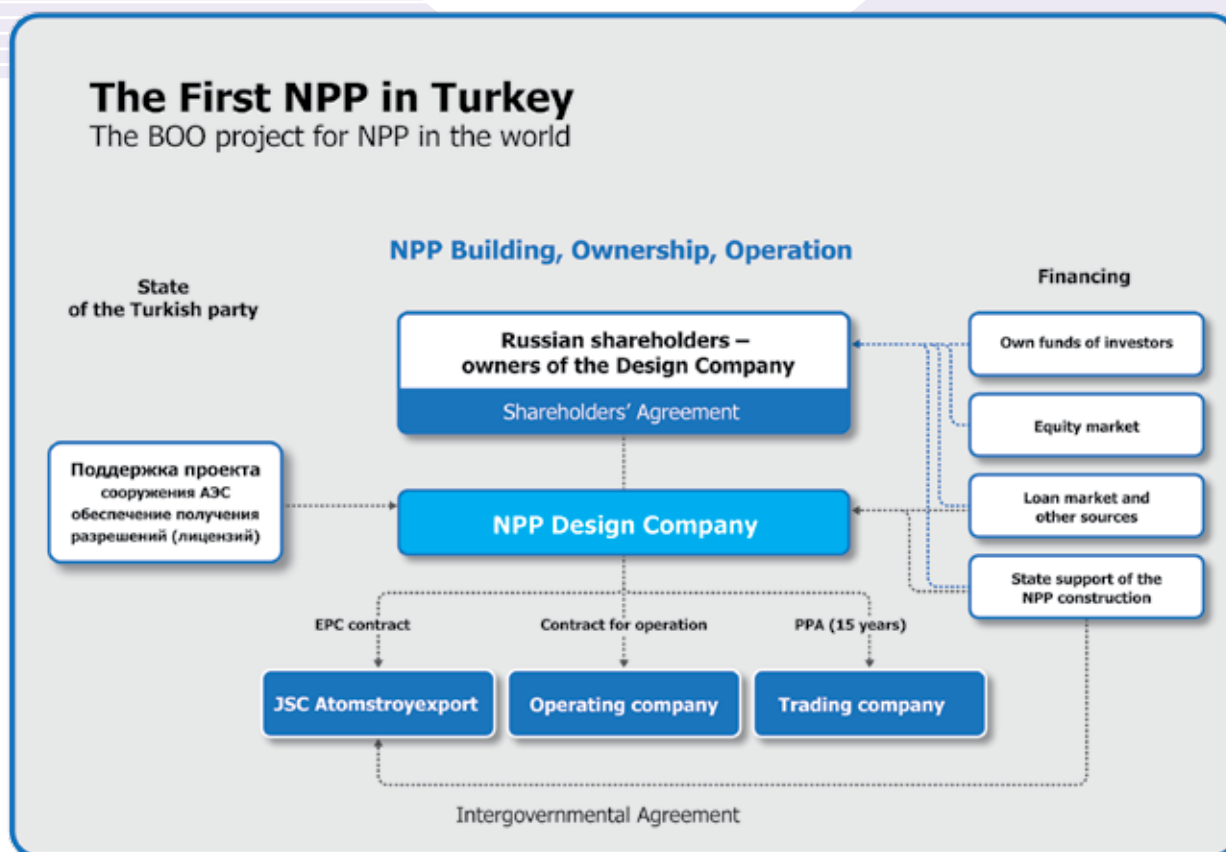
On the 12-th of May, 2010 the Agreement on cooperation in the sphere of the nuclear power plant construction and operation on «Akkuyu» site in the Turkish Republic was signed between the Government of the Russian Federation and the Government of the Republic of Turkey.

BOO business model in Turkey as a competitive advantage of the Russian atomic branch

Till present time there have not been any precedents in the world practice concerning application of this mechanism within the framework of export

projects for construction of nuclear facilities, thus, the project for four power units NPP «Akkuyu» construction will be a pilot one.

** Purchase Price Allocation – a complex evaluation service. It may concern the companies that keep their financial statements according to the international standards of financial reporting.*





2.3. Events, Annual Results And Plans For Current Projects

Tianwan NPP (China)

The project history. Tianwan NPS (TNPS) – the first NPP of the third generation in the world («NPP-91» project) and the largest project of economic cooperation between the Russian Federation and the People's Republic of China. The first stage of «Tianwan» NPS (two power units with VVER-1000) was built under the Inter-governmental Agreement between the RF and PRC on cooperation in construction of NPP in PRC. The Agreement was made on the 18th of December in 1992. The construction works started in 1998. In construction of two power units with electrical power of 1060 MW each of the first stage of TNPP over 150 Russian companies and organizations took part. The plant was put in commission in 2007.

Events in 2010. 15.04.2010 Signing of final acceptance acts of Tianwan NPS units 1&2. 23.03.2010 JSC Atomstroyexport and Jiangsu Nuclear Power Corporation (JNPC) signed a frame contract for Tianwan NPS extension project (units 3&4). 27.05.2010 The final addendum to the General contract on the first stage of TNPS correcting the scope of Contract supplies and services and regulating the final price and calculations of the Contract was signed.

During the symposium of the participants of Tianwan NPS construction held in Lianyungang in August 2010 the Chinese side declared that in the course of Tianwan NPS first stage operation a record was made among operating nuclear power plants on duration of non-stop operation within the first fuel cycle. 27.09.2010 The contract for technical project development of Tianwan NPS second stage was signed. 23.11.2010 JSC

Atomstroyexport and JNPC signed the contract for construction of the second stage of Tianwan NPP. JSC Atomstroyexport will construct units 3&4 of TNPS in accordance with the first stage project: two power units of the Russian design with reactor plants VVER-1000 with electrical output of 1060 MW each. Designing and supply of non-nuclear part plant equipment will be performed by JNPC. 25.11.2010 The contract for TNPS-2 technical project came into effect.

Plans for 2011. In January-February 2011 the parties agreed to finish the agreement and sign supplements to the General Contract after which it would come into effect. In connection with Fukushima NPS accident in Japan and due to suspension of active operations by the Chinese side until all the circumstances are clarified it is difficult to specify the particular time-frames of these activities.

Sanming NPS With Demonstration Fast Neutron Reactors With The Power Of 800 MW (NPP – DFN) (China)

The project history. In 2008 between the State Corporation Rosatom and the China National Nuclear Corporation (CNNC) a «Memorandum on cooperation in construction in China of two power units and demonstration fast neutron reactor of commercial purpose within Tianwan NPS extension project» was signed in which the parties agreed on cooperation in construction in China of Sanming NPP consisting of two units of 800 MW with BN-800 reactor each. In October 2009 the contract for documents elaboration for exploratory design on construction justification of Sanming NPP in PRC with BN-800 reactor was signed between the Chinese Institute of Atomic Energy (CIAE) and China Nuclear Energy Industry Corporation (CNEIC).

Events in 2010. 23.03.2010 a «Memorandum on mutual understanding between the State Corporation Rosatom and China Nuclear Energy Industry Corporation on cooperation in construction in the People's Republic of China of NPP consisting of two power units with demonstration reactor BN-800» was signed regarding the works schedule for 2010-2011.

According to the contract for exploratory design the documentation was developed and during 2010 it was submitted to the Chinese customer in full.

Plans for 2011. Signing of the intergovernmental Agreement on cooperation in construction on the territory of China of the NPP consisting of two units with demonstration fast neutron reactors (BN-800). Signing of the contract for technical project NPP-DFN development. Signing of the General contract for NPP-DFN construction.

Bushehr NPP (Iran)

The project history. JSC Atomstroyexport proceeds with Bushehr NPP construction, which was started in 1974 by the German concern Kraftwerk Union AG (Siemens/KWU). In 1980 it cancelled the contract with the Iranian customer due to the decision of the German government to join the American embargo on equipment supplies to Iran. In August 24, 1992 an agreement on cooperation in the field of peaceful uses of atomic energy was signed between the Government of the Russian Federation and the Government of the Islamic Republic of Iran. On the 25th of August in 1992 an agreement on construction of a nuclear power plant in Iran was signed. In January 1995 the completion con-

tract for Bushehr NPP unit 1 was signed. In 1998 the addendum to the contract according to which the Company completes the construction on a «key-turn» basis of unit 1 with the installed electric capacity of 1000 MW with reactor plant B-446. In fact the start of Bushehr NPP construction by the Russian side has considered to be since 1998.

In 2001 the supply of main technological equipment was started. Construction of the nuclear power plant fully complies with the relevant international norms, legislation, non-proliferation regime and supervised by IAEA.

Events in 2010. 06.01.2010 The secondary circuit hydraulic testing for 110kg/sm² are performed; 12.02.2010 Steel containment testing are fulfilled; 07.07.2010 Hot operational testing of nuclear steam generating plant is fulfilled; 21.08.2010 Physical start-up of Bushehr NPP: under the supervision of IAEA inspectors fresh nuclear fuel was supplied to the reactor plant of Bushehr NPP. The Vice-president of Iran, head of the Atomic Energy Organization of Iran, Ali Akbar Salekhi, General director of the State Corporation Rosatom, Sergey Kiriyyenko and the head of the Federal Service for Environmental, Technological and Nuclear Oversight of the RF, Nikolay Kut'in assisted at the event and personally got familiar



Tianwan NPP (China), 2010.



with the working process at the plant. 24.10.2010 Revision of the primary circuit equipment is conducted; 24.10.2010 Bushehr NPP commissioning license is obtained; 11.11.2010 Nuclear fuel loading into the reactor core is completed.

Plans for 2011. According to the schedule of Bushehr NPP commissioning the start of B-2 stage «Attainment of minimal-controlled capacity level of the nuclear steam-generating plant» is planned for May 2011. The start of the stage «Energy start-up and reaching a projected production capacity» is planned for June 2011.

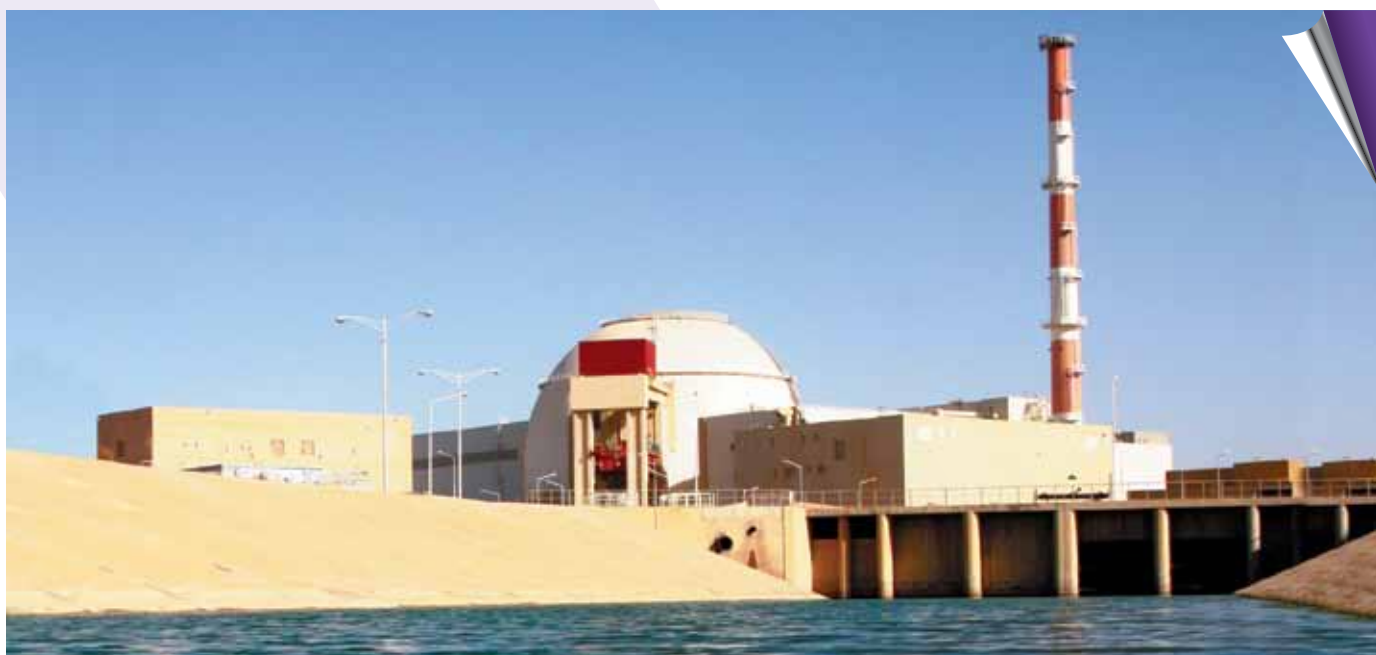
Kudankulam NPP (India) And The Development Of The Russian-Indian Cooperation In The Field Of Nuclear Power Engineering

The project history. In compliance with the Agreement between the USSR and the Republic of India on cooperation in construction in India of the nuclear power plant dd. November 20, 1988 and the Addendum to this Agreement dd. June 21, 1998 the Company renders a technical assistance to India in construction of two power units Kudankulam NPP with reactor plants VVER-1000 with the power of 1000MW each (NPP-92 project). The Customer – Indian Corporation of Atomic Energy

Limited (ИКАЭЛ). Pursuant to the contracts the scope of obligations of JSC Atomstroyexport includes elaboration of working, start-up and commissioning and operation documentation; designer's supervision for NPP building and structures construction; equipment and materials supply from Russia and the third countries; technical assistance during NPP installation and commissioning; training of Indian operational and maintenance personnel from Russia.

In 2010 a trial loading of the first simulation fuel assembly to the reactor of power unit 1 was carried out. The primary and secondary circuits hydraulic testing of power unit 1 was successfully performed.

Events in 2010. 12.03.2010 the Intergovernmental agreement between Russia and India was signed on cooperation in the field of peaceful uses of atomic energy and a «Road map» of serial construction of nuclear power plants under the Russian projects in India. Also a memorandum on mutual understanding when constructing new power units at Kudankulam NPP was signed as well as the contract for top-priority design works performance for construction of units 3&4 of Kudankulam NPP. Besides, at least 16 NPP power units are supposed to be constructed in India under the Russian design.



Bushehr NPP (Iran), 2010.

During the negotiations between the Company and ICAEL the main provisions of the Technical-commercial offer and the General Frame Agreement were agreed.

As a result of negotiations the Russian and Indian parties agreed on the conditions specifying all the parameters of the Russian state credit for construction of units 3&4 of Kudankulam NPP.

23.04.2010 a trial loading of the first simulation fuel assembly to the reactor of power unit 1 of Kudankulam NPP was carried out.

In December 2010 the primary and secondary circuits hydraulic testing of power unit 1 was successfully performed.

According to the Agreement between the Government of the Russian Federation and the Government of India on cooperation in construction of additional power units at Kudankulam NPP as well as in construction of nuclear power plants under the Russian projects at new sites in the Republic of India dd. 05.12.2008 and the Road map of nuclear power plants serial construction under the Russian project dd.12.03.2010 the Company launched the preparatory works for construction of units 3&4 of Kudankulam NPP.

Plans for 2011. It is planned to carry out a physical and energy start-up of the first power unit of Kudanku-

lam NPP. Completion of the Technical-commercial offer agreement for supplies and services for units 3&4 and signing of the General Frame Agreement for construction of units 3&4. Agreement and signing of top-priority contracts for supplies and services for construction of units 3&4. Agreement of the Protocol to the Intergovernmental agreement dd. 05.12.2008 on the conditions of the Russian state credit to be provided for construction of units 3&4 of Kudankulam NPP.

Within the contract implementation for the top-priority design works new containment project of units 3&4 with the related prestressing system, project of sea hydrotechnical facilities are being developed, the impact analysis of the changed seismic conditions on dynamic characteristics of buildings and structures of units 3&4 is being conducted, working documentation of main NPP buildings foundation pits and basements are being elaborated, as well as a number of other works are being performed.

Belene NPP (Bulgaria)

The project history. On the 31-rst of October, 2006 National Electric Company (HEK EAD) of the Republic of Bulgaria officially declared JSC Atomstroyexport the successful bidder for construction of Belene NPP under



Kudankulam NPP (India), 2010.



the Russian design «NPP-92» with two power units WW-ER-1000/V-466. On the 29-th of November, 2006 the Agreement on implementation of Belene NPP project between NEK EAD and JSC Atomstroyexport was signed. On the 18-th of January, 2008 in the course of the visit of the President of the Russian Federation to Bulgaria the management of JSC Atomstroyexport and National Electric Company of the Republic of Bulgaria signed the Contract Agreement on Belene NPP construction. On the 10-th of July, 2008 the official authorization of the Ministry of Regional Development and Public Works of the Republic of Bulgaria for the plant construction was received. On the 30-th of July, 2008 after signing the Minutes of opening Belene NPP site the stage of civil works started.

Events in 2010. In January, 2010 the Technical Board of the National Electric Company of Bulgaria approved the Belene NPP Technical Design (TD), including the Preliminary Safety Analysis Report (PSAR) and Probabilistic Safety Analysis (PSA). After the approval the documents were transmitted to the Bulgarian Nuclear Regulating Agency.

During 2010 the works on dismantling of reinforced concrete and metal structures non-integrable into the design were completed on the construction site. The concrete-mixing plant consisted of two modules with the capacity of 100 cubic meters of concrete per hour each was commissioned. The construction of treatment facilities with the capacity of 400m³/day and 200m³/day was completed. The work on mobilization of sub-contractors was finalized. The orders had been placed with the Russian, European and Bulgarian plants, and production of the prolonged manufacturing cycle equipment started. This work is carried out with the participation of the authorized Bulgarian experts.

In September, 2010 there was a discussion of the Belene NPP Preliminary Safety Analysis Report with the participation of experts from European Company Riskaudit, Bulgarian Consultant «Enpro-consult» and Russian specialists in the Bulgarian Nuclear Regulating Agency.

In October, 2010 in Sofia mission IPSART of the International Atomic Energy Agency (IAEA) with the partici-

pation of experts from the Bulgarian Nuclear Regulating Agency, NEK EAD, Worley Parsons and from Russian organizations considered the Belene NPP Probabilistic Safety Analysis.

30.11.2010 in Sofia the Memorandum of principles of Energy Company Belene establishment was signed between State Corporation «Rosatom» and NEK EAD. The mentioned design company will be NEK successor for further implementation of the project and Belene NPP owner. Additionally, between State Corporation «Rosatom», NEK EAD and potential joint stock investors of the Energy Company – «Fortum» Company (Finland) and «Altran Technologies» (France) Memorandums of cooperation in construction and operation of Belene Nuclear Power Plant were signed.

Plans for 2011. It is planned to finalize the work on elaboration of the final version of the Contract for engineering, procurement and construction (EPC). To finalize discussion of the issues and comments of the Bulgarian Nuclear Regulating Agency on the TD, including the PSA and PSAR, obtain an approval from the NRA. Finalize the work on conclusion agreements on production of the prolonged manufacturing cycle equipment. To take part in solving the matter of the financial project structuring (establishment of Energy Company Belene), perform preliminary works on Unit 1 NPP site for starting an active construction in 2012, on Unit 2 NPP site – in 2013. The period of construction of each Unit – 59 months.

Akkuyu NPP (Turkey)

Events in 2010. On 12.05.2010 in Ankara during the visit of the Russian President, Dmitry Medvedev, to Turkey an Agreement on cooperation in the field of nuclear power plant construction and operation at Akkuyu site in the Turkish Republic (hereinafter – Agreement) was signed. The General Contractor of NPP construction is JSC Atomstroyexport J.

On 11.11.2010 the Board of Directors of JSC Atomstroyexport made up a decision on participation in Akkuyu NPP electric power generation joint stock company located in Ankara (Turkey).

On 12.11.2010 the organizations authorized by the Russian side to own the joint stock company's shares are defined by Decree No.1995-p of the Government of the Russian Federation

On 29.11.2010 ratification of the Agreement by the Federal law No.322- FZ «On ratification of the Agreement between the Government of the Russian Federation and the Government of the Turkish Republic on cooperation in the field of nuclear power plant construction and operation at Akkuyu site in the Turkish Republic» was made. On 13.12.2010 registration of the joint stock company on Akkuyu NPP electricity generation in the Trade Chamber of Ankara was made.

Draft schedule of works performance for the initial period and the draft licensing plan are developed, the nearest plans for cooperation with the Ministry of Energy and Natural Resources of the Turkish Republic and with regulating authorities' representatives are determined.

Plans for 2011. Funding sources identification for a whole period of NPP construction. Selection of turbine supplier for NPP in Turkey. Making decision on I&C suppliers. Development of the engineering investigation program in full scope. Obtaining the site for inhabited area. Elaboration and signing a sale contract with TETAS

(Electricity Trade Corporation of Turkey) for electricity, application for construction license.

Ninh Thuan NPP And Nuclear Research Center (NRC) (Vietnam)

Events in 2010. In June 2010 the Government of the Socialist Republic of Vietnam made up a decision on construction of the first nuclear power plant in the country under the Russian project and with the assistance of the Russian specialists. The start for Ninh Thuan-1 NPP construction is planned for 2014, commissioning of the first power unit – for 2020.

On 31.10.2010 during the visit of the Russian President, Dmitry Medvedev, to Hanoi an Agreement on cooperation between the Russian Federation and the Socialist Republic of Vietnam in construction of Ninh Thuan-1 NPP was signed. Lines of cooperation include the Feasibility Study development, investigation of the NPP construction site, personnel training, assistance in establishment and development of Vietnamese nuclear industry normative base. The General contractor of the NPP construction is JSC Atomstroyexport. Pursuant to provisions of the intergovernmental agreement JSC Atomstroyexport and other companies of the State



Concrete mixing plant at the Belene NPP (Bulgaria), 2010.



Corporation Rosatom work on preparing conditions for the NPP construction project implementation. The Company prepared the indicative cost budget estimation of two-power unit VVER-1000 NPP construction as well as a preliminary assessment of the funding needs. Ministries of Finance of both countries conduct consultations on conditions for the Russian state credit to be provided. In 2010 the Vietnamese side offered JSC Atomstroyexport to perform as the General contractor of NRC construction project for the period of 2012-2017 as well as requested to assist in the development of the complex network schedule of the construction project implementation.

Plans for 2011. Continuation of works for starting conditions of NPP construction project implementation. Agreement of the module Center laboratories structure. Investment assessment of the project and site selection for NRC construction.

Mohovce NPP (Slovakia)

The project history. The Company together with the Russian and Slovak organizations takes part in completion of NPP Mohovce, units 3&4, the construction of which was started in 1987 and suspended in 1992.

Events in 2010. On 11.05.2010 the contract for works performance within the frames of «nuclear island» completion was signed between Atomstroyexport JSC and Slovak power stations JSC. The contract involves the works performance, supply of equipment, rendering services for both units on integration of in-core instrumentation system, boron concentration measurement system and subsystems of the level measurement in the reactor core and temperature measurement in the outlet of the reactor core.

Plans for 2011-2013. Performance of the works mentioned above.

Russian And Cis Countries

Leningrad NPP-2 (Russia)

The project history. For fulfillment of its obligations under Agency Agreement No. 77-552/83700/

LEN2/1600 dt. 07.07.2008 JSC Atomstroyexport concludes Agreements for the delivery of the equipment and materials with Counter Parties (Suppliers) on the basis of annual Specifications of demands issued by the Principal (JSC «SPbAEP»).

Events in 2010. In the reporting period the following documents have been concluded with Russian suppliers of the equipment: 52 contracts, 28 supplements hereof and 2 additional agreements. 2768 items of the equipment have been shipped to LAES-2 site under the contract specifications. No coordination meetings concerning LAES-2 project were held in the reporting period in 2010.

NPP In The Territory Of The Republic Of Belarus

The project history. On the 28-th of November, 2008 the Government of the Republic of Belarus applied to the Government of the Russian Federation with a message, in which it stated that Belarussian specialists preferred the Russian designed NPP and proposed to proceed to implementation of this project. On the 28-th of May, 2009 the Agreement on cooperation in the field of peaceful use of atomic energy was signed in Minsk between the Government of the Russian Federation and the Government of the Republic of Belarus.

Events in 2010. In 2010 the main provisions of the Contract agreement on the nuclear power plant construction in the territory of the Republic of Belarus were agreed with the Belarussian party, except for the approach to formation of the Belarussian NPP construction cost.

Plans for 2011. On 25.01.2011 in Minsk General Director of State Corporation «Rosatom», S.V. Kiriyyenko, and First Deputy Prime Minister of the Republic of Belarus, V.I. Semashko, agreed the procedure of determination of the cost for the Belarussian NPP construction, main stages of works on its determination and preparation of the general contract, as well as signed the corresponding Minutes.

On 15.03.2011 in Minsk in the course of the session of the Council of Ministers of the Allied State the Agreement between the Government of the Russian Federa-

tion and the Government of the Republic of Belarus on cooperation in the Nuclear Power Plant construction in the territory of the Republic of Belarus was signed.

In March, 2011 the Terms of Reference for survey works on development of the technical design of the Belarussian NPP was handed over to the Belarussian party. It is planned to sign the Contract Agreement and General Contract for the Nuclear Power Plant construction in the territory of the Republic of Belarus, as well as commence the works on the NPP design development.

Khmelnitsky NPP (Ukraine)

Events in 2010. On 09.06.2010 the Agreement on cooperation in Units 3&4 Khmelnitsky NPP construction between the Government of the Russian Federation and the Cabinet of Ministers of Ukraine was signed in Kiev. On 09.02.2011 National Nuclear Energy Generating Company of Ukraine «Energoatom» and JSC Atomstroyexport signed «the Contract agreement on development of the technical design of WWER-1000, V-392 design reactor facilities and on delivery of the equipment of reactor facilities for power units 3&4 Khmelnitsky NPP».

Plans for 2011. In accordance with the Contract agreement signed on 09.02.2011 in 2011 it is planned to sign the following contracts with SE NNEGC «Energoatom»:

- For development of the technical design for the reactor facility (RF);
- For manufacturing and delivery of separate items for RF prolonged manufacturing cycle equipment;
- For development of the design and working documentation for the reactor building.

NPP In The Territory Of The Republic Of Armenia

Events in 2010. In the reporting period ZAO «ME-ZAMORENERGOATOM» has arranged holding of public consultations concerning document «Notification about construction of a new nuclear power unit in the Republic of Armenia» in the city of Armavir, as well as it had developed the documentation for obtaining the license for the right to select the construction site for a new nuclear power unit and has obtained this license. On 20.08.2010 the Agreement on cooperation



Opening of JSC Atomstroyexport's representative office in Vietnam, 2010.



in construction of new NPP power units in the territory of the Republic of Armenia was signed between the Government of the Russian Federation and the Government of the Republic of Armenia. JSC Atomstroyexport was assigned as the General Contractor. The customer, owner and operating company is ZAO «MEZAMORENERGOATOM».

Company «Worley Parsons Europe Energy Services Ltd» has completed the development of the final version of the Banking Feasibility Study for the project, which was submitted to Prime Minister of the Republic of Armenia, T.S. Sarkisyan, on the 17-th of December, 2010.

Plans for 2011. In March, 2011 the talks with the Armenian party regarding detail elaboration of JSC Atomstroyexport functions as the General Contractor and the role of the architect-engineer in the process of construction of a new power unit in the Republic of Armenia were held. The work on development and coordination of the Plan of activities of ZAO «MEZAMORENERGOATOM» for 2011 was finalized. The draft Plan of joint activities of State Corporation «Rosatom» and Ministry of Energy and Natural Resources of the Republic of Armenia for implementation of the Agreement dt. 20.08.2010 for 2011-2012, preliminary agreed with the Ministry of Energy and Natural Resources of the Republic of Armenia, has been prepared and forwarded to State Corporation «Rosatom». It is planned to carry out preparatory works on providing construction of the new NPP power unit.

NPP With VBER-300 RF (The Republic Of Kazakhstan)

Events in 2010. On 08.07.2010 a meeting of the joint Russian-Kazakhstani working group in the city of Astana in the Ministry of Industry and New Technologies of the Republic of Kazakhstan (MINT RK) was held, where the draft international agreement on cooperation in arrangement of joint works in designing of the nuclear power plant with VBER-300 Reactor Facilities with the purpose of its further construction between Russia and Kazakhstan was agreed and initialed.

Plans for 2011. On 29.03.2011 the Integrated Program of the Kazakhstani-Russian cooperation in the field of peaceful use of atomic energy was signed in Astana. In accordance with the Plan of activities of the above Integrated program in the second quarter, 2011 it is planned to finalize preparation to signing the draft Agreement on cooperation in arrangement of joint works for designing of the nuclear power plant with VBER-300 reactor facilities with the purpose of its further construction (hereinafter referred to as «the Agreement») between the Government of the Russian Federation and the Government of the Republic of Kazakhstan. The above Plan also stipulates preparation of the detailed plan of activities on implementation of the Agreement and draft for construction of the nuclear power plant with VBER-300 reactor facility on the site in the district of Aktau in the Mangistau region in the second quarter, 2011.

Rendering Assistance At The Stage Of NPP Operation In The Eastern European Countries

In 2010 providing of fulfillment of the obligations of the Russian party on rendering assistance to foreign customers at the stage of operation of the Soviet and Russian designed NPPs constructed abroad was involved in the Company scope of activity.

The technical assistance at the NPP operation stage is a part of the Company export program, was rendered on the contract basis and included the following types of works and services directed to provision of the NPP nuclear safety and modernization of the operating power units with the purpose to bring them to conformity with the updated international requirements to nuclear power industry:

- Rendering engineering and advisory services;
- Taking part in performance of the works on modernization of WWER-440 and WWER-1000 power units taking into account the experience in operation of similar facilities in Russia;

- Effecting deliveries of removable equipment and spare parts for the NPP;
- Prolongation of service life and increasing capacity of operating power units.

«Kozloduy» NPP, Units 5&6 (Bulgaria)

Events in 2010. In 2010 the work on rendering services in the course of Units 5&6 «Kozloduy» NPP operation was continuing on the basis of two contracts signed on 20.12.2007 between JSC Atomstroyexport and «Kozloduy» NPP: maintenance service of the systems and equipment for reactor facilities in the process of operation and during repair of power units; maintenance service of the systems and equipment for turbine installations in the process of operation and during the repair of «Kozloduy» NPP power units.

In June, 2010 the Russian-Bulgarian seminar on sharing of experience in practical works relating to WWER Units decommissioning, including the issues of the Bulgarian NPP spent fuel management, to the territory of the Russian Federation, was held in Moscow.

In August, 2010 the technical commercial offer for arrangement of cooperation in deliveries of the diagnostic equipment and introduction of the diagnostic support procedure in the course of maintenance and repair of electric driven valves was handed over to the Bulgarian party.

Plans for 2011. Further work on rendering assistance in support of the NPP operation, providing participation of Russian organizations in implementation of the activities for modernization and prolongation of service life of the operating power units.

«Paks» NPP (Hungary)

Events in 2010. In 2010 the works on implementation of the long-term Frame Contract for delivery of the removable equipment and spare parts required for providing reliable operation of Units 1-4 «Paks» NPP were continuing.

Plans for 2011. Further works on rendering assistance to support the NPP operation, providing of participation of Russian organizations in implementation of the activities for modernization and prolongation of service life of the operating power units.

«Temelin» NPP, «Dukovany» NPP (Czechia)

Events in 2010. In 2010 the work on implementation of three contracts, with no fixed terms, for rendering engineering and advisory services during the NPP operation in Czechia signed before by ČEZ a.s. was continuing. On the basis of these contracts the work with «Temelin» and «Dukovany» NPPs was carried out .

In November, 2010 the technical commercial offer for arrangement of cooperation for introduction of the diagnostic support procedure in the Czech NPPs with the maintenance and repair of electric driven valves according to their actual condition was handed over to Czech organizations.

Plans for 2011. Further work on rendering assistance in support of the NPP operation, providing of participation of Russian organizations in implementation of the activities for modernization and prolongation of service life of the operating power units.

Projects In The Russian Traditional Energy Industry

The status of the leading engineering company in the atomic construction abroad allows JSC Atomstroyexport to use its accumulated potential for implementation of Russian energy projects, including ones for construction and modernization of generating thermal power facilities.

Yuzhnouralskaya GRES-2

The project history. On the 6-th of August, 2009 the Central Tender Committee of JSC «OGK-3» adopted a resolution on approval of JSC Atomstroyexport as a successful bidder and on awarding a contract for construction of Yuzhnouralskaya GRES-2 on «turn-key» basis to



the company. On the 16-th of October, 2009 JSC Atomstroyexport and JSC «The Third Generating Company of the Wholesale Power Market» signed the contract for construction of energy complex, Yuzhnouralskaya GRES-2 according to the EPC model. Energy complex «Yuzhnouralskaya GRES-2» is a condensation combined heat and power plant (PGU-KES) consisted of three power units with the total capacity of 1200 MW (3 Units per 400 MW) with additional structures and communications. The offer of the Company is in construction of three «single-shaft» power units with the unit capacity of 415 MW on the basis of «the Power island» (GTP + STP + generator) of Siemens Company and three-flow exhaust heat boilers.

Events in 2010. In 2010 the works on the site were continuing. The contracts for delivery of the primary and auxiliary prolonged manufacturing cycle equipment (transformers, turbine hall valve 370tn) have been signed, the works on the site layout and preparatory works (approach road, electric power supply, Administrative and Household Facility) have been completed.

Upon the results of 2010 the fulfillment of works under the project for Yuzhnouralskaya GRES-2 construction, including design works, delivery of the equipment and civil and structural works, has comprised 5%.

Plans for 2011-2012. In accordance with the contract construction schedule the commissioning of unit PGP-410 MW is planned for 31.10.2012. The commissioning of Unit 1 Yuzhnouralskaya GRES-2 is planned for the fourth quarter, 2012, of Units 2&3, in case of confirmation of the necessity in their construction by the customer, up to December, 2014.

Nevinnomysskaya GRES

The project history. On the 18-th of July, 2008 the Agreement on engineering, purchases management, control of the construction of CCGTU power unit with the capacity of 410 MW on the Nevinnomysskaya GRES site between JSC «OGK-5», consortium of companies ENEL Produzione S.p.A. and JSC Atomstroyexport was signed.

Events in 2010. In 2010 the deliveries of the primary and auxiliary equipment were completed, civil and structural works on the main construction titles were actually entirely completed. As of 31.12.2010 fulfillment of the works under Project for PGP-410 MW power unit construction in Nevinnomysskaya GRES, including design works, deliveries of the equipment and civil and structural works, has comprised 91,5% according to the annual report of the Consortium.

Plans for 2011. In accordance with the updated schedule of the Consortium commissioning of the unit is planned for May, 2011.

Nizhnevartovskaya GRES

Events in 2010. In 2010 the Company has passed qualification as a possible participant in the procedure of the closed request for offers for implementation of services of the General Contractor, who is in charge of Unit 3.1 construction on the basis of CCGTU with the capacity of 400 MW for JSC «Nizhnevartovskaya GRES».

Plans for 2011. Submission of the documents for the Closed Request for Offers.

Substation 220/10 kV «Molzhaninovka»

The project history. In 2009 the Contract for construction of the substation 220/10 kV «Molzhaninovka» was concluded.

Events in 2010. In 2010 the deliveries of the primary and auxiliary equipment have been completed. Civil works in the building have been actually entirely completed, and installation works in the SS are in progress. Upon the results of 2010 fulfillment of the works under the Project for 220/10 kV SS construction in the territory of GTPP «Molzhaninovka», including design works, deliveries of the equipment and civil and structural works, has comprised 66%.

Plans for 2011. Commissioning of SS 220/10 kVt «Molzhaninovka» is planned for August, 2011. No correction factors are envisaged.



2.4. Search Of New Presence Regions And Extension Of The Order Portfolio

Extension of business portfolio

In long-term forecast up to 2025 the Company plans to start and complete the construction of 37 new nuclear power units in 16 countries of the world.

Units 3&4 Of Temelin NPP (Czech Republic)

Events in 2010. In April 29, 2010 International Consortium MIR.1200 consisting of ŠKODA JS a.s., JSC Atomstroyexport and OKB Hydropress OJSC turned over the pre-tender construction materials for units 3&4 of Temelin NPP to the Czech customer. The handed mate-

rials contain a list of technical solutions on the project as well as the information on the supply scope, commercial and organizational issues.

Pursuant to the tender conditions the winner may get a contract for construction of three NPP power units on other sites in Czech Republic and Slovakia as ČEZ a.s. partner. Three participants passed the qualification of bidders: American-Japan Westinghouse, French AREVA and Czech-Russian Consortium.

The Consortium prepared and handed over to ČEZ a.s. a pre-tender documentation in the scope specified by the Customer. Within the project a broad works localization is planned (up to 70% of the project cost). Pre-tender negotiations of Consortium and the Customer on the tender offer preparation are in process.

Power Unit 5 of Dukovany NPP (Czech Republic)

Events in 2010. In August 2010 an information request was received from ČEZ a.s. on the power unit



project, which the Russian side is ready to offer for participation in a forthcoming tender for extension of Dukovany NPP.

The decision on participation in the tender as a member of Czech-Russian Consortium with MIR.1200 (NPP-2006) project was made.

On 30.11.2010 the Consortium prepared and submitted answers to the information request to the Customer.

Power unit 5 of Bohunice NPP (Slovakia)

Events in 2010. In August 2010 an information request was received from Slovak company JESS («Nuclear energy company of Slovakia») on the power unit project, which the Russian side is ready to offer for participation in a forthcoming tender for extension of Bohunice NPP. The decision on participation in the tender as a member of Czech-Russian Consortium with MIR.1200 (NPP-2006) project was made.

On 30.11.2010 the Consortium prepared and submitted answers to the information request to the Customer.

On the basis of the presented information JESS is to conduct a Feasibility Study upon completion of which the tender will be prepared (preliminary in 2014) and the number of units specified.

Power Units 3&4 Of Mohovce NPP (Slovakia)

Events in 2010. On 11.05.2010 the Company signed a contract with Slovak power stations JSC for supply on a «key-turn» basis the in-core instrumentation control system, boron concentration measurement system and subsystems of the coolant level measurement in the reactor plant.

Events in 2011. In February 2011 an addendum to the said supply contract on a «key-turn» basis of the reactor plant noise diagnostic system was signed.

Power units 5&6 of Paks NPP (Hungary)

The project history.

In March 2009 the Parliament of Hungary approved of Paks NPP extension project constructed under the technical assistance of USSR (four power units with VVER-440).

By the years of 2020 – 2025 the construction of power units 5&6 with the power of 1200-1600 MW is provided.

The Hungarian customer considers four potential projects: French EPR-1600, French-Japan ATMEA-1, American AP-1000 and the Russian one MIR.1200.

Events in 2010. In 2010 a number of the initial data on the Russian project MIR.1200 with VVER-1200 reactor plant was sent to the Hungarian side for them to be submitted to the regulating authority of Hungary to get a preliminary agreement.

Plans for 2011 and in the medium term.

In March 17-18, 2011 in Moscow the management meeting of the Company and the State Corporation Rosatom with the Hungarian delegation on the issue of Paks NPP new power units construction was held.

It is planned to conduct a seminar for potential subcontractors of Paks NPP completion; to arrange a visit of the Hungarian delegation to NPP construction sites in India and China; a visit of the Russian delegation to the site of Paks NPP location.

The tender for NPP construction general contractor is planned for the beginning of 2012, finalizing the tender results – for the first half of 2013. As per the Hungarian side the date of the Bid issue can be postponed in connection with NPP safety requirements revision caused by tragic events in Japan.

Modernization Of Research Reactor And Forthcoming Tender For NPP Construction (Egypt)

The project history. By 2025 it is planned to construct up to four power units in Egypt. That was report-

ed by APE Minister of Energy and Electrification, Hasan Yunes. Atomstroyexport JSC is planned to participate in the forthcoming tender for construction of the first Egyptian NPP in Dabba.

Events in 2010.

In 2010 JSC Atomstroyexport took part in the activities held by the State Corporation Rosatom on creation of the favorable conditions for promotion of the Russian project of the first Egyptian NPP in Dabba.

In August 2010 on the basis of Non-State Educational Establishment of Further Vocational Education «Central Institute for Further Training» and attracting the Company's specialists the training of the first group of Egyptian specialists was conducted on the topics: «Preparation of tender documentation» and «Site selection and evaluation for NPP construction».

In 2010 after consultations with the Atomic Energy Agency of Egypt the Company prepared and sent to the Egyptian side a draft contract for a comprehensive investigation program development of research reactor ET-RR-1 in Inshas built with the technical assistance of USSR in 1960.

Plans for 2011. The activities on penetrating the Egyptian market planned by the Company are postponed until the political situation in the country is stabilized and the official decision of the Egyptian Government on continuation of the national nuclear program implementation is made.

NPP In Jordan

The project history. By 2020 the construction of two-unit NPP with the reactors power of 750-1100 MW is planned. In May 22, 2009 the General director of the State Atomic Energy Corporation «Rosatom», Sergey Kiriyyenko, and the chairman of the Jordan Atomic Energy Commission (JAEC), Haled Tukan, signed an inter-governmental agreement on cooperation in the field of peaceful uses of atomic energy.

Events in 2010. In September 15, 2010 in Amman the negotiations of the representatives of the State Corporation Rosatom, JSC Atomstroyexport, INTER RAO EES JSC and OKB HYDROPRESS JSC with JAEC and its consultant of Jordan NPP construction, Worley Parsons Company, were held on technical, commercial and organization-financial issues regarding the NPP construction.

The discussion was continued during the visit of the Chairman of the Jordan Atomic Energy Commission, Haled Tukan, to Russia in October 2010.

Prequalification of bidders is completed which is passed by: Areva-MHI (ATMEA1), AECL (EC6), JSC Atomstroyexport (NPP-92). JAEC made up a decision regarding the Russian project NPP-92 for its participation in the tender for NPP construction in Jordan.

Plans and events of 2011. On 17.01.2011 the tender request from JAEC was officially received. JSC Atomstroyexport is to prepare its tender offer to be submitted to the Customer in June 30, 2011.

Ruppur NPP (Bangladesh)

Events in 2010. In May 21, 2010 an Agreement between the Government of the Russian Federation and the Government of the People's Republic of Bangladesh on cooperation in the field of peaceful uses of atomic energy was signed.

In the reporting period the negotiations and consultations with the Bangladesh side were conducted on the following topics:

- Comments on a draft of the atomic energy law of Bangladesh;
- Cooperation of RF and PRB in regulating the activity in the field of nuclear power engineering;
- Preparation to NPP designing and construction;
- Visiting the constructing LNPP-2 site;
- Visiting NPP Ruppur site;



- Study of the initial data available at the Bangladesh side on the site of NPP location and making the program of on-Site additional engineering survey;
- Interaction during preparation the feasibility study and terms of reference for NPP construction;
- Joint analysis of the existing national power grid and development of recommendations aiming at its adaptation for connecting the units of 1000 MW;
- Staff training program development for the atomic industry of Bangladesh.

Plans for 2011. In 2011 it is planned to finalize discussions and coordination and to sign an Agreement between the Government of the Russian Federation and the Government of the People's Republic of Bangladesh on cooperation in nuclear power plant construction on the territory of the People's Republic of Bangladesh.

2.5. Risk Management

Strict requirements to the nuclear and radioactive safety of the NPP operation, as well as to the safety of other nuclear facilities, ensure for the Company an absolute prevention of risks, related to obligation default concerning scopes, terms, quality and safety of nuclear and thermal power facilities under construction.

In the reporting period the process has been set up in the Company, which will provide systematic approach to risk management during the implementation of the Atomstroyexport JSC projects.

Information On Key Risks And Risk Management System

Within the realization of the industry-specific project «Development and integration of risk management system (RMS)» in the reporting period a representative of Atomstroyexport JSC has been admitted to the project team as a «risk-officer» with responsibilities as follows:

- Data collection for the risk evaluation;
- Participation in coordination of the results of evaluation and derisking activities;
- Participation in training;
- Notification of the departments concerned on the course and the results of the project;
- Within the realization of the enterprise risk management system (ERMS) the following has been developed;
- Transitional and purpose-specific models of ERMS;
- Organizational structure of ERMS;
- Draft list of key risks of the Company.

List Of Key Risks Of The Company During The Implementation Of Projects

Risk type		Risk name
Internal	Engineering and manufacturing risks	Design risks
		Risks during equipment and materials manufacturing
		Equipment integration risks
		Equipment storage risks
		Transportation risks
		Acceptance risks
		Building and erection risks
		Commissioning and putting into operation risks
	Management and organizational risks	Marketing risks
		Risks to the personnel
		Planning risks
		Procurement risks
		Cooperation risks
		Informational risks
		Legal risks
	Financial and commercial risks	Reputation risks
		Credit risks
		Risks related to default of economic treaties
		Insolvency risk
External	Macroeconomical risks	Risks related to false price determination
		Inflation risks
		Currency risks
		Interest risks
		Tax risks
	Political risks	Opportunistic risks
		Risks related to international situation
		Risks related to political situation in the Customer's country and activity of governmental entities
		Legislation risks
	Natural and environmental risks	Risks related to natural and climatic conditions
		Force majeure risks
		Risks related to deterioration of environmental conditions of the area



Measures To Minimize Key Risks Of The Company

Risk name	Risk description	Minimization measures
Currency risk	Contradiction between currencies of general contracts and subcontracts under the projects of the Company creates risks, related to the currency fluctuation in the international market	Derivative financial instruments are being used. Contract prices are formed with consideration of possible (projected) fluctuations of the main currency. Measures for diversification of the currency earnings are being implemented.
Inflation risk	Increase in cost of works and services can lead to increase of Company's expenses and cause profit deflation.	Contract price forming is carried out with the reserve, provided for this type of risk, and taken into account. Conservative methods of price index projecting are used.
Risk related to withholding receivables	Risks related to the failure of contractors to implements their duties	Control over issuance of bank guarantees by the contractors in favor of the Company for further reimbursement of the necessary sums by the Bank in case of their failure to implement their duties
Risks related to erection and commissioning activities	Failure to ensure the quality of the works performed can bring to failure to approach purpose-specific parameters of the project.	To reduce these risks the Company organizes works for implementation of bidding procedures for contracting organizations selection, conducts operational control over the works implementation at the site, insures the works.
Risks related to the long-manufacturing equipment supply	Resource intensive manufacturing, the result of which effects all the purpose-specific parameters of the project (terms, cost, quality). Only limited amount of contractors offer such equipment, which can cause unreasonable increase in purchase prices.	To minimize those risks the following directions are being taken: Obligatory bidding when selecting the contractor; Close cooperation with the suppliers of the main equipment starting from the stage of Company's participation in bidding processes; Compulsory specification of requirements to the suppliers concerning availability of quality management system, as well as requirements to equipment certification, equipment packaging, labeling, insuring; Operational control of works implementation; Compulsory participation of general designer's specialists in selection of the main equipment suppliers and development of technical requirements for manufacturing
Logistics risks	Risks related to transportation of equipment and materials	Cargo insurance Detailed planning and optimization of logistic procedures.
Labour safety risks	Life and health risks of the personnel during the work activities	To reduce risk of this kind the Company pay special attention to the safety of technological processes, equipment, buildings and structures; forming of normal sanitary working conditions; training and advanced training of the personnel; providing of personal protection means. The Company insures personnel at the NPP construction sites.
Environmental risks	Risks related to detrimental effect on the environment.	To prevent risk related events the Company pays special attention to the quality management system (integrated management system). A big set of activities for estimation of environmental impact of the NNP on the region of the site location is being implemented. Insurance of responsibilities for the third persons in case of accident.

To ensure safe and reliable realization of the Company's projects risk management is now being implemented generally by the following means:

- Specification of contract conditions, which minimize responsibility of the Company in case of detrimental events;
- Sharing risks with the subcontractors when specifying conditions of the treaties;
- Insurance;
- Contract and agreement price forming with the provisions for incidental expenses taken into account;
- Operational planning, monitoring and control of works under the project.

Risk management is implemented on the base of uninterrupted monitoring of internal and external environment, analysis of potential hazards and potential opportunities, expert analysis, corporate control.

At present a process is being developed in the Company, which will ensure systematic approach to risk management during realization of Atomstroyexport JSC projects.

Effective communication, necessary for operational strategic risk management has been established between functional divisions of JSC Atomstroyexport and its affiliates, as well as with Rosatom State Corporation organizations.

2.6. Policy Regarding Presence Regions

Construction and operation of nuclear industry facilities help the Company to participate in solving economical and social problems of the region.

Nuclear power engineering facilities are large investors including the social infrastructure. Nuclear power plant is investments. Any country, which makes up a decision on NPP construction on its territory, gets another status – both political and economical and social.

Localization volume of goods, works and services supplies offered by JSC Atomstroyexport to foreign customers amounts to 30-70%. The construction concept of a particular NPP is specific in each particular case. Due to such peculiarities of international contracts JSC Atomstroyexport attracts national companies of customer-countries for supplying equipment and rendering services on a long-term basis.

The Company works closely with design, scientific, industrial and construction organizations of customer-countries involving their industrial potential for equipment and materials supplies, works performance at the facilities. Thousands of working places are created on the construction site, dozens of thousands – outside of it. For regional industrial enterprises taking part in supplies or works connected with NPP construction, the conditions for production bases extension and capacity increase are provided. NPP construction experience shows that creation of one working place in nuclear power engineering causes creation of ten more places in other industries: in the field of medicine, food, transport etc. Therefore, local population employment in macroeconomic scale is provided by means of synergy.

Tax payments to all-levels budgets are increasing. On condition of receiving income from export sup-



plies profit amount of the state is many times grown. Increase of the country and region budget revenue allows successfully solving social problems and boosting living standards of the population.

NPP construction – is the development of housing construction, construction of new transport routes, educational and medical establishments, social and cultural facilities, which contributes to improvement of quality and duration of people's living, their educational and cultural level. This is an impulse for enhancement of technical education system including by means of specialists training who will provide operation and maintenance of local energy facilities.

The experience gained by the local personnel during the construction of one NPP in perspective gives an opportunity to use the industrial and engineering potential of the country for further construction of nuclear facilities in the country and abroad.

Tianwan NPS (China)

To the construction of the first stage of Tianwan NPS the Chinese construction and installation organizations were involved, which gained a valuable experience and could use it during the subsequent construction of Tianwan NPS. Installation works in four «nuclear island» buildings were performed by the 23d Chinese building nuclear industry corporation (CNI-23). PRC enterprises manufactured a number of instrumentation and measuring devices, partly electrotechnical and lighting equipment, laboratories facilities, part of low pressure pipelines and pipeline valves, shaped objects. Non-nuclear part equipment design and supply for the second stage of Tianwan NPS will be performed by Jiangsu Nuclear Power Corporation (JNPC).

Bushehr NPP (Iran)

In terms of social significance of the project it is necessary to mention that the personnel of Iranian organizations is actively involved in the process of Bushehr

NPP construction. The main works performed by them: materials supply, general construction works, installation of equipment insulation, painting of rooms and equipment, additional works.

For performing subcontracting works on Bushehr NPP project 10 Iranian organizations are involved, the personnel of which amounts to 388 people (~10,5% of the total staff number on the project).

As for the Russian organizations involved for performing subcontracting works on the project there are 488 locally hired people (~12,8% of the total staff number on the project).

The number of local additionally involved personnel is 318 people (~8,5% of the total staff number on the project). Operational personnel of the Iranian Customer in number of 757 people passed out a theoretical training course (395 people from them – in the Russian Federation). 209 people completed the course and got the relevant certificate.

About 200 Iranian organizations took part in equipment and materials supply for Bushehr NPP construction.

Kudankulam NPP (India)

Performance of installation and commissioning works of the first stage of Kudankulam NPP by the Indian specialists and extension of Indian enterprises participation (localization) in supplies of equipment for the second stage including the establishment of joint ventures in India for manufacturing of NPP equipment.

Ninh Thuan-1 NPP (Vietnam)

The construction of nuclear power plant will contribute to the development of advanced technologies and knowledge-intensive production, growth of staff potential, due to which the competitiveness and the industrial potential of the Socialist Republic of Vietnam will be considerably increased. According to the Memorandum of intent on the specialists training for the nu-

clear power industry of Vietnam signed in March 2010 by the State Corporation Rosatom and the Ministry of Education of SRV the countries will develop the cooperation in the field of education and scientific research as well as in the field of specialists training for work in the atomic industry of Vietnam.

Power Units 3&4 Of Temelin NPP (Czech Republic)

In case the Company in cooperation with OKB HYDROPRESS OJSC, SKODA JS a.s. and the leading European manufacturers wins the tender for construction of two power units of Temelin NPP it will make every effort to maximum involvement of the Czech and Slovak companies as the equipment and services suppliers for the units construction.

Technological solutions of MIR.1200 project provide for localization of the equipment, works and services supplies in Czech Republic up to 70%. Project MIR.1200 will be based on over half-century experience of the Czech-Russian cooperation and will ensure contribution to further development of production and staff resources of the Czech atomic industry. Even at the stage of bidders qualification the Czech-Russian Consortium attracted over 20 main Czech suppliers of services and equipment.

Considering the positive and long-term experience of Czech and Slovak organizations in operating NPP with VVER reactors and in manufacturing of a significant part of equipment and spare parts for these reactors, the use of such reactors in new nuclear power units will allow providing energy independence of the country. Besides, when constructing units 3&4 of Temelin NPP it is planned to attract the companies from EU countries. To achieve greater energy independence effect of the Czech Republic, the Russian side represented by the State Corporation Rosatom, within the offer of the Czech-Russian Consortium, provides for the opportunity of the construction of a fuel fabrication plant on the territory of the Czech Republic. The plant is planned

to guarantee the fuel supplies for NPP in Czech Republic, Slovakia and other European countries.

In November 20, 2009 in Prague a Memorandum on mutual understanding was signed between the Company, Czech and Slovak companies in the field of construction of nuclear power plants under the Russian design with VVER reactors on the territory of the Czech Republic, Russia and the third countries. Pursuant to the Memorandum the Company is intended to apply to the Czech and Slovak companies with requests for equipment or services supply for new NPP on the territory of both Russia and the third countries, expecting from these companies a competitive offer including the funding possibility.

Belene NPP (Bulgaria)

It is stipulated by the Agreement dd. 29.11.2006 that in construction of Belene NPP the share of local companies will amount to 30% of the total scope of works. The Bulgarian side will have to assimilate not less than 1,2 bln. Euros. Up to 500 people of the owned staff and up to 9000 people of subcontracting organizations from the Bulgarian citizens are projected to be involved in NPP construction. On hiring local population Atomstroyexport JSC complies with all the labor law requirements of the Republic of Bulgaria including the laws on health protection, safety and provides such involved staff with all the rights and guarantees stipulated by the Bulgarian legislation. Besides, the Company serves all types of insurance contracts provided by its contract obligations and the legislation of the Republic of Bulgaria. During 2010 the Company signed several contracts with the Bulgarian manufacturer for supply of equipment for a new Bulgarian nuclear plant. For NPP equipment of long-term manufacturing to be timely supplied Atomstroyexport JSC concludes contracts with plants-manufacturers in both Russia and Europe. Manufacturing inspection is conducted with the participation of the authorized Bulgarian experts.



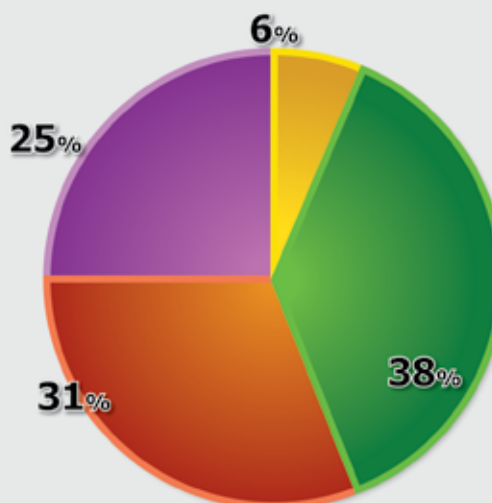
Equipment manufacturing and supply

Rating of equipment supply scope distribution

Large scope of equipment supplies for NPP is planned to be fulfilled from Bulgaria, Eastern Europe and EU.

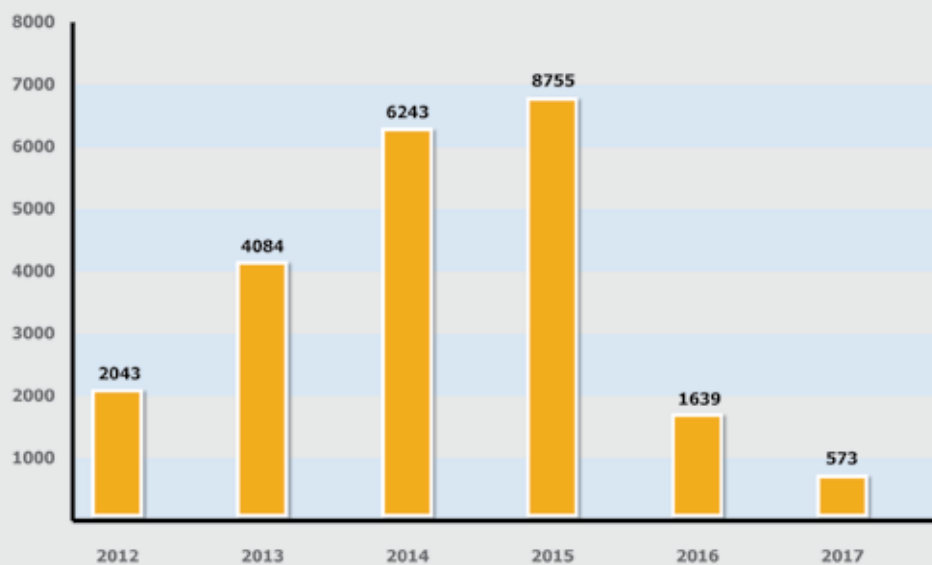
Equipment supplies

- Green sector – Russia
- Pink sector – EU countries
- Red sector – Bulgaria
- Yellow sector – eastern European countries



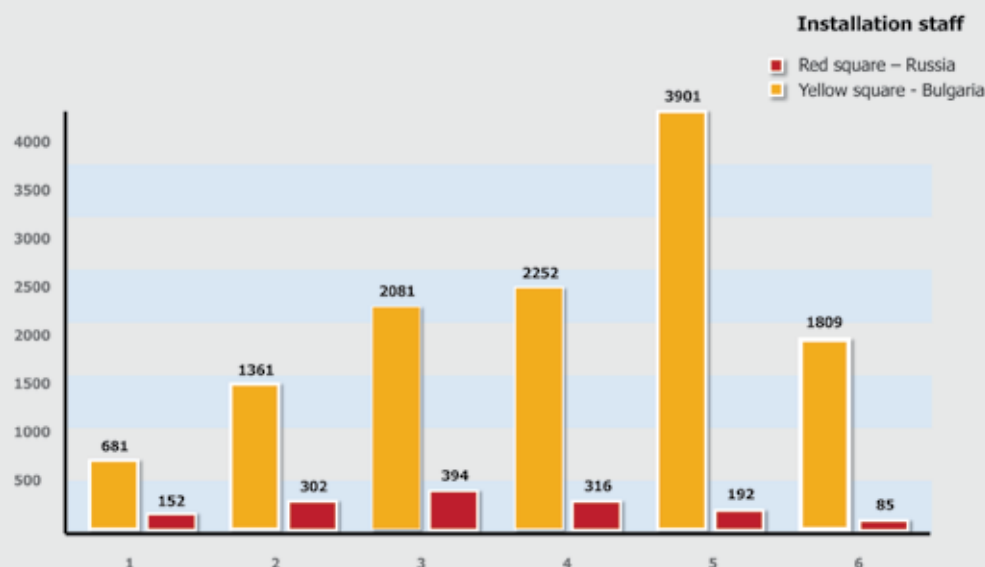
Construction works

Recruitment of the Bulgarian personnel



Installation works

Personnel recruitment from Bulgaria, Russia and third countries



Taking into account a social significance of the plant construction for Belene town and the Republic of Bulgaria on the whole, Atomstroyexport JSC take part in a various public activities and campaigns organized by the local authorities.

Among such social significant activities and campaigns it is worth mentioning a celebration of Belene Town Day where Atomstroyexport JSC performed as the sponsor of the event.

Belarusian NPP

In the Republic of Belarus the Company works in close cooperation with the Ministry of Energy of the Republic of Belarus, State Institute «Directorate of nuclear power plant construction», RUE «Belniplerienergoprom», SSI «Joint institute for energy and nuclear research – Sosny» NAS RB and others.

For Belarusian NPP construction the Belarusian industrial and construction organizations will be widely involved for supply of the equipment, performance of

construction, installation and commissioning works at the nuclear power plant.

Pursuant to the provisions of the Intergovernmental Agreement the customer and the general contractor will jointly choose the suppliers on the basis of tendering procedures.

NPP In The Territory Of The Republic Of Armenia

The choice of manufacturers, main equipment structure and configuration for new units and the performers of construction-installation works will be agreed by both parties separately.

Cooperation With The Russian Population Nevinnomysskaya GRES

The following local organizations and enterprises were involved in construction and erection works, including supply of constructional materials and structures:



- **South Center of Power Engineering**
(design works and reconstruction of kV ORU-330 (Outdoor switchgear installation));
- **Yuzhnyj LLC;**
- **Yugproektstroyontazh LLC;**
- **Kavtransstroy LLC;**
- **Diasstroy LLC;**
- **Alpservis LLC** (construction works);
- **Nevinnomyssk boiler plant LLC**
(supply of constructional metal structures);
- **SevKavMontazh Service LLC**
(production and erection of circulation pipelines);
- **ERA LLC;**
- **ASSTEK LLC;**
- **REP-Engineering LLC;**
- **Teploenergосervis LLC**
(erection of auxiliary thermal and mechanical equipment);
- **AK Electroisevkavmontazh LLC;**
- **Yugelectro LLC;**
- **ATEKS LLC;**
- **Construction Technologies LLC**
(erection of auxiliary electrotechnical equipment);
- **Yuzhenergozaschita LLC;**
- **Nevintermoizolyatziya LLC;**
- **Moscow complex**
Tzentrenergoteploizolyatsiya LLC
(erection of heat insulation of pipelines and corrosion protection) and others.

Maximum quantity of the operating personnel during the period of construction and erection work made up 950 persons with the total quantity of contracting and subcontracting organizations equal to 36. About 70 % of the mentioned quantity made up workers of local organizations, located in Nevinnomyssk city, Stavropol

Territory, the North Caucasus region and the South of the Russian Federation. Besides that, specialized organizations, which have their branches in the Southern Region of the Russian Federation, were also involved in the work.

Construction Of 220/10 kV Transforming Substation Molzhaninovka

The following construction and erection organizations of Moscow were involved to the maximum in construction and erection works, including supply of constructional materials and structures: ASE-Engineering LLC – a General subcontractor of the Project, Moscow branch of South Center of Power Engineering JSC (design works and commissioning works under the Project), Energostroy LLC (constructional works), SevKavMontazh Service LLC (Erection works under the Project).

Maximum quantity of the operating personnel during the period of construction and erection work made up 90 persons with the total quantity of contracting and subcontracting organizations equal to 6.

Construction Of Power Complex Yuzhnouralskaya GRES-2

Personnel of the contracting organizations consist for 30% of local specialists. Among subcontracting organizations there are 6 local construction and erection organizations involved. Additional options for invitation of new subcontractors from the Ural Region are under consideration.

All constructional materials are procured in Chelyabinskaya oblast. Four local concrete plants are involved in the work (Yuzhnouralsk, Troitsk, Korkino, Uvelka).

Office of the Company conducts regular meetings with the heads of Uvelsk and Yuzhnouralskiy municipal districts for notification on the course of Yuzhnouralskaya GRES-2 construction.

2.7. Activity In The Innovative Field

Estimating the forthcoming stages of nuclear power engineering development, the Company projects combination of evolutionary improvement of the mature and successfully implemented technical approaches with the development and mastering of the new technological solutions.

Closed Fuel Cycle

(Sanmen NPS In The People's Republic Of China)

Forming of new technological basis of the new fast neutron platform of the nuclear power engineering with closing of the nuclear fuel cycle is the basis for the Federal purpose-specific program «Nuclear power and environmental technologies of the new generation», which is being developed. The program is planned for the years 2010-2020 and meant for development of nuclear technologies of the next generation.

The Russian Federation is an acknowledged worldwide leader in development of fast neutron reactors with primary sodium, as well as the only country in the world, which has been operating high-power reactors of this type on an industrial scale for many years (BN-600 at Beloyarskaya NPP).

According to experts, BN-800 is one of the most prospective practical designs in nuclear power engineering of present time. Construction of Sanmen NPS in the People's Republic of China with demonstration fast neutron reactors with power capacity of 800 MW, which is being prepared by JSC Atomstroyexport, will give an option of optimizing this innovative project from the viewpoint of cost effectiveness.

Innovative Project Of NPP

With RU VBER-300 In The Republic Of Kazakhstan

In 2010 JSC Atomstroyexport was cooperating with the Ministry of Industry and innovative technologies of the Republic of Kazakhstan and national joint stock company Kazatomprom in preparation of construction of the NNP with the reactor unit of VBER-300 type (NPP with RU VBER-300).

Heating capacity of modular water-cooled water-moderated power reactor is of up to 900 MW, electrical capacity – about 335 MW. In the world exists no operating reactor of such capacity; in Russia it has been built 460 prototypes of this reactor for icebreakers and submarines. These reactors were acknowledged to be the most reliable – over 6000 reactor-years of fail-safe operation.

Reactors VBER-300 and power units based on these reactors are capable of solving burning problems of sustenance in many countries – supply of electric power, residential and industrial heat, fresh water, and in future – with hydrogen fuel.

On the base of relatively low priced energy of the low-power NPPs agricultural and industrial manufactures can be developed. Low-power NPPs are optimal for those countries, which would like to build a NNP, but due to transmission constraints power plants with high-power reactor units are of no convenience for them.

Implementation of the project in Kazakhstan can ensure its reference and, in turn, possibility for duplication in the countries with transmission constraints. This is a significant segment of the NPP construction market, where JSC Atomstroyexport has a chance to become a leading supplier.

Innovations In Protection Systems

One of the passive safety systems the Company introduced for the first time ever at Kudankulam NPP in India is a passive heat removal system of the second cir-



cuit (PHRS). This ad hoc system was designed by OKB Hidropress JSC and General projector Atomenergo-proekt JSC for the Indian power plant with consideration of hot and humid climate. PHRS activates automatically at the moment of full loss of power in the power unit, when all power supply sources are out, including emergency ones, subject to sustained tightness of the first and the second circuits. PHRS provides removal of the residual heat from the core for 24 hours after the loss of power.

A special feature of the system is in its constant availability. It is warmed-up in standby mode, but it will reach full capacity in case the first circuit of the reactor requires cooling in abnormal conditions.

In the reporting period the erection works for the PHRS of Kudankulam NPP unit 1 were completed.

Innovations In Construction

Construction of Buser NPP is a unique project, which is unmatched in the world. The Company and its contractors managed to integrate Russian equipment in the part of construction, implemented under German project and, moreover, apply about 12 thousands of tons of the German equipment.

To adapt Russian technologies to the existing equipment the designers developed and applied a set of original technical ideas and know-hows. So, e.g., the main equipment of the nuclear island and the turbine are produced in Russia, and the buildings are of German design. In order to install Russian reactor VVER, the reactor compartment was realigned.

The erection of the Russian turbine in the turbine island, designed and constructed by concern Kraftwerk Union A.G., required turbine design to be changed.

In 2010 at the Iranian plant strength and tightness tests of hermetic enclosure system (HES) was successfully completed. Main purpose of HES – prevention of discharge of radioactive substances into the external environment in case of malfunction in the first circuit,

as well as protection of the equipment of the first circuit from external effects.

Russian experts rehabilitated hermetic enclosures after German concern Kraftwerk Union A.G. had stopped all the works. Their main difference, compared to HES at the Russian NPPs, is in steel containment of a round shape with the diameter of 56 meters, inside of which the main equipment of the first circuit is located – reactor, steam generators, main coolant pumps, pressurizers.

Works on the erection and testing of such HES structures were implemented by the Russian experts for the first time ever, since in the Russian nuclear power plants reinforced concrete structures covered with metal sheet are applied.

Unmatched design, technological and layout solutions, full scope of works, implemented at the site, make project of Buser NPP construction totally unique. Buser NPP – is a proof of significant innovative capabilities of JSC Atomstroyexport and companies of the Russian nuclear power engineering field.

Innovations In The Field Of RAW And SNF Management

In 2010 at the scientific and technical meeting of Rosatom State Corporation it was reported on technical and economical survey on the construction of SNF storages of container type, which were conducted by the Company and Nukem Technologies GmbH. Innovative solution on transition to the container-type storage of the SNF at the FGUP GHK was approved by Science and engineering council of Rosatom State Corporation as the most safe and cost effective.

Plans for the year 2011

Participation of the Company in the bids of Rosatom State Corporation related to the development of offers and introduction of container-type storage technologies for the NPP's SNF.

2.8 Activity Of The Company In The Field Of Nuclear And Radiation Safety

Safety Systems Evolution And The Operation NPP Modernization

The main task of NPP safety assurance is the protection of the operating personnel, population and the environment from unacceptable radiation exposure under all the NPP operating modes, design basis and beyond design basis accidents included.

In proportion to the development of new designs and accumulation of knowledge and experience of operation, systems of safety both of acting Russian NPPs and NPPs, built according to the Russian projects abroad were seriously upgraded.

Employment of a number of solutions aimed at limiting radiation release into the environment is stipulated in new projects realized by the Company:

- A double containment with an intermediate shell;
- A passive leakage filtration system;
- A system of hydrogen removal based on passive recombiners;
- A sprinkler system to lower the containment pressure during accidents;
- A device for core melt localization (corium).

These solutions enable to practically eliminate the possibility of exceeding the maximum emergency release for beyond design basis accidents, including heavy accidents with complete nuclear fuel melting.

High reliability level of the performance of NPP safety functions is ensured by the implementation of mutually redundant passive and active safety systems.

Evolution Of The WWER-1000 Reactor

In 1977 partners and contractors of the Company specialists of the St.- Petersburg Institute Atomenergoproekt, OKB Hidropress and Finnish company Imatran Voima International Ltd (now Fortum Engineering Ltd) started developing a new nuclear power plant project, whose prototype was a project with serial reactor WWER-1000 (V-320).

As a result a new type of reactor WWER-1000 (V-428) has been created, on the basis of which two power units of Tianwan NPP have been constructed in the People's Republic of China.

This project is based on the evolutionary way of enhancing safety and retaining the technical solutions with regard to lay-out and configuration of equipment with simultaneous improvement of technical and economical parameters.

The following basic tasks meeting the modern level of nuclear engineering development have been solved in the process of project development:

- International trends for safety enhancement of high capacity nuclear power plants with light water reactors have been taken into account;
- Achievement of nuclear power plant safety parameters required by the modern standards;
- Maximum use of reference technologies and equipment;
- Increase of power unit economical parameters.

Safety enhancement and improvement of technical and economical parameters in the NPP project with reactor WWER-1000 (V-428) in comparison with the serial project is provided due to:



- Improvement of neutron-physical characteristics of active zone;
- Provision of guaranteed negative values of reactivity coefficients;
- Use of four channel principle for redundancy of safety systems;
- Use of new equipment control and diagnostics systems;
- Use of device for localization of melt core;
- Double containment;
- Use of new main circulation pumps with water bearing lubrication;
- Use of completely digital control and monitoring systems;
- Decrease in number of pumps, fittings, valves etc;
- Optimized rooms space;
- Implementation of modern conceptual principles for post-accident monitoring;
- Significant reduction of processed liquid radioactive waste volumes;
- Increase of seismic resistance;
- Implementation of «leakage before breakdown» concept making it possible to enhance reactor plant safety.

The following evolution stage for WWER-1000 reactor is the project V-412 for Bushehr Nuclear Power Plant, and V-446 for Kudankulam Nuclear Power Plant elaborated in compliance with the Russian and international standards as well as with IAEA recommendations.

The following has been achieved:

- Increase of basic equipment service life (reactor body) of up to 60 years;
- Maximum average fuel burn-out 55 mW day/kgU;
- Decrease of idle time and increase of UFGC;
- Possibility to follow up loads and possibility to maneuver.



Bushehr NPP (Iran), 2010.

Main project peculiarities are:

- Modernized reactor plant WWER-1000 with enhanced safety level due to use of combined safety systems with active and passive channels;
- No need to evacuate population in case of an accident;
- Low sensibility to power supply interruption;
- The principle of defense in depth is the basis for the project safety assurance;
- System of four barriers in the way of the propagation of ionizing emissions and the radioactive materials into the environment;
- Five levels of technical and organizational measures for protection of these barriers and retention of their effectiveness and directly for the protection of the population.

Active safety systems:

- Emergency and planned cool down system;
- High pressure emergency injection system;
- Boron emergency injection system;
- Emergency feed water system;
- Emergency gas removal system;
- Protection system for the first and second circuit against excess pressure;
- Sprinkler system;
- Confinement isolation system;
- Emergency emission medium treatment system in the TZ (treatment zone);
- Processing circuit and technical water supply;
- Ventilation;
- Reliable power supply.

Passive safety systems:

- Fast boron injection system;
- Hydraulic accumulators of AZECS (active zone emergency cooling system);
- Passive heat removal system from air seal confinement;
- Passive heat removal system from steam generators;
- Passive hydrogen burn-out system;
- Molten corium retaining and cooling system.

Molten Corium Localization Device («Catcher») Is A New Epoch In The Nuclear Reactors' Safety

The device of the retention of fusion in the concrete mine of reactor for the first time in the world practice is realized by the Russian atomic scientist at Tianwan NPP. The protection of the base plate and walls of the concrete pit of the reactor is performed by the water-cooled heat exchangers.

Water into the heat exchangers and to the surface of core melt will be supplied with drift from the pit of revision and fuel pond. These sources of water are located in the reactor building and are accessible even with turning off of the power supply.

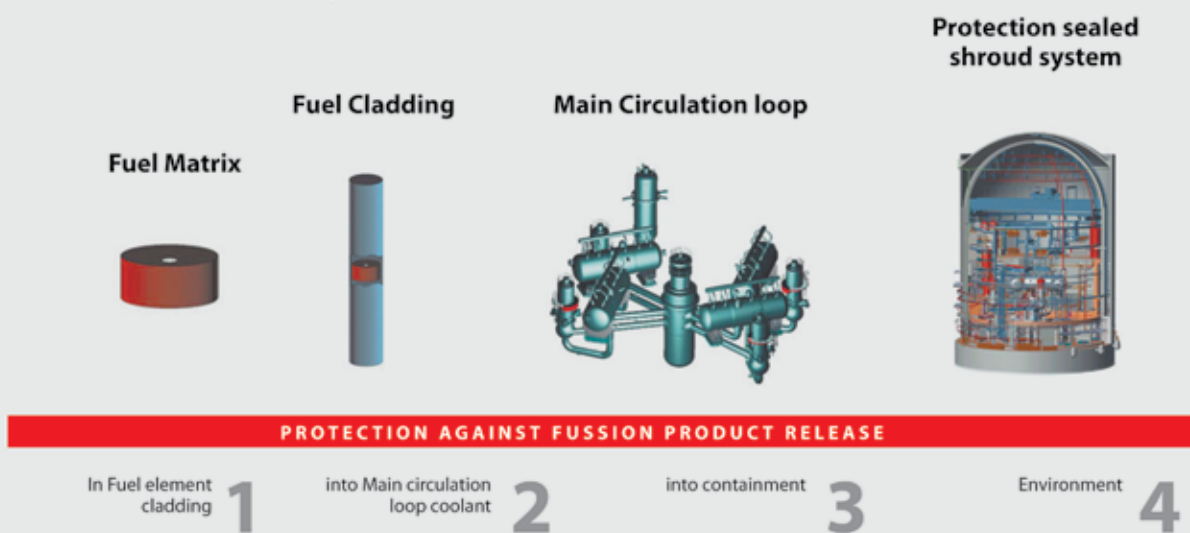
During the restoration of power supply the circulation of water with the heat removal to the final absorber is organized.

The of melt of cool down in the catcher is ensured by the heat removal to the water in the heat exchangers. Furthermore, the so-called sacrificial material (mixture of the light oxides Of Fe_2O_3 and Al_2O_3) is situated in the catcher. Interaction of melt from sacrificial material ensures reduction in temperature and density of corium, decrease of heat fluxes on the wall of heat exchanger and guaranteed subcriticality of core melt, and also



Defence in depth

Protection sealed shroud system



minimizes output of hydrogen and radioactive fission products from the catcher.

The catcher design has successfully passed the examination of Russian and Chinese regulatory bodies, has obtained approval from the Finnish experts from the company Fortum Engineering and of the special commission of the IAEA.

Kudankulam NPP Safety Systems

Kudankulam NPP is based on AES-92 design with B-466 reactor plant which is consistent with up-to-date requirements of standard documentation of the Russian Federation, IEAE and is certified for the compliance with EUR requirements for NPPs constructed after 2000.

The project is characterized with power units equipped with high level diagnostic systems that make it possible to provide a feed forward response of operational and repair personnel in case of equipment operation deviations. The project key feature is the implemented engineering solutions additional to the traditional active safety systems and based on safety

principals, which bring the project in maximum closer to the 4th generation projects in terms of nuclear safety.

Realization of construction solutions and process systems such as double localizing and protective containment, passive heat removal systems, core melt catcher, HP fast boron injection system, supplementary tanks, providing long term boron water supply to reactor in a passive way, inter containment passive filtration systems, closed bailer for NPP service water intake actually being a breakwater, provide an unprecedented design level of nuclear and ecological safety for NPP under construction.

Belene NPP Safety Systems (Bulgaria)

Belene NPP is characterized with unique combination of active and passive safety systems providing a higher level of NPP protection, compared to the projects implemented in the world.

The design ensures high technical economical parameters by means of shorter outages, longer service life time of the main equipment up to 60% and a

possibility to generate heat for the population service needs. The design meets the requirements of European Operating Organizations (EUR) for nuclear power plants with light water reactors, IAEA recommendations, international safety requirements and represents a good combination of Russian–European nuclear engineering technologies.

- Consideration of impact of large commercial aircraft crash Boeing-747 (400 t) on the containment ;
- Use of state-of-the art referent technologies of processing solid and liquid radioactive waste (SRW and LRW) using plasma furnace for which purpose a subsidiary company Nukem Technologies GmbH (Germany) is involved in the project ;
- Modernization of core melt localization device taking into account nuclear fuel of Belene NPP reactor plant and higher seismic resistance;
- Application of referent, advanced, double-purpose fuel transportation cask of GNS design modified for Belene NPP fuel ;
- Development of concept for spent fuel storage up to 60 years.

Participation Of The Company In International Cooperation In Nuclear And Radiation Safety Of Belene NPP (Bulgaria)

Belene NPP up-to-date design is characterized with the following features:

- Involvement of leading organizations in its implementation;
- High level of international integration;
- Use of up-to-date technologies and innovative technical and organizational solutions ;

- Implementation according to international regulatory framework.

Belene NPP Seismic Resistance

Seismic and hydrological conditions of Belene NPP site excludes a tsunami event. In terms of seismic stability the results of additional hydrological surveys of the Belene NPP region, performed in 1998-1999 with a goal to reveal active faults makes it possible to come to a conclusion that there are no signs of active faults under the NPP site, in close vicinity of it (5 km zone), and along the Danube river, and with this regard and as consistent with IAEA requirements the site is recognized suitable for NPP construction.

For seismic effect of OBE level of periodicity 1 per 1000 years the maximum horizontal acceleration at ground free-field surface is 0,15g. Basing on the analysis of seismic hazard made by deterministic and probabilistic methods the maximum accelerations of Belene NPP ground were determined for seismic impact of SSE level, namely $A_{max}=0,24g$; vertical $A_{max}=0,155g$. Basing on coefficient 1,4 Belene NPP is designed for maximum acceleration 0,334g.

According to the macro seismic intensity scale MSK-64 it is equal to magnitude 8-9.

Design MIR.1200 For Units 3&4 Of Temelin NPP (Czech Republic)

NPP design MIR.1200 (Modernized International Reactor) fully meets the European safety rules and standards. The construction management makes it possible to determine a period of work at the NPP construction site of 54 months from the first concrete up to the NPP commissioning.

The reactor service life time is up to 60 years with a possible extension, an overhaul is performed once



per 8-10 years. The ecological factors had a priority at MIR.1200 development. To prevent or limit the reactor plant damage and to localize radioactive fission products during accidents the NPP project envisages the following safety systems:

Protection systems:

- Emergency core cooling system;
- HP safety injection system;
- LP safety injection system;
- Emergency feed water system;
- Residual heat removal system;
- Emergency boration system.

Localizing systems:

- Double containment;
- Sprinkler system;
- Containment hydrogen control system;
- Emergency containment steam gas release purification system.

Support systems:

- Reliable power supply system;
- Intermediate cooling circuit system;
- Important consumers service water system .

Control systems:

- Safety systems actuation system ;
- Reactor protection system.

MIR.1200 safety concept is based on active safety system having both the normal power supply as well as the emergency one - from diesel generators. To prevent severe accidents or mitigate their consequences there are passive systems which operation does not require NPP personnel interference and power supply.

Safety systems include four completely independent channels. Capacity, speed of response and other

characteristics of each channel are chosen basing on conditions ensuring nuclear and radiation safety during any input events specified in the design. High level of physical separation of channels was achieved through arrangement of channels in separate rooms.

The safety channels are separated from each other by fire resistant barriers along the boundary of a channel including communications between buildings.

Direct connections between different safety channels are not allowed. The safety channels are physically protected against the personnel unauthorized access.

Russian Experience Of NPP Construction In Earthquake Areas

The Russian nuclear industry has up-to-date technologies protecting industrial projects against seismic effects, including construction of aseismic isolated building foundations and floors.

Site selection is performed with due regard of seismicity, water ponds, height of possible tsunami wave, wind direction, flight routes, proximity to gas pipelines, hazard objects and population areas. NPPs designs developed in the 1980s for Cuba and Libya were based on Safe Shutdown Earthquakes with probability of 1/10000 years, magnitude of up to 9 under the MSK-64 scale.

Higher earthquake levels were considered as a negative factor resulting in a need to shift a site to the more safe areas.

2.9. Activity Of The Company In The Sphere Of SF And RAW Management

Facility «Shelter» Of Chernobylskaya NPP (Ukraine)

Events in 2010. In 2010 the works on fire protection system construction performed by Consortium «Shelter» (JSC Atomstroyexport – a leader, Ukrenergomontazh JSC) were continued. An additional agreement on cost increase of the works the amount of which currently totals in 7,884 mln. US dollars. In 2010 following the results of «Shelter» Consortium participation in the tender for the project «Construction of a new ventilation pipe and associated systems of the second stage of Chernobylskaya NPP» a contract with the State Specialized Enterprise «Chernobylskaya NPP» was signed. In 2010 Consortium «Shelter» started performing the works.

FSUE «PA «Mayak» (Russia)

Treatment facility for sewer system and water containing medium-active waste from chemical and metallurgical production

Events in 2010. In 2010 the State contract was replaced by the construction contract. The works are performed by the Company on a «key-turn» basis. The works on main building erection are completed and installation of engineering networks and large-sized technological equipment is started.

Plans for 2011. Completion of the works on external networks as well as completion of the main power facilities objects, transportation and communication facilities. Supply of short-delivered equipment.

Cementation Facility For Liquid And Heterogeneous Medium-Active Waste

Events in 2010. In 2010 the State contract was replaced by the construction contract. The Company scope of works is limited to performance of construction and installation and commissioning works.

In 2010 the works on casting of RAW storage facilities foundation slabs were performed, by now the works on



Shelter of ChNPP Unit 4 (Ukraine)



erection of RAW management facility are being completed.

Plans for 2011. Works performance on the main construction facilities, completion of works on the main power facilities objects and works on external networks.

Extension Of Building 120/12 For Allocation Of Electric Furnace ЭП-500/5 And Vitrified Radioactive Waste Storage Facility

Events in 2010. In 2010 the Company was announced the winner of the open tender for a construction contract for the facility. The contract value amounts to over 1,55 bln. Rubles. In 2010 the Company started implementing the works on the contract. Projects financing on FSUE «PA «Mayak» is carried out from the funds of the federal budget of the Russian Federation and within the frames of the Federal purpose-oriented program «Nuclear and radiation safety assurance for 2008 and for a period up to 2015».

RAW Storage And Management Facilities At Andreeva Bay

Events in 2010. Within the framework of the Agreement between the Russian Federation and Italy dd. November, 05, 2003 on cooperation in the field of utilization of Russian nuclear-powered submarines removed from the Naval Forces and of safety in the process of radioactive waste and spent fuel management JSC Atomstroyexport is assigned to be a coordinator of the Russian subcontractors during designing, supplies and construction of Andreeva bay facility. The Company and FSUE «FNRSC» in 2010 signed a contract for the development of EIR and ER sections of design documentation, in February 2011 a contract for design documentation elaboration was signed between the JSC Atomstroyexport and Ansaldo Nucleare Company. Total budget of the contracts amounts to €3 mln., the works are financed by the Government of Italy.

Kozloduy NPP (Bulgaria)

Events in 2010. The works the Russian-produced equipment installation and commissioning are coming

to an end within the project on supply of liquid radioactive waste management facility. At the end of 2010 an agreement on the contract value increase was signed.

Belene NPP (Bulgaria)

Events in 2010. The Company and Gesellschaft für Nuklear-Service mbH (GNS) (Germany) signed an Agreement on cooperation in supplying for NPP two casks CASTOR 1000 for sealed and defected SNF storage and transportation and started joint works. Nukem Technologies GmbH Company (Germany), involved by the Company in concurrence with the National Electric Company (NEK EAD) to the project implementation, elaborated and issued the Terms of Reference for RAW management facility (buildings 00UKR, 00UKS). Revision 2 of the terms of Reference is agreed with the Customer.

Slovakia

Events in 2010. Fulfillment of the Company's obligations under the contract with JSC «JAVIS» (Jadrova a vyrad'ovacia spolocnost', a.s.), signed in March 2008, is suspended until JSC Atomstroyexport gets a permit for metal RAW import to the RF for processing.

Bushehr NPP (Iran)

Events in 2010. In 2010 design-technological works on construction of LRW management facility (LRW MF) were completed. The equipment for LRW MF is supplied in full scope, its installation is being completed.

Plans for 2011. Completion of installation, start up and commissioning works.

Power Units 1, 2 Of Kudankulam NPP (India)

Events in 2010. In 2010 design-technological works on construction of LRW solidification facility (LRW SF) were completed.

Plans for 2011. Installation, start-up and commissioning works of cementation facility (CF), concentration facility units (CFU), CF and CFU I&C.

Country	Customer	Title of the contract	Contract value	Start of a project	Completion
UKRAINE	Chernobylskaya NPP	Construction of fire protection systems of «Shelter» facility	7 884 410 \$	02/2009	01/2012
UKRAINE	Chernobylskaya NPP	«Construction of a new ventilation pipe and associated systems of the II stage of Chernobylskaya NPP »	9 361 382 \$	07/2010	01/2012
BULGARIA	Kozloduy NPP	Supply of LRW management facility	€2 225 240,25	08/2004	08/2011
BULGARIA	National Electric Company (NEK EAD)	Construction of RAW MF (buildings 00UKR, 00UKS)	ASE order	06/2009	
BULGARIA	National Electric Company (NEK EAD)	Designing of SNF storage facility	ASE order	06/2009	
BULGARIA	National Electric Company (NEK EAD)	Supply of CASTOR 1000 casks for storage and transportation of sealed and defected SNF	ASE order	06/2009	
SLOVAKIA	JSC «JAVIS»	Metal RAW processing	€5 405 000	03/2008	12/2011
RUSSIA	SC «Rosatom»	Construction of treatment facility for sewer system and water containing medium-active waste from chemical and metallurgical production for FSUE «PA «Mayak»	1 139 400 002 RUR	12/2008	04/2012
RUSSIA	SC «Rosatom»	Construction of cementation complex for liquid and heterogeneous medium-active waste for FSUE «PA «Mayak»	1 390 000 000 RUR (in prices of 2008)	05/2008	12/2013
RUSSIA	SC «Rosatom»	Extension of building 120/12 for allocation of electric furnace ЭП-500/5 and vitrified radioactive waste storage facility	1 552 162 535 RUR	10/2010	02/2014
RUSSIA	FSUE «FNRSC»	Development of EIR and ER sections of design documentation on Andreeva bay project.	€ 580 846	11/2010	02/2013
RUSSIA	Ansaldo Nucleare	Designing of RAW storage and management facilities at Andreeva bay.	€ 2 352 493	02/2011	02/2013
IRAN	Nuclear Power Production and Development Company of Iran	Design and technological works on LRW MF construction	ASE order	04/2008	12/2010
INDIA	Atomic Energy Corporation of India, LTD	Design and technological works on LRW SF construction	ASE order	04/2008	12/2010



NPP Kozloduy (Bulgaria)



3. CORPORATE MANAGEMENT

- 3.1. Corporate Management System
- 3.2. Structure Of The Company Share Capital
- 3.3. Board Of Directors
- 3.4. President Of The Company
- 3.5. Audit Commission
- 3.6. Information On Investment Management
- 3.7. Corporate Code Of Conduct
- 3.8. Subsidiaries And Affiliates





3. CORPORATE MANAGEMENT

3.1. Corporate Management System

Corporate management policy of the Company rests upon the integrated management system (IMS), which is successfully certified as compliant to the requirements of the international standards ISO 9001:2008, 14001:2004 and OHSAS 18001:2007.

Company's Management Is Of Three-Tier Structure

General Shareholder Meeting

Board of Directors

President (Company's sole executive body)

Organizational structure of the Executive office of JSC Atomstroyexport JSC is a matrix structure and organized for the purposes of projects of NPP construction.

Structural unit	Functional segment
Production	<p>Ensuring of timely construction of the NPP, quality of the NPP construction, technical guidance, monitoring of the construction, erection and commissioning works at all stages of facilities construction, including warranty operation.</p> <p>Support of Company's production activity, related to construction, improvement, commissioning and decommissioning of nuclear power engineering facilities abroad.</p> <p>Ensuring implementation of intergovernmental agreements and corresponding contracts for timely construction of NPPs in India and Bangladesh.</p> <p>Ensuring of timely construction of Belene NPP in Bulgaria, Buzher NPP in the Islamic Republic of Iran, Kudankulam NPP in India.</p> <p>Realization of project for construction of Akkuyu NPP in the Republic of Turkey.</p> <p>Organization of Company's activity within the fulfillment of contractual obligations under construction of the second line of Tianwan NPS (units 3&4) and Sanmen NPS (units 1&2) with fast neutron demonstration reactors of BN-800(AES-DBN) in the People's Republic of China.</p> <p>Fulfillment of Company's contract obligations under LAES-2 and NVAES-2 projects.</p> <p>Realization of projects for NPP construction in the CIS countries.</p> <p>Development of documentation, keeping it valid; improvement of integrated management system.</p> <p>Organization and ensuring fulfillment of treaty and contractual obligations in quality management.</p>

extension table

Structural unit	Functional segment
Financial and economic	Organization of financial and economic activity of the Company. Preparation of adequate financial and tax reporting.
Industrial technologies	Realization of projects in the field of spent nuclear fuel and radioactive waste management.
Construction of power facilities	Market evaluation and development of strategy for progress and activity of the Company in the field of power and industrial engineering, representation of JSC Atomstroyexport interests in European countries.
Marketing	Collection of market information and development of strategies for Company's progress and activity, as well as fulfillment of contractual obligations under local projects within the specified period with the specified quality level and cost effectiveness.
Procurement and logistics	Organization and support of procurement activities of the Company. Ensuring of timely supply of equipment, materials, products, spare parts and services during the construction of NPPs and heating and power plants in the Russian Federation and abroad. Ensuring positive conditions of the external economic activity of the company in the field of transportation, customs registration, licensing and export control.
Commercial	Ensuring commercial and economical effectiveness of the Company's activity. Protection of commercial and financial interests of the company in internal and external markets.
Safety	Protection of national and commercial secrets, ensuring economical and information safety, protection of buildings and material and technical means of the Company. Ensuring functioning of the export control system of the Company.
Corporate and legal	Ensuring realization of unified corporate and legal, contractual and claim policy by the Company, its affiliates and subsidiaries. Buildup of main directions and tasks of regulatory and legal in-company support of JSC Atomstroyexport activity, as well as the activity of the Company's administration, its affiliates and subsidiaries. Arrangement of conditions for the Company, its affiliates and branches so they could implement effective protection and realization of rights and legal interests, provided by regulations of the relevant legislation.
Department of Affairs and Personnel	Organization of administrative and organizational/management activity of the Company's administration. Economic, material/technical and social support of the Company, transportation, medical care. Organization and ceremonial support of activities, held by JSC Atomstroyexport and Rosatom State Corporation. Support of the Company's activity in the field of information technology, computing области информационных технологий, computer and auxiliary equipment. Linguistic support. Support of Company's representative offices abroad. Realization of Company's policy and strategy in personnel management.



The Main Structural Divisions Of The Executive Office Of Atomstroyexport JSC Are:

- *administrations;*
- *departments, members of administrations;*
- *independent departments;*
- *services.*

Heads of Divisions		Heads of departments		Heads of Services	
Divisions		Departments		Services	
		Divisions			
Subsivisions	Groups	Subsivisions	Groups	Subsivisions	Groups

Organizational structure of the Company is dynamic and ensures reaching goals and implementation of tasks confronting Atomstroyexport JSC, that is why new structural divisions are being established and separate existing divisions are being rearranged in the organizational structure of the Company.

This way during 2010 6 new independent structural divisions were established in the organizational structure of Atomstroyexport JSC:

- Division of prospective projects in India;
- Representative office of Atomstroyexport JSC in Vietnam (Hanoy);
- Internal control and Audit service;
- Division of Procurement procedures;
- Technical division.

In 2010 reorganization of two structural divisions was carried out. Labour and industrial safety division

was transformed into Division for Labour, Industrial and Fire safety with expansion of functions.

In connection with realization of works under the contracts for design and construction of the second line of Tianwan NPS (Units 3&4) and Sanmen NPS with demonstration fast neutron reactors of BN-800 type (NPP-DBN) in the People's Republic of China, Department for Building of the NPS in China was transformed into Department for NPS construction in China.

3.2. Structure Of The Company Share Capital

As of the end of the period under report (31.12.2010) the Company's Chartered Capital according to Sub-clause 4.1 of the Company's Charter amounted to 465 901 9/91 rubles and consists of nominal value of 42 397 ordinary nominal shares of 10 90/91 rubles nominal value each (state registration number of the issue 1-02-07064-H).

In the previous reporting period (18.11.2009) the Extraordinary Meeting of Atomstroyexport shareholders unanimously took a decision to increase the Chartered Capital of JSC Atomstroyexport by offering 97 379 additional shares of 10 90/91 rubles nominal value each by means of closed subscription. The offering price for one additional share of JSC Atomstroyexport was determined by the decision of the Board of Directors in the amount of 133 500 rubles.

On 18.01.2010 the Board of Directors of JSC Atomstroyexport unanimously took a decision concerning additional issue of securities.

On 08.04.2010 by the order of the Regional Branch of the Federal Financial Markets Service of Russia in the Central Federal District the additional issue of JSC Atomstroyexport securities (shares) was registered with assigned state registration number 1-02-07064-H-002D.

In the process of offering on 23.12.2010 there were placed 89 319 ordinary shares and on 25.03.2011 - 8 060 ordinary shares of JSC Atomstroyexport. In return for the abovementioned number of additional shares JSC Atomstroyexport obtained into ownership the corresponding number of OJSC INTER RAO EES shares, as well as a real estate located at the address: Dmitrovskoye



Shosse 2, Bld. 1, 3 and 4, Moscow. At that, the size of JSC Atomstroyexport Chartered Capital remained unchanged (till state registration of the report on the results of additional issue of the securities and entering appropriate changes in the Company's Charter) and amounts to 465 901 9/91 rubles.

After state registration of the report on the results of additional issue of the securities and entering appropriate changes in the Company's Charter the size of Atomstroyexport JSC Chartered Capital will amount to 1 536 000 rubles 00 kopecks and will amount to 139 776 pieces of ordinary nominal shares of 10 90/91 rubles nominal value each.

On 19.05.2011 by the order of the Regional Branch of the Federal Financial Markets Service of Russia in the Central Federal District dated 19.05.2011 №73-11-707/PZ there was implemented state registration of the report on the results of securities additional issue. After entering appropriate changes in the Company's Charter the size of Atomstroyexport JSC Chartered Capital will amount to 1 536 000 rubles.



Company's Share Capital Structure as of

Shareholder	Number of ordinary shares (pcs./% of voting shares from the total number of placed shares)
	December 22, 2010
State Atomic Energy Corporation Rosatom	33 297 pcs., 78,5362 % from the total number of voting shares
Open Joint Stock Company TVEL	564 pcs., 1,3303 % from the total number of voting shares
Open Joint Stock Company All - Russian Production Enterprise Zarubezhatomenergostroy	4 000 pcs., 9, 4346 % from the total number of voting shares
Open Joint Stock Company United Machine - Building Plants (Uralmash-Izhora Group)	4 536 pcs., 10,6989 % from the total number of voting shares
	December 31, 2010
State Atomic Energy Corporation Rosatom	122 616 pcs., 93,09119621 % from the total number of voting shares
Open Joint Stock Company TVEL	564 pcs., 0,428193993 % from the total number of voting shares
Open Joint Stock Company All - Russian Production Enterprise Zarubezhatomenergostroy	4 000 pcs., 3,036836831% from the total number of voting shares
Open Joint Stock Company United Machine- Building Plants (Uralmash-Izhora Group)	4 536 pcs., 3,443772966% from the total number of voting shares
	March 25, 2010
State Atomic Energy Corporation Rosatom	130 676 pcs., 93,489583 % from the total number of voting shares
Open Joint Stock Company TVEL	564 pcs., 0,403503 % from the total number of voting shares
Open Joint Stock Company All- Russian Production Enterprise Zarubezhatomenergostroy	4 000 pcs., 2,861722% from the total number of voting shares
Open Joint Stock Company United Machine - Building Plants (Uralmash-Izhora Group)	4 536 pcs., 3,245192 % from the total number of voting shares

Company Share Issue History

Issue No.	Code and data of state registration of placement result report	Ordinary nominal shares, pcs.
1*	1-01-07064-H dated 25.03.1998	100
2	1-02-07064-H dated 26.09.2003	9 100
3	1-02-07064-H-001D dated 28.01.2009	33 297
4**	1-02-07064-H-002D dated 08.04.2010	89 319
5***	1-02-07064-H-002D dated 08.04.2010	8 060

* In accordance with Notification of the Regional Branch of the Federal Financial Markets Service of Russia in the Central Federal District concerning the entry of changes in the register of securities with registered issue dated 30.09.2003 № 08-04/23653, there was made a record in the register of registered securities concerning cancellation of 100 pieces of JSC Atomstroyexport ordinary nominal non-certificated shares of 1000 rubles nominal value each, state registered number of the issue 1-01-07064-H.

** As of 31.12.2010 JSC Atomstroyexport placed 89 319 additional shares (additional issue of securities 1-02-07064-H-002D) of 10 90/91 rubles nominal value each.

*** On 25.03.2011 (in the period after the reporting date) JSC Atomstroyexport placed 8 060 remaining additional shares (additional issue of securities 1-02-07064-H-002D) of 10 90/91 rubles nominal value each.



3.3. Board Of Directors

Within 2010 the membership of the Company's Board of Directors was as follows:

1. From 01.01.2010 to 30.06.2010 the Company had the following Board of Directors elected by the Annual General Shareholders Meeting which took place on 30.06.2009:

- **Lokshin Alexander Markovich,**
Deputy Director General – Director of Directorate for Nuclear Power Complex of State Corporation Rosatom;
- **Elfimova Tatiana Leonidovna,**
Deputy Director General of State Corporation Rosatom;
- **Ivanov Sergey Sergeevich,**
Deputy Chairman of the Board of Gazprombank OJSC;
- **Komarov Kirill Borisovich,**
Executive Director of Directorate for Nuclear Power Complex of State Corporation Rosatom, Director of Atomenergoprom OJSC;
- **Shchedrovitskiy Pyotr Georgievich,**
Deputy Director General of State Corporation Rosatom.

Lokshin A.M. was elected the Chairman of the above-mentioned Board of Directors.

2. From 30.06.2010 to 31.12.2010 (as of the end of the reporting period) the Company had the following Board of Directors elected by the Annual General Shareholders Meeting which took place on 30.06.2010:

- **Lokshin Alexander Markovich,**
Deputy Director General – Director of Directorate for Nuclear Power Complex of State Corporation Rosatom;
- **Elfimova Tatiana Leonidovna,**
Deputy Director General of State Corporation Rosatom;
- **Ivanov Sergey Sergeevich,**
Deputy Chairman of the Board of Gazprombank OJSC;
- **Komarov Kirill Borisovich,**
Executive Director of Directorate for Nuclear Power Complex of State Corporation Rosatom, Director of Atomenergoprom OJSC;
- **Shchedrovitskiy Pyotr Georgievich,**
Deputy Director General of State Corporation Rosatom.

Lokshin A.M. was elected the Chairman of the above-mentioned Board of Directors.

Information On The Members Of The Board Of Directors Of JSC Atomstroyexport



**Lokshin
Alexander Markovich**

Chairman of the Board of Directors

Year of birth: 1957.

Education: Higher education.

Positions for the last 5 years:

Period: July 2006 – 2008

**Federal State Unitary Enterprise
Concern Rosenergoatom**

First Deputy Director General,

Acting Director General

Period: June 2008 – January 2010

**State Atomic Energy Corporation
Rosatom**

Deputy Director General

Period: February 2010 – present time

State Atomic Energy Corporation Rosatom

*First Deputy Director General – Director of Directorate for
Nuclear Power Complex*

For the period of exercising his functions Lokshin A.M. didn't hold JSC Atomstroyexport's shares, and didn't make deals with the Company within the period under report.



***Elfimova
Tatiana Leonidovna***

**Member
of the Board of Directors**

Year of birth: 1959.

Education: Higher education.

Positions for the last 5 years:

Period: 2005 – 2006

Federal Atomic Energy Agency

Adviser to the Director

Period: 2006 – 2008

Federal Atomic Energy Agency

Deputy Director

Period: May 2008 – January 2010

***State Atomic Energy Corporation
Rosatom***

Deputy Director General – States Secretary

For the period of exercising her functions Elfimova T.L. didn't hold JSC Atomstroyexport's shares, and didn't make deals with the Company within the period under report



***Ivanov
Sergey Sergeevich***

**Member
of the Board of Directors**

Year of birth: 1980.

Education: Higher education.

Positions for the last 5 years:

Period: 2005 – April 2011

Gazprombank Open Joint Stock Company

*Member of the Board; from 19.12.2009 – Deputy Chairman
of the Board*

Period: April 2011 – present time

SOGAZ Open Joint Stock Company

Chairman of the Board

For the period of exercising his functions Ivanov S.S. didn't hold JSC Atomstroyexport's shares, and didn't make deals with the Company within the period under report.



**Komarov
Kirill Borisovich**

**Member
of the Board of Directors**

Year of birth: 1973.
Education: Higher education.

Positions for the last 5 years:

Period: October 2004 – June 2005

RENOVA-Development CJSC Director General

Period: July 2005 – February 2006

Federal Agency for Water Resources Deputy Director

Period: March 2006 – March 2007

TVEL Corporation OJSC

Vice-President for Machine-Building Complex

Period: April 2006 – March 2007

Atomenergomash OJSC Director General (part-time)

Period: March 2007 – December 2007

Atomenergomash OJSC Director General

Period: December 2007 – October 2008

Atomenergoprom OJSC Director General

Period: October 2008 – April 2010

Atomenergoprom OJSC Executive Director

Period: April 2010 – April 2011

State Atomic Energy Corporation Rosatom

Executive Director of Directorate for Nuclear Power Complex

Atomenergoprom OJSC – Director

Period: April 2011 – present time

State Atomic Energy Corporation Rosatom - Deputy Director General, International Business and Development

Atomenergoprom OJSC – Director

For the period of exercising his functions Komarov K.B. didn't hold JSC Atomstroyexport's shares, and didn't make deals with the Company within the period under report.



**Shchedrovitskiy
Pyotr Georgievich**

**Member
of the Board of Directors**

Year of birth: 1958.
Education: Higher education .

Positions for the last 5 years:

Period: 2005 - 2006

FSUE TSNIATOMINFORM (Moscow).

Director General

Period: 2006 - 2007

VNIIAES OJSC (Moscow)

Chairman of the Board (President)

Period: 2007 - 2008

Atomenergoprojekt OJSC (Moscow)

Deputy Director

Period: July 2008 – January 2010

State Atomic Energy Corporation Rosatom

Deputy Director General

Period: February 2010 – April 2011

State Atomic Energy Corporation Rosatom

Deputy Director General for Strategic Development

- Director of Directorate for Scientific-Technical Complex

For the period of exercising his functions Shchedrovitskiy P.G. didn't hold JSC Atomstroyexport's shares, and didn't make deals with the Company within the period under report.



Bushehr NPP (Iran), 2010.

3.4. President Of The Company



According to Article 11 of JSC Atomstroyexport Articles of Association, the sole executive body (the President) of the Company is elected by the General Shareholders' Meeting for the period of 5 years.

The President of JSC Atomstroyexport reports to the Board of Directors and General Shareholders' Meeting of the Company.

Within the reporting period up to 30.11.2010 inclusively the functions of JSC Atomstroyexport President were fulfilled by Dan Mikhailovich Belenkiy (he was elected to this position by the Resolution of JSC Atomstroyexport Board of Directors dated 24.12.2008).

From 01.12.2010 according to the Resolution of the Board of Directors dated 30.11.2010, Alexander Anatoljev-

ich Gluhov was elected to the position of the temporary sole executive body of JSC Atomstroyexport (Acting President of JSC Atomstroyexport).

From April 29, 2011 according to the Resolution of the Extraordinary General Shareholders' Meeting, Alexander Anatoljevich Gluhov was elected the President of JSC Atomstroyexport.

Alexander Anatoljevich Gluhov was born on the 24th of January 1969. In 1994 he graduated from Moscow State Aviation Institute with a degree in Economy and Management in Machine-Building.

From September 1993 – Adviser in CB Eurofinance.

From June 1997 – Deputy Chairman of the Board of JSCB MAPO-Bank.

From June 1998 – Deputy Director General of IFC Metropol.

From October 1999 – Head of Regional Banks Relations Department of JSCB Rosbank.

From July 2002 – Head of Department of gas industry JSB Gazprombank.

From December 2003 – Deputy Director of the Regional Administration Center of OJSC Rosno.

From April 2004 – Financial Director of CJSC MC Yarovit.

From December 2004 – Director of Internal Control Service of JSC Atomstroyexport.

From July 2005 – Deputy Director General-Executive Director of OJSC Power Machines.

From March 2006 – First Vice-President of JSC Atomstroyexport.

From 01.12.2010 – Acting President of JSC Atomstroyexport.

From April 29, 2011 – President of JSC Atomstroyexport.

No claims were raised to the sole executive body of JSC Atomstroyexport within the period under report. A.A. Gluhov did not hold JSC Atomstroyexport's shares in 2010.



Kudankulam NPP (India), 2010.

3.5. Audit Commission

In order to control financial and economic activities of JSC Atomstroyexport the General Shareholders' Meeting elects an Audit Commission or an Auditor of the Company (Article 15 of JSC Atomstroyexport Articles of Association).

As of 01.01.2010 the membership of the Company's Audit Commission was as follows (elected by the Resolution of the Annual General Meeting of JSC Atomstroyexport shareholders dated 30.06.2009):

- **Vorobjeva Tamara Borisovna**
- **Drachuk Konstantin Alexandrovich**
- **Peshkov Maxim Eugenjevich**

The following membership of the Audit Commission was elected by the Resolution of the Annual General Meeting of JSC Atomstroyexport shareholders dated 30.06.2010:

- **Andrienko Viktoria Alexandrovna**
- **Kurbatov Georgiy Alexandrovich**
- **Pimenov Alexey Alexeevich**

The members of the Audit Commission did not hold the Company's shares within the period of exercising their functions, and did not make deals with the Company within the period under report.

No claims were raised to the members of JSC Atomstroyexport Audit Commission within the period under report.

No fee was paid to the members of the Audit Commission for participation in inspections (audits) of the financial and economic activities.

3.6. Information On Investment Management

Investment management in JSC Atomstroyexport is implemented by the Investment Committee established in accordance with the Order No. 46 dated 19.03.2010 «On Establishment of an Investment Committee» on the basis of «Standing Order on Investment Politics of State Corporation Rosatom».

The main task of the Committee is to increase effectiveness and transparency of JSC Atomstroyexport investment activity management.

The Chairman of the Investment Committee is the President of JSC Atomstroyexport A.A. Gluhov.

The Investment Committee functions involve the following:

- Consideration and approval of investment decisions;
- Financial investments management;
- Investment financing sources management;
- Investment planning;
- Investment administration;
- Provision of commissions to structural subdivisions of JSC Atomstroyexport and to subsidiaries and affiliates of JSC Atomstroyexport for preparation of documentation, reports on the issues within the competence of the Committee, as well as reports on implementation of investment decisions approved by the Committee.

Within the framework of the investment planning activity in 2010 JSC Atomstroyexport prepared an Investment Memorandum. In 2010 JSC Atomstroyexport did not implement any large investment projects and programs which require convening of the Investment Committee.



3.7. Corporate Code Of Conduct

According to the Order of the Federal Securities Commission of Russia No. 421/r «On recommendation for application of the Corporate Code of Conduct» dated 04.04.2002, the corresponding Corporate Code of Conduct was approved. This Code contains worldwide standards of corporate conduct in a joint stock company.

All joint stock companies established within the territory of the Russian Federation were recommended to apply the Code.

Throughout its activity JSC Atomstroyexport adheres to the Corporate Code of Conduct considering specific features of its business legal structure (closed joint stock company), specific character of the joint stock capital structure (availability of the majority shareholder – State Atomic Energy Corporation Rosatom) and specific character of the Company's field of activity (implementation of projects for construction and maintenance of nuclear power plants both in the Russian Federation and abroad).

Information regarding the Company's adherence to the Corporate Code of Conduct is contained in the Attachment to the Annual Report.

3.8. Subsidiaries And Affiliates

Within 2009 JSC Atomstroyexport hold the stocks and shares in the chartered capitals of the following legal entities:

Company Name	Main Activities.	Investment Amounts, thousand Rbls.	Share in the Chartered Capital, %, as of 31.12.10
Subsidiaries			
Limited Liability Company ASE-Engineering (LLC ASE-Engineering)	Marketing and implementation of projects on designing and construction of nuclear, thermal and hydro power plants, as well as other complex energy and industrial facilities, including on a «turn-key» basis in the territory of the Russian Federation.	25 500	51
Limited Liability Company Atomstroyfinance (LLC Atomstroyfinance)	Investment activities	100 000	100
Limited Liability Company Atomstroyinvest (LLC Atomstroyinvest)	Investment activities	100 000	100
Limited Liability Company Atomstroyleasing (LLC Atomstroyleasing)	Investment activities	100 000	100
Limited Liability Company Atomstroyexport-Finance (LLC ASE-Finance)	Investment activities	1000	100
Closed Joint Stock Company Ventilation Systems (CJSC Ventilation Systems)	Production and sale of ventilation equipment and refrigeration supply facilities for nuclear plants and for common use.	7 499	74,99
Nukem Technologies GmbH (Germany)	Services in the field of decommissioning of nuclear and radiation-dangerous facilities and spent fuel and radioactive waste handling	€ 3 860 000 / 1 122 966	100



Company Name	Main Activities.	Investment Amounts, thousand Rbls.	Share in the Chartered Capital, %, as of 31.12.10
Affiliates			
Joint Stock Company Kazakhstan-Russian Company Nuclear Plants (JSC KARKAS)	1. Development of design and technical documentation for nuclear power units and nuclear power plants. 2. Designing, construction, commissioning, modernization, service maintenance and decommissioning of nuclear power plants in the Republic of Kazakhstan, Russian Federation and third countries.	28 000 thousand tenges / 5 777	50
CLOSED JOINT STOCK COMPANY METSAMORENERGOATOM Republic of Armenia	11. Designing, siting for construction, construction, operation and decommissioning of the nuclear power unit(s) in the Republic of Armenia; 2. Electric power generation; Sale of electric power owned by the company.	30 000 thousand drams of the Republic of Armenia	50
Closed Joint Stock Company FinAteks	Investment activities	90	30
Joint Stock Company for Generation of Electric Power at Akkuyu NPP (Turkey)	Activity for construction, commissioning and operation of the nuclear power plant at Akkuyu site in the Republic of Turkey, electric power generation, sale of generated electric power and/or power to consumers.	49 995 thousand Turkish liras	33.33



Bushehr NPP (Iran), 2010.

4. SUSTAINED DEVELOPMENT

4.1. Quality Management

4.2. HR Policy

4.3. Social Policy

4.4. Industrial Safety And Labour Protection

4.5. Ecological Safety

4.6. Relationship With Concerned Parties





4. SUSTAINABLE DEVELOPMENT

4.1. Quality Management

With the purpose of improving productivity on contractual obligations performance for the Customers in Atomstroyexport JSC quality management system (QMS) is successfully operated, implemented in 1999 and certified in 2003 on ISO 9001:2000 standard. This system was created on the basis of quality assurance programs on particular projects as documents, subject to obligatory development within the frames of mandatory licensing according to the RF law «On atomic energy uses». Since 2003 quality management system except the indicated programs included quality guide and procedures subject to obligatory documenting pursuant to ISO 9001:2000.

In 2008 based on the implemented IAEA Safety Guide GS-R-3 (series «IAEA safety regulations for public and environment protection») the decision was made on establishing an integrated quality management system by means of including to it the documents elaborated in compliance with the international standards requirements (MC) ISO 9001:2008, ISO 14001:2004 и OHSAS 18001:2007. During the development legislative and normative requirements relevant in the atomic industry were taken into account.

Therefore, the integrated quality management system is an integrated management system as it represents unified frames for implementation of organizational activities and processes necessary for reaching Atomstroyexport JSC objectives including safety, health, environmental protection, protection of personnel and population, quality and economical aspects. In May 2009 the integrated management system (IMS) was

successfully certified for compliance with requirements of ISO 9001:2008, 14001:2004 и OHSAS 18001:2007 international standards.

In May 2010 the first IMS compliance audit was successfully completed in the Company. The results of the audit conducted by certification authority «Bureau Veritas Certification» confirm that the integrated management system used in construction, reconstruction and modernization of nuclear power plants, nuclear plants, heat and power facilities, hydroprotective constructions involves the management of designing, purchases, equipment manufacture, construction and installation, start-up and commissioning works, guarantee operation, foreign customer personnel training as well as conducting export-import operations was successfully implemented and currently is under efficient operation.

The auditors specified that the IMS strengths are Atomstroyexport JSC management leadership skills, activity diversification, production operations risk management of both the Company and its subcontractors as well as personnel qualification level, intensive activity on environmental, occupational health and safety protection. Well-developed IMS documentation as well as an active in Atomstroyexport JSC suppliers assessment system the auditors also referred to the strengths. Besides the auditors mentioned that IMS, elaborated taking into account the latest IAEA documents recommendations, successfully solve the tasks set in front of the atomic industry. IMS certification validity is confirmed up to 2012.

In January 2011 in Atomstroyexport JSC the next audit of JSC «Slovenske Elektrarne» aimed at accreditation confirmation of Atomstroyexport JSC in the list of suppliers was successfully conducted. According to the auditors the results allow extending the Company accreditation on the highest rating. Among the strengths the auditors mentioned a well-documented system and noted that in comparison with the previous audit of JSC «Slovenske Elektrarne» conducted in 2008 an increase of elaborated normative documents amounted to more than 5%.

4.2. HR Policy

The HR policy of JSC Atomstroyexport is based on modern technologies of personnel management and labor market tendencies. JSC Atomstroyexport employees are the most precious and most important asset of the company. The purpose of the Company politics is to determine main principles of personnel management and characteristic of main directions and elements of personnel management system.

The main task of the Company's staff politics is establishment of a «team» consisting of highly qualified employees aimed at implementation of their potential in solving technical, economical and social tasks of JSC Atomstroyexport. Key principles of the Company's staff politics are as follows:

- Availability and openness for JSC Atomstroyexport's employees;
- Flexibility – possibility of application in conditions of dynamic internal and external changes;
- Mandatory execution by any position level employees of policy principles for personnel management, as well as personnel management procedures set forth in local standard acts of the Company;
- Universality – directivity towards assurance of a number of measures allowing to solve any enterprise, organizational or social situations;
- Continuous perfection of personnel management methods on the basis of modern concepts of personnel management with account of the Company's peculiarities;
- Effectiveness – correspondence of expenses to obtained results as per quality and quantity;

- Objectivity – when developing and introducing the personnel management politics the Company ensures unprejudiced comprehensive approach reflecting the current reality and achieved goals;
- Succession – determination of long-term key principles and adherence to them in conditions of internal and external changes.

The Company staff administration politics is based on an Integrated Management System (IMS), which was successfully certified for compliance with the requirements of international standards ISO 9001:2008, 14001:2004 and OHSAS 18001:2007.

In 2010 the average number of the Company's employees amounted to 1 644 men (1 451 men in 2009).

Recruitment of candidates for vacant positions for all directions of the Company activity is carried out in a centralized manner by Personnel Management Department in accordance with applications for staff recruitment submitted from the heads of structural subdivisions.

Assessment of qualification and distribution of the personnel at construction sites of JSC Atomstroyexport abroad is conducted by site staff services in accordance with the staff list and local standard acts of JSC Atomstroyexport, as well as with account of requirements for Qualification characteristics of the employees positions in nuclear power engineering organizations specified in the Uniform Qualification Manual for positions of managers, specialists and employees.

Selected and assessed persons are employed in the Company for vacant positions in accordance with applicable legislation of the Russian Federation and the Company's local standard acts regulating the issues of personnel recruitment and assessment, their employment in JSC Atomstroyexport.



Company Staff Indicators for 2010

Indicator	Measuring Units			Remarks
Total volume of system expenses per employee spent on a regular basis in money and in-kind forms	Mln. Rubles	Total	1 467,87	Total volume of system expenses per employee spent on a regular basis in money and in-kind forms
		Managers	787,8	
		Specialists	582,6	
		Servants	6,7	
		Workers	90,8	
	ppl.	Total:	1 663	Average statistical number of employees
		According to categories:		
		Managers	548	
		Specialists	918	
		Servants	21	
		Workers	176	
		According to regions of presence:		
		RF	1 125	
		Abroad including:	538	
		Bulgaria	89	
		China	27	
		Iran	339	
		India	68	
		Hungary	2	
		Slovakia	1	
		Czechia	3	
		Ukraine	7	
		Vietnam	2	
		According to directions of activities:		
		Conclusion and implementation of contracts and agreements in order to implement intergovernmental agreements and commercial projects for construction of high technology facilities of nuclear and traditional power engineering and industry abroad.	1 280	
		Reconstruction of high technology facilities abroad and provision of conditions for their effective operation.	100	
Construction and reconstruction, in the Russian Federation, of high technology facilities of nuclear and traditional power engineering, as well as relevant infrastructure with involvement of foreign firms and organizations.	283			

extension table

Indicator	Measuring Units			Remarks
Average wages of employees	Rubles	Total	73 574	Average wages of employees
		Managers	119 857	
		Specialists	52 914	
		Servants	26 389	
		Workers	43 095	
Employee turnover factor	%	Moscow	16,67%	
		RF regions	15,64%	
		Foreign countries	10,65%	
Expenditures for preparation (training) and retraining of the staff with calculation for one employee	Thousand rubles / man	Total	5,65	
		Managers	8,38	
		Specialists	5,07	
		Workers	0,22	
Number of training hours for one man	Hours / man.	Total	10,51	
		Managers	19,57	
		Specialists	6,91	
		Workers	1,58	
Ratio of employee development and training expenses to labor compensation fund	%		0,64%	

Listed Number According To Regions Of Presence:

	Moscow -1046	Regions -116	Abroad - 502
permanent	999	86	2
temporarily	27	18	418
part-time	20	12	3
temporarily local employment			79



Dynamics Of Personnel Number In 2010

January	February	March	April	May	June	July	August	September	October	November	December
1479	1598	1626	1608	1601	1590	1610	1625	1627	1646	1641	1664

According To The Level Of Personnel Education (Man):

Primary (general) education	24
Secondary (complete) general education	18
Primary professional education	97
Secondary professional education	101
Higher education	1320
Candidate of Science (approximately equal to Philosophy Doctor)	33
Doctor of Science (approximately equal to a degree which is more advanced than Ph.D)	1

According To The Age

Age										
Total number of men according to the list as of 31.12.10	Up to 20		Up to 20		Up to 20		Up to 20		Up to 20	
1664	0	85	223	225	151	123	187	247	206	217

According To Categories (Man)

Managers	571
Specialists	908
Servants	22
Workers	163

Annual Assessment Of Employees

From February 2011 an industry-specific project was launched in the Company – the Program of annual assessment (RECORD) of Effectiveness, Competence, Development and Achievements of the employees.

Main tasks of the project are assessments of the employees' activity effectiveness, their competence level development, professional and technical knowledge, planning of individual purposes for the forthcoming period, identification of candidates for horizontal and vertical career movements, formation of the development plan, as well as provision of feedback to employees according to assessment results.

Personnel assessment is one of mandatory management processes applied in international companies. In JSC Atomstroyexport there are high requirements to such competences as experience in construction of NPPs and power engineering facilities in the Russian Federation and abroad; knowledge and skills of applying effective technologies for project management, adapted for the countries of the Company's presence; skills and experience in conducting business international negotiations, concluding agreements including those at the national level; skills and experience in taking decisions in conditions of uncertainty and stress situations; knowledge of foreign languages.

Personnel Training

In accordance with OHSAS 18001:2007 and ISO 9001:2008 in 2010 JSC Atomstroyexport continued the work for pre-certification training of its personnel in accordance with Quality Management System requirements in part of complying with safety in business.

In 2010 more than 180 men upgraded their qualification, including 55 men which upgraded their qualification in industrial, power engineering and ecological

safety. In total more than 600 Company's employees were trained in 2010.

In 2010 all structural subdivisions of JSC Atomstroyexport participated in the process of professional training and upgrading qualification.

Main directions in the personnel development were as follows: training related to acquiring professional knowledge and skills, mandatory training in safety of doing business, as well as a number of corporate trainings in 2010 for upgrading professional knowledge (budgeting, estimation, foreign workers, project management).

Main Directions Of Training:

- Mandatory pre-certification training;
- Rules and norms of Labor Safety and Safety Measures, and electrical safety;
- Ensuring safety of works when implementing activities with nuclear power engineering plants of military purpose;
- Rendering the first medical aid;
- Visual and measuring control;
- Mandatory training was also carried out in subdivisions of the facilities: the workers of Bushehr NPP construction site were trained and certified for industrial safety, rules and norms of Labor Safety and Safety Measures and electrical safety, C3Φ workers had a pre-certification training for industrial safety;
- Quality management;
- IT (Oracle, IT-telephony, Java, SAPEP, etc.);
- Project management;
- Accounting;
- Foreign trade contract (Contract Law);



- Customs and Foreign Economic Activities;
- Execution of documentation and business protocol.

The Company's employees and managers took part in the industry-specific conferences for HR, Quality management. In 2010 the Company developed and started agreement upon the QMS document «Standing order for annual assessment of JSC ASE employees» (approved in 2011).

In order to form the management reserve the Company performed the work for formation of «JSC ASE succession plan», the candidates for the later had a distance testing of professional qualities in 2010 (8 managers took part in the assessment).

In 2010 the Company formed and approved its strategic reserve. 11 experienced, promising managers of subdivision were included in the list.

On the 8th of October the representatives of JSC Atomstroyexport took part in the action «Rosatom Career Day» arranged by State Corporation Rosatom with the purpose of attracting the most promising students of

the industry-specific Institutions of Higher Education for work in the industry-specific organizations.

The Company was presented at the action as one of the largest organizations of State Corporation.

The display booth of JSC Atomstroyexport drew especial attention of the students, nearly 60 CVs were collected. The collected CVs will be used in future when selecting students for practice in the Company.

In 2010 the Company continued the work with its young specialists.

Eight young promising specialists took part actively in the all-Russian youth educational forum «Seliger 2010» and in the scientific and practical conference «The youth of Nuclear Fuel Cycle: science, production, ecological safety», the town of Seversk.

Four employees were recommended for inclusion in the operative (potential) reserve of IAEA.



Tianwan NPP (China)

Awards

In the reporting period the following awards have been given to the employees of the Company:

Order

«E.P. Slavskiy» – 1 pc.

Belenkiy Dan Mikhailovich

The 4-th degree Merit badges

«Academician I.V. Kurchatov» – 14 pcs.

Boychenko Vadim Anatolievich

Bondarenko Sergey Vladimirovich

Vasilenko Leonid Vladimirovich

Gorokhov Sergey Vladimirovich

Zaytsev Alexander Vyacheslavovich

Konstantinov Igor Sergeevich

Manakov Yuri Fyodorovich

Petrov Sergey Nikolaevich

Popov Gennadiy Alekseevich

Sarkisyan Alexander Gareginovich

Shpachenko Konstantin Ivanovich

Yurich Alexander Leonidovich

Khripkov Vladimir Petrovich

Pavlov Vladimir Nikolaevich

Gratitude of the General Director of State Corporation

«Rosatom» – 22 pcs.

Dudkin Yevgeny Nikolaevich

Ermolaev Leonid Alekseevich

Malkov Yuri Yurievich

Amelin Pavel Anatolievich

Valiulov Renat Ildarovich

Voytashenko Nikolai Nikolaevich

Voloshin Vladimir Nikolaevich

Korniychenko Nikolai Nikolaevich

Sannikova Natalia Nikolaevna

Tkachenko Alexander Sergeevich

Shevyrev Alexander Alexandrovich

Kryukovich Alexander Ivanovich

Lisitsyna Polina Mikhailovna

Malashkevich Yuri Vasilievich

Martynova Svetlana Nikolaevna

Muzafarov Ramil Ravilievich

Novikova Nadezhda Petrovna

Siyarov Akhmad

Trinev Alexander Ivanovich

Tsyleva Olga Borisovna

Sofina Inna Alexandrovna

Hikmatov Ismoil Abdurakhmanovich

Certificates

of Honour of State Corporation «Rosatom» – 15 pcs.

Mezenin Igor Fyodorovich

Savochkin Alexander Mikhailovich

Fomenko Victor Anatolievich

Arik Yuri Vasilievich

Belikova Elena Vladislavovna

Galkin Vladimir Nikolaevich

Dogonova Tatiana Dmitrievna

Ivashchenko Valdimir Nikolaevich

Maimistov Victor Victorovich

Mezenina Tatiana Petrovna

Trachuk Vitaliy Ivanovich

Forostyanyi Mikhail Andreevich

Shepel Sergey Viktorovich

Adamenko Leonid Petrovich

Shiyan Vladimir Pavlovich

Anniversary medals

«65 years of atomic industry» – 10 pcs.

Zakharov Alexander Sergeevich

Ivanov Yuri Germanovich

Kumani Georgiy Olegovich

Melkin Oleg Ivanovich

Mukhlynin Alexander Gennadievich

Nefedov Gennadiy Fyodorovich

Nechaev Alexander Konstantinovich

Ozhereliev Anatoliy Yakovlevich

Reshetnikov Yevgeny Alexandrovich

Savushkin Vladimir Nikolaevich

Honourable distinctions in labour

«Veteran of atomic power and industry» – 13 pcs.

Dubov Andrey Yurievich

Istomin Dmitriy Leonidovich

Kosova Irina Anatolievna

Pavlov Vladimir Nikolaevich

Pavlov Mikhail Ivanovich

Petrov Yevgeny Victorovich

Prokopenko Leonid Nikolaevich

Satarin Vladimir Vyacheslavovich

Skripichnikov Valeriy Alekseevich

Smirnova Irina Victorovna

Tsybin Nikolay Anatolievich

Chistyakova Galina Petrovna

Speranskaya Nina Leonidovna



4.3. Social Policy

The main target of the Company social policy is creating of atmosphere of trust and loyalty of the employees encouraging the increase of the efficiency of the individual work, as well as strengthening of the team spirit and targeting to the company result.

The Company social policy is based on the following main principles:

- Purpose-oriented and targeting principle;
- Proceeding from implementation of certain activities, projects and programs to development and promotion of corporate standards providing a high social status of the employees and Company all-in-all;
- Openness, transparency and publicity;
- Teamwork and cooperation with public organizations and regional government bodies in the course of implementation of the staff social assistance programs.

In 2010 the work on social support of JSC Atomstroyexport non-working retired employees has been carried out with the direct cooperation with the Company Board of Veterans, State Corporation «Rosatom» Board of Veterans, with the trade union committee of State Corporation «Rosatom».

Internal communications: interaction of the Company management with the employees. In 2010 the mechanisms in the Company have been improved, with the help of which the employees can direct the activity of the highest governing body or give recommendations to it. It is the approach, which helps the employees to feel that they are a part of one and the same team, one collective body targeting to achievement of the overall performance:

- Social research of corporate identity and loyalty of the employees in the Moscow office and on the NPP construction sites abroad has been performed;
- The annual assessment of the employees, which provides an efficient communication between the specialists and managing directors has been carried out;
- Publication of monthly electronic corporate newspaper «NPP-objective» has been continued with its dispatching to foreign NPP construction sites publishing, in particular, interviews with the Company employees, where they express their wishes concerning this or that matter of the Company industrial or corporate activity;
- The website giving the possibility of access to JSC Atomstroyexport Representative Office in Bulgaria has been modernized;
- Three-level training of the Company speakers has been carried out.

Estimate Of Activity Of The Management Of The Company

Within the limits of the branch sociological research questioning of the employees of Atomstroyexport JSC was held.

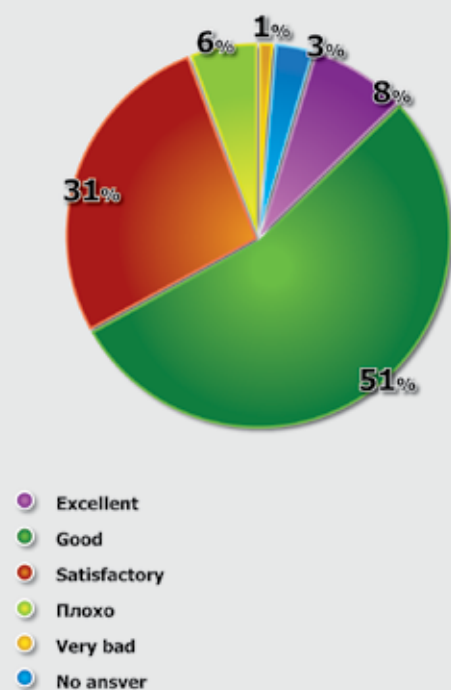
The purpose of the research was to learn opinion of the employees on development of the situation in the company and branch as a whole in 2010, their expectations, their estimation of possibilities for personal growth, coherence of industrial process, psychological comfort and other aspects of work within ASE. The employees gave high estimate to the company's management.

More than half those interviewed (51%) estimated the management's activity well. The third part (31%) would estimate the management «satisfactory».

Thus only 6% of the respondents said «badly». Thus, the balance of positive and negative estimates seems to be in favor of the management of ASE.

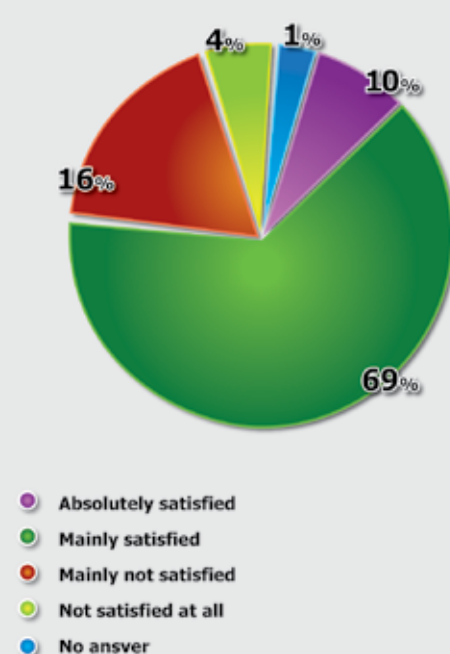
Interview

How do you estimate your activity of company's management?



Interview

To what extent are you satisfied as a whole with work at your company?



The key set of the questions was directed to estimation of satisfaction of the employees of Atomstroyexport by a state of affairs within the company and its prospects. As a whole the employees have rather positively estimated the situation within ASE: 83% of positive answers against 17% negative.

Answering the question, whether the situation within ASE has improved for the last year, voices of the respondents distributed as follows: 18 % insist on deterioration of the situation, twice greater number of the employees (35%) are sure, that the situation has improved (including the opinion of 4% – much more improved), 45% think, that the situation within the company has not changed.

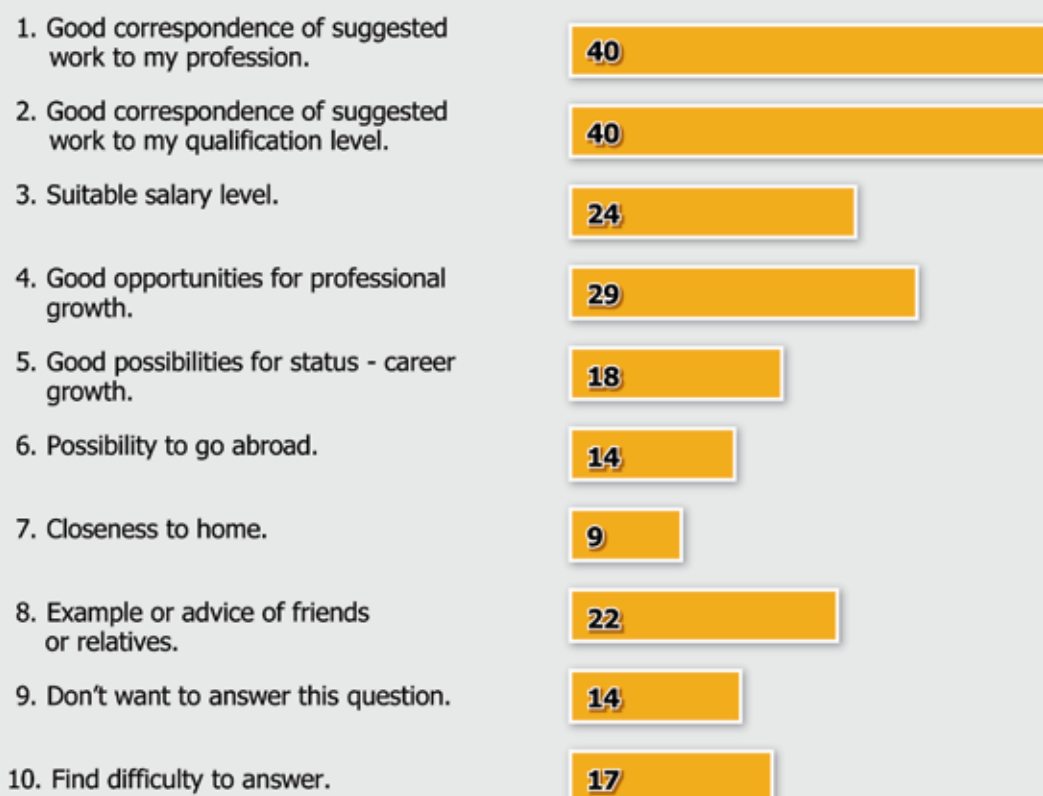
Answering the question «To what extent are you satisfied as a whole by work at your enterprise?» almost 80% of the employees of ASE has stated satisfaction, and that is a very good index.

16% more of the respondents feel some dissatisfaction caused by those or other factors. And only 4% of those asked are absolutely dissatisfied by work at ASE.



interview

Give three main reasons
for choosing ASE as a place of your work



The basic motives for choosing the present place of work by the employees of Atomstroyexport is its correspondence to their professions (40%) and qualifications (40%).

The important value for the employees is availability of the conditions within Atomstroyexport for their professional growth (29%). The suitable wage level as a reason of work at Atomstroyexport was mentioned only by 24% of those asked.

Results of the sociological interview allow to characterize Atomstroyexport as a company of the united working collective focused on professional growth and strict performance of the set industrial targets.

Atomstroyexport provides a high level of social guarantees (protection against dismissal, medical insurance), worthy working conditions and life of the employees.



Katya Polyakova, 14 years old. «My dad works in ASE»

International Corporate Competition Of Children's Creativity At Atomstroyexport JSC

Within the reporting period the results have been summed up of the second international corporate competition of children's creativity «What is atomic energy or My parents work at Atomstroyexport JSC.

The competition has the status of an international one – its participants are children of the employees not only of the Moscow office, but also of the foreign sites

of our company – in Iran, Bulgaria, Ukraine, India, and Vietnam. In connection with expansion of geography of presence of the Company in the international markets it is planned, that in the next year children of other participants of construction of nuclear plants will join the competition in 2011 from Turkey, China, Armenia, Belarus, and Ukraine.



Exhibition of children drawings in the village of Kudankulam (India), 2010.



4.4. Industrial Safety And Labor Safety

Labor safety is one of the Company priorities. In accordance with the Labor Safety Management System (LS MS) of State Corporation «Rosatom» in all subdivisions of JSC Atomstroyexport internal labor safety systems aimed at prevention of industrial injuries and occupational illnesses, improvement of the employees' conditions and labor safety are functioning.

On the NPP construction sites and in other energy facilities the organizational work on providing of safe and healthy labor conditions (planning and financing of different labor safety activities, holding labor safety and industrial sanitation meetings, etc.) is carried out. As a result of the activities to be carried out aimed at improvement of labor safety and conditions, in the reporting period we have managed to prevent industrial injuries completely. Providing of occupational safety labor conditions requires certain material costs. The following shall be referred to the main costs for labor safety activities: providing safety of industrial processes and equipment, buildings and structures; arrangement of normal hygiene-and-sanitary labor conditions; organization of training and skill upgrading; providing of the employees with personal protection equipment.

The integrated quality management system in the Company are unified frameworks for implementation of the organizational activities and processes required for achievement of all the Company goals, including the activities for providing industrial safety and labor protection. The highest position in the organization with the direct responsibility for labor organization Aspects is the First Vice-President of the Company. In the reporting period the amount of deductions for the Additional medical insurance for the year is 17 mln. Roubles.

- The amount of expenses for health and safety of the staff - 1,5 mln. Roubles;
- Lost Time Accident Frequency Rate - 0/1000 of working people;
- Rate of accident seriousness - 0;
- Number of fatal accidents and serious injuries resulting in disability – 0.

4.5. Ecological Safety

Nuclear Power Engineering And The Kyoto Protocol

Nuclear power engineering is one of the most highly technological methods of the production of energy, which ensures reduction in the impact of greenhouse effects from the human impact of man on nature, since there is no emission of CO₂, SO₂, NO_x. Specifically, nuclear power engineering is today the factor, which to a greater degree facilitates the decrease of atmospheric pollution in the industrially developed countries. According to the calculations of experts, the nuclear reactor with the capacity of 1000 MW makes it possible during one year to avoid emission of 1200 tons of dust, 17 000 tons of NO_x, 60 000 tons of SO₂, 7 mln. tons of CO₂ into the atmosphere.

The Ecological Policy Of The Company

JSC Atomstroyexport proposes NPP designs for the construction abroad, which were developed within the framework of the state program «Ecologically clean power engineering» and they correspond to contemporary Russian and international standards and rules and recommendations of the IAEA. A certificate of the association of the European operating organizations (EUR) on the project of the construction of Belene NPP is obtained.

A large complex of measures for the evaluation of the NPP ecological impact on the region of sites layout is conducted. The institute of geophysics of RAS (Russian Academy of Sciences) and other scientific research organizations compulsorily participate in the study of area, recommendations of the IAEA and other international organizations are used. Taking into account the Japanese events, these studies will be carried out more scrupulously.

JSC Atomstroyexport recognizes environmental protection as one of the important factors of its steady development and actively supports the principles of concern about the environment, common for all enterprises of State Corporation Rosatom.

In its activity the society is guided by the following principles:

- To conform to the requirements of the Russian and international legislation about the protection of environment; to track and analyze constantly nature-conservation requirements and react to their change in due time ;
- To increase the information of personnel of the Company in the field of the environment protection and to ensure the proper level of un-

derstanding of the importance of ecological aspects, to carry out actions on environmental protection;

- To analyze regularly the impact of the activity of the Company on the environment; to consider the results of this analysis during the adoption of business decisions for the purpose of the decrease of negative impact on the environment.

The integrated system of the quality management in the Company is the common framework for the realization of organizational measures and processes, necessary for achieving all the goals of the Company environmental protection included the Company.

Observance of ecological standards at the foreign NPP construction sites. The Company strictly observes international ecological standards during interaction with the contractors on the realizable projects sites.

On the demand of the foreign customer the company appears as consultant on issues of the observance of ecological standards and rules: working programs are prepared; technical consultations on the methodology of works are conducted; equipment and personnel are certified; the execution of programs is controlled; the evaluation of specifications is produced.



Kudankulam NPP (India), 2010.



Bushehr NPP (Iran)

According to the NPP construction contract the obligation regarding the fulfillment of works on the substantiation of environmental effect was taken upon by the Iranian Party. The inspection of the surrounding media of the plant is realized in the following fields: air dispersion; solar radiation; design parameters by air; data on the pollution and the corrosiveness of the atmosphere; dispersion in the surface water; the hydraulic parameters of the Bakhush river; the background state of the radioactivity of the area for the date of the development of NPP design; ground-based and sea ecology; the calculation of dose load for the population and the determination of the ways of the transfer of radio nuclides.

The system of environmental monitoring includes: radioactive; seismic; air- meteorological; geotechnical monitoring; monitoring of ground-based waters and of the Persian Gulf of the Indian Ocean; underground waters, underground objects; the geodetic monitoring of sediments and deformation of buildings and construction in the NPP area.

The pipelines of everyday canalization; the canalization of effluents; waters of those contaminated by petroleum products; rain canalization; and also the station of biological and deep purification of waste water; drilling waste disposal site are commissioned.

Kudankulam NPP (India)

The project of NPP construction considers the special features of the tropical water area of the ocean, for which a large quantity of sea vegetation, mollusks and fauna are characteristic. In contrast to other projects, realized by the Company, the Kudankulam NPP water-engineering constructions are more functional.

Besides traditional coast pumping plants, the system comprises chlorinating, which will prevent the overgrowths of water lines by algae and by the mol-

lusks. Fish-shielding system excludes the entry of mollusks and fish into the water lines and the pipeline system of station. Water intake itself is made with the use of caisson construction, and it is carried out into the ocean for 400 meters.

It is necessary also to note that the system of the distillation of water for the needs of the plant is provided in the project of Kudankulam NPP. In NPP construction area there is a source of fresh water, but taking into account the hot climate and developed agriculture of the region, a solution was accepted that the station will not expend water from the local lakes and will provide itself with fresh water. Sea water undergoes treatment at the distillation unit, after which it enters the demineralizing installation, where all the necessary chemical parameters of water are ensured.

Coastal zone in the NPP region is sufficiently deserted, and an enormous quantity of subtropical trees and bushes was planted there by the Indian customer. The system of irrigation has a branched structure, and in some of cases water is brought even to individual trees and bushes.

Belene NPP (Bulgaria)

The Company strictly follows the requirements of the legislation of the Republic of Bulgaria and the requirements of the European Union relative to the protection of the environment and observance of ecological standards and rules. Already at the preparation stage of the construction works JSC Atomstroyexport installed and fixed treatment facilities with the capacity of 400m³/day and 200m³/day.

Overall use of the acquired electrical energy in 2010 for the Company Belene branch amounts to 589992,18 kW/h, comprising the branch consumption – 510435.46 kW/h; consumption (sold capacity) of the subcontractors within the scope of the performance of subcontracting works – 79556,72 kW/h. Source of obtaining electrical power - enterprise «AETS Belene».

The amount of water consumed 927,00 m³, the water source enterprise «AETS Belene». The Earth, in the property, to lease or under control be absent.

In the town of Belene the Company brought out an initiative of rehabilitation of the territory around the NPP being built and assistance in planting of trees and shrubs of the town of Belene and its suburbs. More than 1800 trees were landed. JSC Atomstroyexport became the first Russian company, which came forward with a similar initiative on the Bulgarian earth.

With respect to projects of NPP Kudankulam and Tianwan NPS it is necessary to note that the control over the observance of ecological standards and rules is realized by the customers.

The corresponding responsibilities of the Company and its subcontractors in this matter under the terms and conditions of the contracts and agreements to be realized shall be limited by fulfillment of the requirements of technical projects, projects for works performance, corresponding instructions and regulations of customers.

Russia

In the process of construction of heat-and-power-engineering facilities in Russia the Company is guided by the Requirements in Chapter 5, it.5.5 «Construction Organization» SNiP 12-01-2004 concerning the activities on environmental protection. In particular, in construction of substation 220/10 kV «Molzhaninovka» the activities for Nature Protection Complex «Eagle-owl marsh», which is partially in the territory of the facility, were developed and implemented. In the facility Nevinnomysskaya GRES- upon the initiative of the Company partner in the Consortium – Firm ENEL – during performance of civil works labor safety and ecological safety system was introduced, which was new for the RF conditions and was based on the many years' experience in the work of the above company in the energy

markets of Italy and of other European countries. Within the framework of the above program monitoring of the ecological safety had been carried out, upon the results of which the reports with certain recommendations were prepared. Particularly, use of asbestos-containing materials was excluded in the course of performance of works on heat treatment of weld joints of process pipelines, etc.

4.6. Relationship With Concerned Parties

Effective cooperation with the parties concerned is a prerequisite of JSC Atomstroyexport the stable development. Cooperation is carried out via dialog, which enables the parties to learn each other's points of views on problem solutions, strengthen trust in JSC Atomstroyexport, establish relations in order to reach goals and fulfill tasks of the Company.

Dialog and notification of the parties concerned of the operating countries include planned and operational cooperation with the target audiences, expert's support of MSM, development of independent websites in national languages, arrangement of round tables, presentations, exhibitions and press-tours at the site of the NPP construction, development of photo- and video content for functional application, activities aimed at information security risk levelling and other specialized PR-actions within the marketing strategy of the Company and Rosatom State Corporation.

Wisely organized dialog enables consolidation of resources (knowledge, personnel and technologies) in order to solve problems and reach goals, which the Company cannot solve or reach solely, and in general promotes more equitable and stable social development.



The Following Groups Of Parties Concerned Are Identified In The Company

Parties concerned	Key interests	Actions
State authorities and local government, population of the operating countries	Environmental safety, employment of local population, contribution to the development of local infrastructure	In the Company an Integrated management system has been established and certified as conforming to the requirements of international standards ISO 9001:2008, 14001:2004 и OHSAS 8001:2007. The first compliance audit of the system has passed successfully.
Russian and international customers	High quality of products, stable supplies	Obligations under contracts and treaties with national and foreign customers are being timely and completely fulfilled
Board of Directors of the Company	Stable development, investments, prospects of the Company's development	Dialog system with the Board of Directors members
Workforce	Social responsibility, in-company policy, decent working conditions, wage system, social programs, professional development	Development of social policy and the system of social partnership in the Company, development of professional guidance system, social studies, occupational satisfaction inquiries



Tianwan NPP (China), 2010.

5. APPENDIX

5.1. Corporate Code Of Conduct

5.2. Conclusion Of The PTC

5.3. Elements/Performance Of GRI Public Financial Reporting

5.4. Abbreviations And Terms

5.5. Follow-Up Form





5. APPENDIX

5.1. Information On Upholding The Corporate Code Of Conduct By The Company

Provisions of Corporate Code of Conduct	Upheld/not upheld	Notes
General Shareholder Meeting		
Notification of the shareholders on the General Shareholder Meeting not less than 30 days before the date of the meeting regardless of the questions, included in its agenda, if longer period is not provided by the legislation.	Upheld	Notifications to the shareholders of JSC ASE are made within the period, specified in the relevant legislation.
Present shareholder's ability to become familiar with the list of individuals, which have the right to participate in the General shareholder meeting, starting from the day of announcement of the meeting and till closing of «in praesentia» General shareholder meeting, and in case of «in praesentia» General shareholder meeting – till the end day of acceptance of voting bulletins.	Upheld	
Present shareholder's ability to get familiar, via electronic communication, including Internet, with the information (materials) to be submitted during the preparation to the General shareholder meeting.	Upheld	
Present shareholder's ability to put forward an item into the agenda of the general shareholder meeting or to demand convening of the general shareholder meeting without submittal of an extract from the shareholder's register, if the accounting of its rights for shares is implemented in the share registry system, and in case his rights for shares come into securities account, – an extract from the securities account is enough to realize the forementioned rights.	Upheld	
The Company's internal documentation provides the procedure for registration of general shareholder meeting participants.	Upheld	Provision for the General Shareholder Meeting of JSC ASE (approved by the decision of the annual general shareholder meeting of JSC ASE from 28.06.2006)

Provisions of Corporate Code of Conduct	Upheld/not upheld	Notes
Board of Directors		
The Company's Charter provides the right for the Board of Directors to make decision on suspension of the General Director, assigned by the General shareholder meeting.	Upheld	
The Company's Charter provides the right for the Board of Directors to set up the requirements for qualification and sizing of the fee for the General director, Members of the Management board, directors of the main structural divisions of the Company.	Upheld	According to subitem 10.2.5 of item 10.2 of Article 10 of the Company's Charter sizing of fees and compensations to be paid to the sole executive body of the company is assigned to the Board of Directors
There shall be no individuals among the members of the Board of Directors, which were found guilty of economic crimes and crimes against government, against the interests of the civil service and the service of the local governmental bodies, or on which administrative penalties for offences in the field of entrepreneurial activity or finance, taxes and fees, and security market were imposed.	Upheld	
There shall be no individuals among the members of the Board of Directors, holding the position of the General Director (Manager), member of management body, or employed or participating in the legal entity, rival of the Company.	Upheld	
The requirement, stated in the Company's Charter, for the election of the Board of Directors to be carried out by the cumulative voting.	Upheld	
Holding of General shareholder meeting of the Company during the year, with the development of annual report on the Company's activity at intervals not less than once in six weeks.	Upheld	
A procedure for holding of the Board of Directors meeting, provided in the internal documentation of the Company	Upheld	Provision for the Board of Directors of JSC ASE (approved by the decision of the annual general shareholder meeting of JSC ASE from 28.06.2006)
The Company's inner documentation provides the right for the members of the Board of Directors to get information, necessary for the implementation of its functions from the Executive bodies and managers of the main structural divisions, as well as the responsibility for failure to submit this information.	Upheld	Provision for the Board of Directors of JSC ASE (approved by the decision of the annual general shareholder meeting of JSC ASE from 28.06.2006)



Provisions of Corporate Code of Conduct	Upheld/not upheld	Notes
Executive Board		
There shall be no individuals among the members of executive board, which were found guilty of economic crimes and crimes against government, against the interests of the civil service and the service of local governmental bodies, or on which administrative penalties for offences in the field of entrepreneurial activity or finance, taxes and fees, and security market were imposed. If functions of the sole executive body are implemented by managing organization or by the manager –the General director and members of the General Management Board of the managing organization shall comply with the requirements to the General Director and the members of the General Management Board.	Upheld	
Specification of responsibility for the violation of provisions for the use of confidential and operation information in the agreements, concluded by the Company with the General Director (managing organization, Manager) and members of the Management Board.	Upheld	
Information disclosure		
Company Information disclosure	Upheld	The Company discloses its information in accordance with the relevant legislation of the Russian Federation.
Availability of the Company's website in the Internet and regular sharing of Company's information on this site.	Upheld	
Availability of the internal document, approved by the Board of Directors, which regulates the use of essential information on the Company's activity, shares and other securities of the Company, as well as transactions with them, which is not publicly available and the disclosure of which can effect considerably on the market price of shares and other securities of the Company.	Upheld	Guideline on Circulation of Documents, containing Commercial Secrets (approved by the order of JSC ASE No. 197 dt. 25.08.2005)
Control over financial and economic activity		
Availability of special division of the Company, which ensures implementation of internal control procedures (supervision and auditing service).	Upheld	Internal supervision and auditing service operates in the Company (Provision for the Internal supervision and auditing service was approved on 15.09.2010 with the number P7767-2010).

5.2. Conclusion Of The PTC



Conclusion No. 15 Of The Standing Technical Commission

At the meeting held on 14th of April 2011, protocol No 15, the Permanent Technical Commission of JSC Atomstroyexport, approved by the order No 240 of the President of the Company on 13.10.2010, gave consideration to the recorded information «Draft of the Annual Report of Joint Stock Company Atomstroyexport for the year 2010» (attached), prepared by the Press Service of JSC Atomstroyexport for the submission to the Committee on the Public Company Accounting of Rosatom State Nuclear Energy Corporation for appraisal; the Commission confirms that the given material do not contain:

- Information considered as a state secret of the Russian Federation, including those to be se-

cured throughout Rosatom State Nuclear Energy Corporation;

- Information, describing scientific and technical achievements, which can represent an invention, production prototype or a useful model, not secured by patent right;
- Information on the results of intellectual activity, with the rights owned by the Russian Federation;
- Information on the products and technologies with the controlled export.

Conclusion:

Having analyzed the submitted «Draft of the Annual Report of Joint Stock Company Atomstroyexport for the year 2010», prepared by the Press Service of JSC Atomstroyexport, the Commission considers that this material can be sent to the Committee on the Public Company Accounting of Rosatom State Nuclear Energy Corporation for appraisal.

However, since the «Draft of the Annual Report of Joint Stock Company Atomstroyexport for the year 2010» contains operation information with the limited access, the Commission considers that unauthorized circulation or submission of this material (using during communication) can harm the interests of the Company.

Vice-chairman of the Commission:

L.T. Yanko, V.V. Kukhto

Members of the Commission:

**V.S. Abolenin, D.I. Borovkov, V.V. Kalugin,
V.N. Semerikov, V.G. Pankratov**

Stamp:

**Joint Stock Company Atomstroyexport,
ASE,
Moscow**



Kudankulam NPP (India), 2010.

5.3. Elements/Performance Of GRI Public Financial Reporting

Element/ Parameter	Name of GRI element/parameter	AR section
1.1	Statement of the most senior person taking decisions in the organization (for example, chief executive director, chairman of board of directors or equivalent post), publishing a report, on importance of steady development for the organization and its strategy.	1.2. Address of the Chairman of the Board of Directors
1.2.	Characteristics of key influences, risks and opportunities	Partially in 2.5. Risk Management 4.6. Interaction with concerned parties
2.1	Name of organization	1.4. General information about the Company
2.2	Main brands, kinds of production and/or services.	1.4. General information about the Company
2.3	Functional structure of organization, including main departments, operational companies, subsidiaries and joint ventures.	1.4. General information about the Company 3. Corporate Management 3.8. Subsidiaries and affiliates
2.4	Location of headquarters of organization	1.4. General information about the Company
2.5	Number of countries, in which organization carries out its activity, and names of countries, where primary activity is carried out, or which are especially significant from the point of view of steady development covered by the report.	2.1. JSC ASE status in the branch 2.4. Search of new presence regions and extension of the order portfolio
2.6	Nature of property and organizational-legal form	1.4. General information about the Company
2.7	Markets, in which organization works (including geographical breakdown, served sectors and categories of consumers and beneficiaries).	2.1. JSC ASE status in the branch 2.4. Search of new presence regions and extension of the order portfolio
2.8	Scale of organization	1.8. Basic parameters of activity 3.2. Structure of the Company share capital 4.3. Social policy
2.9	Essential changes of scales, structure or property, which have occurred during the reporting period.	Partially in 3.2. Structure of the Company share capital
2.10	Awards received during the reporting period	1.4. General information about the Company



Element/ Parameter	Name of GRI element/parameter	AR section
3.1	Reporting period (for example, financial/calendar year), which the presented information concerns.	1.1. Liability restriction
3.2	Date of publication of the last one of previous reports (if any)	1.1. Liability restriction
3.3	Cycle of reporting (annual, biennial, etc.).	1.1. Liability restriction
3.4	Contact information for questions concerning the report or its content	5. 5. Follow-up form
3.5	Process of definition of report content	1.1. Liability restriction
3.6	Report boundaries (for example, countries, departments, subsidiaries, leased capacities, joint ventures, suppliers). Further recommendations are given in the Report on GRI boundaries.	1.1. Liability restriction
3.7	Specify any restrictions of scope area or report boundaries	1.1. Liability restriction
3.8	Bases for inclusion of data in the report concerning joint ventures, subsidiaries, rent of productions, transfer of a part of functions to external contractors and other organizational units, which can essentially affect comparability to the previous reports and/or other organizations.	1.1. Liability restriction
3.10	Description of significance of any re-wording of the information presented in the previous reports, and also bases for such re-wording (for example, merging/ absorption, change of reporting periods, nature of business, methods of estimation).	1.1. Liability restriction
3.11	Essential changes concerning the previous reporting periods in scope area, boundaries or methods of measurement applied in the report.	1.1. Liability restriction
3.12	Table specifying arrangement of Standard elements in the report.	5.3. Elements/performance of GRI public financial reporting

Element/ Parameter	Name of GRI element/parameter	AR section
4.2	Specify, whether a chairman of top management body is simultaneously an executive manager of company (and, in case of positive answer, what is a role of this manager in management of organization, and what are reasons of such state of affairs).	3.1. Corporate management system
4.4	Mechanisms, by means of which shareholders or employees of organization can direct activity of top management body or give recommendations thereto.	Partially in 4.3. Social policy
4.14	List of interested parties, with which organization cooperated.	4.6. Interaction with concerned parties
4.15	Bases for revealing and selection of interested parties with the purpose of further interaction therewith.	4.6. Interaction with concerned parties
EC2 (Basic)	Financial aspects and other risks and opportunities for activity of organization in connection with change of climate.	2.5. Risk management
EC3 (Basic)	Policy, practical approaches to purchases from local suppliers and share of such purchases in essential regions of activity of organization.	4.3. Social policy
EC6 (Basic)	Procedures of hiring of local population and share of top managers, employed from local population, in essential regions of activity of organization.	3.7. Policy regarding presence regions
EC7 (Basic)	Direct use of energy, showing primary sources.	3.7. Policy regarding presence regions
EN3 GRI (Basic)	Total quantity of water intake with breakdown into sources (including superficial, underground and rain waters, and also municipal services).	Partially in it. 4.5. Ecological safety
EN8 GRI (Basic)	Significant influence on environment during transportation of products and other goods and materials used for activity of organization, and transportation of man power.	Partially in it. 4.5. Ecological safety
EN29 (Suppl.)	General expenses and investments into preservation of environment, with breakdown into types.	Partially in it. 4.5. Ecological safety



Element/ Parameter	Name of GRI element/parameter	AR section
EN30 (Suppl.)	General expenses and investments into preservation of environment, with breakdown into types.	Partially in 4.5. Ecological safety
LA1 (Suppl.)	Aggregate number of man power with breakdown into types of employment, contracts on hiring and as per regions.	4.2. HR Policy
LA7 (Suppl.)	Level of industrial traumatism, level of occupational diseases, factor of lost days and factor of absence on workplace, and also total fatal outcomes connected with work, with breakdown as per regions.	Partially in 4.4. Industrial safety and labor protection
LA8 (Basic.)	Existing educational programs, training, consultations, risk prevention and control to help employees, members of their families and representatives of population concerning heavy diseases.	4.3. Social policy 4.4. Industrial safety and labor protection
LA11 (Suppl.)	Programs of development of skills and education during life time, called to support ability of employees to employment and also support to them at end of career.	4.3. Social policy 4.4. Industrial safety and labor protection
S05 (Basic.)	Position concerning state policy and participation in formation of state policy and lobbying.	1.4. General information about the Company

5.4. Abbreviations And Terms

Abbreviations

EPC - Engineering, Procurement, Construction

EPCM - Engineering, Procurement, Construction Management

EUR - European Utility Requirements

GRI - Global Reporting Initiative

PR - Public Relations

NP - Nuclear Plant

ACS - Automated Control System

NPP - Nuclear Power Plant

FR - Fast Reactor

WWER – Water-Water Energetic Reactor

WUER - Water Unit Energetic Reactor

GTPP – Gas-Turbine Power Plant

SRPP - State Regional Power Plant

MCP - Main Coolant Pump

DFR - Demonstration Fast Reactor

JSC – Joint Stock Company

IMS - Integrated Management System

ICUF - Installed Capacity Utilization Factor

LRW MF - Liquid Radioactive Waste Management Facility

CRMS - Corporate Risk Management System

IAEA - International Atomic Energy Agency

MW - Megawatt

MeV - Megaelectronvolt

RAW and **SF** - Radioactive Waste and Spent Fuel

RF - Russian Federation

LMCE – Long-term Manufacturing Cycle Equipment

HBS – Hermetic Boundary System

RSCS - Reactor Safety Control System

QMS – Quality Management System

SCPHRS – Secondary Circuit Passive Heat Removal System

OSMS – Occupational Safety Management System

RMS – Risk Management System

FA - Fuel assembly

FE – Fuel element

SRW and **LRW** – Solid Radioactive Waste and Liquid Radioactive Waste

FS - Feasibility Study

MLU – Melt Localization Unit

CF – Cementation Facility

FCSM - Federal Commission for the Securities Market

FSUE - Federal State Unitary Enterprise

LCF – Labor Compensation Fund

CF – Concentration Facility

NFC – Nuclear Fuel Cycle



Terms

C

Cementation of radioactive waste - method of conditioning of liquid or solid radioactive waste by mixture of them with the cement solution and subsequent solidification of the received mass.

Commissioning – the process of starting of the NPP operation, which includes preoperational adjustment works, physical and energy start-up, and shall be completed with the NPP commissioning for commercial operation.

Conditions of safe operation - minimal restrictions fixed by the project for a number of characteristics of the reactor facility, which are essential for safety, on observance of which safe operation of this facility is provided.

Containment – the leakproof casing; the containment vessel; - passive safety system of power nuclear reactors, the main function of which is prevention of an outlet of radioactive substances in the environment in case of severe accidents.

Coolant - a liquid or gas to be used for heat transfer from the core to steam generators or turbines directly.

Core melt localization unit (« a corium trap ») - the device for corium localization and cooling in the beyond design basis accident of the water-water energetic reactor in the process of the reactor core destruction.

D

Decommissioning - decommissioning of the reactor facility, as well as the subsequent activities on providing its safe dismantling, equipment salvage and further use of the site.

E

Defense in depth – the system of protection devices subsequently reserving each other, due to which the NPP safety is provided.

Ecological safety - protection of the environment from harmful impacts of nuclear industry facilities, the property of such facilities is not to cause damage to the environment.

Engineering – engineering and consultation services, works of research, design, design-analytical character, preparation of feasibility studies for projects, elaboration of recommendations in the field of the manufacture and management organization and sale of products.

Environment monitoring - the system of supervision, assessment and forecasting of the condition of the natural environment or its structural elements in connection with influence of the certain factor or a group of factors (separate chemical compounds ionizing and electromagnetic radiations, noise, dust and, etc.)

F

Fast neutrons - neutrons, the kinetic energy of which is higher than the certain fixed value. This value can vary in the wide range and depends on application (the reactor physics, protection or dosimetry). In the reactor physics this value is more often selected at 0,1 MeV level.

Fast Reactor - a reactor, in which sodium is the primary and secondary coolant, water and steam are the third circuit coolants. In Russia it is operated in the Beloyarskaya NPP.

Fast reactors - the energy reactor operating mainly with fast neutrons, unlike the reactor operating with

thermal neutrons, with energy more than 1 mev. The fast reactor usually operates with plutonium fuel and, converting U238, generates more plutonium than the Reactor facility consumes- the nuclear reactor and the complex of nuclear power plant systems designed for transformation of the nuclear energy in thermal one .

G

Glass waste – the high level waste placed in the borosilicate glass for connecting radionuclides in the insoluble, stable matrix suitable for disposal.

H

Heat removal from the reactor - heat release from the reactor and its elements during the process of cooling for use in the power plant and for other purposes; cooling of fuel elements, control and safety rods, reflector of thermal protection of the vessel and biological protection is envisaged.

I

Installed Capacity Utilization Factor (ICUF) – the ratio of the actual energy generation of the reactor facility for the period of operation to the energy generation during the rated power operation, characterizes efficiency and reliability of the NPP operation.

M

Management- a category of the employees holding positions of the heads of enterprises and their structural subdivisions. The following people are, in particular, referred to the management: a director, chiefs of divisions, directors of departments, chief accountant,

chiefs of sections, and also assistants of the above mentioned positions.

Megawatt (MW) - the unit of power measurement equal to 10⁶ Watt. MW (e) refers to electric power of the generator, MW (t) - to the thermal power of the reactor or a heat source.

N

NPP Safety – the NPP property in the normal operation and in case of accidents to limit the radiation exposure on the staff, population and environment in the fixed limits. An NPP Unit - a part of the NPP, including the power reactor and its infrastructure.

NPP operation - the complete set of the plant operation accompanying generation of electric power, including start-up, shutdowns, tests, maintenance, repair and refueling, etc.

Nuclear energy - the internal energy of atomic nuclei to be released in the process of nuclear fission or nuclear reactions.

Nuclear-fuel cycle - a set of activities on providing of nuclear energy functioning, including extraction, processing of uranium ore, fuel manufacturing, its transportation to the NPP, SNF storage and processing. In case of SNF disposal the NFC is called opened, and if processing and reuse of fuel are envisaged it is called closed.

Nuclear fuel - the fissile material, which has passed the required manufacturing processes formed for loading in the reactor.

Nuclear Power Plant – an industrial enterprise on electric power generation.

Nuclear power - the branch of the energy sector, which uses nuclear energy for the purposes of electri-



fication and power-and-heat supply. As the field of science and technology, it develops methods and means of nuclear energy conversion in electrical and thermal ones.

Nuclear reactor - the facility, in which the controllable chain nuclear reaction accompanied by energy release is carried out. Reactors are classified as per their purpose, coolant type, constructional performance and other characteristics.

Nuclear safety - prevention of severe nuclear accidents, system of measures for reduction of the probability of accidents with nuclear fuel damage or overirradiation of the personnel, for example, in the process of the prompt neutron reactor power excursion.

Nuclear waste - radioactive materials received at different stages of the nuclear-fuel cycle, including development of uranium deposits, enrichment, manufacture of fuel, reactor operation, fuel processing, etc.

P

Passive safety systems – safety systems, functioning of which is connected only with the event that caused their operation, and it does not depend on operation of another active device (for example, of an energy source).

Physical protection - technical and organizational measures on providing protection of the nuclear industry object from the non-authorized access, on safety of the nuclear materials available in the object, on suppression of diversions.

Physical start-up - a stage of the NPP commissioning, including loading of nuclear fuel to the reactor, achievement of the reactor critical state and performance of the required physical experiments at the power level.

Power unit - one of the NPP reactors with the required additional equipment.

Power start-up - the stage of the NPP commissioning, where the plant starts to generate energy in compliance with the project, and power increase and check of the NPP operation at the power level to the extent of the capacity installed for commercial operation are carried out.

Power reactor - a nuclear reactor designed for electric power generation.

Protective systems (elements) of safety - the process systems (elements) designed for prevention of accidents in the NPP.

R

Radioactive Waste Management - the general term combining all types of activity, which are connected with processing, conditioning, transportation, storage and disposal of radioactive waste.

Radioactive Waste solidification - treatment of liquid radioactive waste with the purpose of their conversion in dry solid substances and fixing of radionuclides in a solid stage.

RAW Storage - a permanent place of radioactive waste storage.

RAW treatment – process operations aimed at change of the modular condition and (or) of the physical and chemical properties of radioactive waste and to be carried out for their conversion in the forms acceptable for transportation, storage and (or) disposal.

Radiation safety - the system of measures providing security of the staff of the organizations of the atomic industry and the population from radiation consequences.

Radiation control - control over observance of radiation safety standards and basic sanitary rules of work with radioactive substances and sources of ionizing radiation.

Radiation control – obtaining of the information on radiation environment in the organization, in the environment and about levels of people irradiation (includes the dosimetry control and radiometric survey).

Reactor containment - the technical means stipulated for prevention of the outlet of inadmissible quantities of radioactive substances from the nuclear reactor into the environment even in case of an accident.

Reactor vessel - the sealed reservoir designed for location of the core and other devices in it, as well as for carrying out of safe cooling of nuclear fuel with the coolant flow.

Regulating authority - the national body or system of the bodies to be appointed by the state, which possess legal powers of control over safety of nuclear facility operation, execute the process of licensing and issue of licenses, and, thus, regulate safety during siting, designing, construction, commissioning and operation itself, or regulate the certain matters concerning these licensing stages.

Retarder - the material, for example, light or heavy water, or the graphite to be used in the reactor for slow-down of fast neutrons by collision with lighter nuclei to stimulate further fission.

S

Safety systems – the systems designed for performance of activities on prevention of accidents or on restriction of their consequences Experts - a category of the employees occupied with technical and engineering, design, economic and other works, in particular, leading and chief experts according to the directions of the activity, chiefs of groups, chiefs of bureaus, economists, legal advisers.

Simulation core - the complex of fuel assembly simulators, which simulates geometrical characteristics of the reactor core and is designed for tests at the stages

of circulating flushing and trial running of the primary circuit equipment during the period of carrying out of starting-up and adjustment works.

SNF treatment - the complex of chemical and process procedures designed for removal of fission products from spent nuclear fuel and for regeneration of the fissile material for its reuse.

Storage of radioactive waste – placement of radioactive waste in special storage facilities designed for safe isolation of this waste stipulating control and possibility of waste withdrawal in the later period for processing, transportation and/or disposal.

T

Transportation container - the container to be used for safe transportation of spent fuel and high activity level nuclear waste.

Trial Operation - the stage of the NP commissioning from starting of the power start-up up to the NP acceptance for commercial operation.

Turbine - the prime engine with the rotary movement of the operating body (a rotor with blades) converting kinetic energy of the operating body (steam, gas, water) to the mechanical operation.

Turbine cycle - a complex of activities on manufacture, processing and utilization of spent nuclear fuel.

W

Water-water energetic reactor - a reactor, in which water is used as a coolant and retarder. The most widespread type of the NPP reactors of Russia has two modification - WWER-440 and WWER-1000.



5. 5. Follow-Up Form

Global The second Annual Report of JSC Atomstroyexport prepared in accordance with Global Reporting Initiative principles is brought to Your notice.

We shall be grateful to You for answering the proposed questions. Your proposals and recommendations will help to increase the quality of the Report, make it more interesting and useful.

1. Please, indicate to which group of concerned parties You are referred to:

- ☐ Management of State Corporation «Rosatom»
- ☐ Board of Directors
- ☐ Shareholders
- ☐ Company Management
- ☐ Others _____

2. Can You learn anything new about the Company from this Report ?

3. What facts or events from this Report do You remember best of all?

4. What information shall be included in the following Reports?

5. How do You assess the Report from the point of view of essentiality and significance of the submitted information:

5 ☐ 4 ☐ 3 ☐ 2 ☐ confidence in the submitted data and information.

5 ☐ 4 ☐ 3 ☐ 2 ☐ design and structure.

5 ☐ 4 ☐ 3 ☐ 2 ☐ description style.

You can send the fill in questionnaire by fax: (495) 933 1021
or to the address: 2, Dmitrovskoye Shosse, 127434 Moscow

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