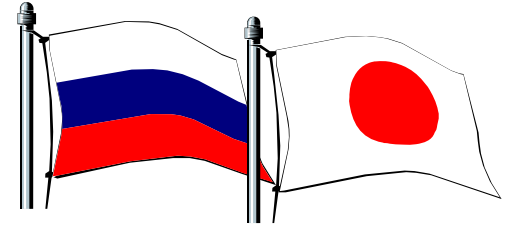


# IA Business in Russia



K.Fujii

Yamatake Europe N.V.



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3.5 What we should do for next?

## Why we joined NEFTEGAZ 2008?

- NEFTEGAZ is the biggest IA exhibition in Russia.
- Re-introduce Yamatake-Honeywell as AZBIL
- Find synergy with Oval products as a Flow Meter Specialist in Russia
- Promote SVP using a live demonstration unit
- Feel market potentiality of new pressure transmitter “ GTX” in Russia

# 1.2 NEFTEGAZ 2008 - Image

Internal use only



OVAL社との共同出展



RUSAL関連エンジニア会社へのマグニュー説明



SVPデモ機とGTX



会場入口直ぐ前のブースでAzbilを大きく掲載



Azbilプロダクト説明員



ロシア販売店 UNICOM社のSapunさん、Mariaさん



OVAL Europe社Frank Lamers氏



Oval本社 中嶋氏（左）、今井氏（右）



展示会参加者全員でロシア式懇親会



ノーコメント

# 1.3 NEFTEGAZ 2008 - Result

- No visitors knew Azbil → Successful re-introduction Yamatake for the new brand recognition in Russia
- Confirmed Synergy between OVAL flow meters (for none conductive fluid) and Azbil MGG/MTG (for conductive fluid) at the same Petroleum plant
- Felt good business potentialities of GOST-R certified SVP
- Found local CV manufactures (Roost-95 & ADL) for SVP OEM partners
- Obtained customer profile of target business segments such as Alumina and Pulp & Paper in details
- Understand GTX specification categorized high end → Potentiality high if GOST-R is available

## 2. MARKET RESEARCH

### 2.1 Pulp & Paper

[PP customers\\_010708.xls](#)

### 2.2 Alumina & Aluminum Smelter

[Rusal Customers\\_010708.xls](#)

## 3. RUSSIAN BUSINESS UPDATE

- 3.1 Existing Customers
- 3.2 Target Customers
- 3.3 Our Partners
- 3.4 Where we are now?
- 3.5 What we should do for next?

# Fertilizer Plants in Russia

(built by Toyo Engineering 1970's)



# 3.1 Existing Customers (Fertilizer)

## JSCo Minudobrenia (built: 1976)

1<sup>st</sup> Visit - 6<sup>th</sup> March, 2007 (Key person: Mr. A. Akhmetshin)

### General

Order: 90K EUR (2007), 84K EUR (2008) Directly to YEU

Maintenance: Every summer

### Existing Yamatake products

CV: 240 units (V-series) - Ammonia & Urea plants

Pneumatic instruments: 170 units

### Modernization

DCS: DELTA-V (HART)

### Business chance

CV replacement & AVP202 & 302 → 50 units delivered (2007/2008)

# 3.1 Existing Customers (Fertilizer)

## Corporation Togliatti AZOT (built: 1977)

1<sup>st</sup> Visit - 12<sup>th</sup> March, 2007 (Key person: Mr. Julin Alexander V)

2<sup>nd</sup> Visit - 19<sup>th</sup> September, 2007

### General

Total 7 ammonia plants (3 plants designed by GIAP and product supplied by TEC) - 8% of world scale, 1 out of 7 plants is always stopped now due to lack of raw material, natural gas → Maintenance cycle almost every 2-year

### CV

30 units (V-series) for utility

Majority → Masoneilan (DS Control located in Samara nearby plant)

### Modernization

DCS partly adopted YEW, Honeywell & ABB

Positioner: ABB 96 series & Fisher 600 series

### Business chance

CV replacement, AVP300/302 → **Partner for CV maintenance is needed**

# 3.1 Existing Customers (Fertilizer)

## Kuibyshev AZOT (built: 1973)

1<sup>st</sup> Visit - 12th March, 2007 (Key person: Mr. Victor V. Alexeyev)

2<sup>nd</sup> Visit - 20th November, 2007 (Mr. Valeriy I. Pechenik)

### General

Shutdown Maintenance: every 2-year

GIAP is main contractor (TEC supplied CV & Field Instruments)

CV 4000 units (500 without positioner)

Saransk (USSR): Majority & some Niigata Worthington)

New ammonia plant: Samson & Masoneilan

### Modernization

DCS: Delta-V (Hart) & YEW (Hart) → 50% plant is modernized

Positioner: Samson, Masoneilan & Siemens

### Business chance

Ammonia plant 70 units of positioner (105 out of 175 units → Samson)

**SVP sample (AVP202/302) → to be supplied**

# 3.1 Existing Customers (Fertilizer)

## JSCo Cherepovetsky AZOT (built: 1975)

1<sup>st</sup> Visit - 9<sup>th</sup> March, 2007 (Key person: Mr. Shoykhet Vyacheslav)

### General

CV replacement proposal since 2006 → Not yet finalized due to price factor (visit this plant again in 2008) / Shutdown maintenance: Every 2 years

### Existing Yamatake products

CV: 150 units (V-series) - Ammonia plant → Need local CV maintenance partner

CV accessories (Air relay, LS & Pneumatic valve positioners) → Sold 65 units of limit switch in 2007

### Modernization

DCS: Centum CS (HART)

### Business chance

CV replacement, AVP202/302 & CV Accessories (Air relay & LS)

# 3.1 Existing Customers (Fertilizer)

## Kemerovo AZOT (built: 1971)

No visit as of today due to sudden cancellation in 2007

→ Visit with Sojitz in 2008

### General

3 ammonia plants

Maintenance: every 2-years

### Existing Yamatake products

CV: to be checked (V-series) / Pneumatic instruments

### Modernization

To be investigated next visit

### Business chance

CV replacement & AVP202/302 (supposed)

# 3.1 Existing Customers (Fertilizer)

## JSC Acron (built: 1970 & 1975-76)

1<sup>st</sup> Visit - 14<sup>th</sup> June, 2007 (Key person: Mr. Alexandr E. Komarov)

### General

Spare parts procurement thorough JSC Acron Moscow (HQ)

Maintenance: Every year

### Existing Yamatake products

CV: 120 units (Ammonia I) & 129 units (Ammonia II)

→ Spare parts list submitted through Sojitz

### Modernization

Ammonia I (Honeywell DCS) / Ammonia II (Invensys DCS)

### Business chance

CV Spare parts, AVP202/302 & special valve (ex. drag valve →

Multi stage pressure reducing valve

# 3.1 Existing Customers (Fertilizer)

## JSC Dorogobuzh (built: 1979)

1<sup>st</sup> Visit - 13<sup>th</sup> June, 2007 (Key person: Mr. Yuri Anatonivich)

### General

Spare parts thorough JSC Acron Moscow (sister company)

Maintenance: Every year

### Existing Yamatake products

CV: about 110 units (V-series) - Ammonia plant → order received for 9 units of new CV

Position feed back function for all control valves

### Modernization

CurrentroniK → Digital controllers (Yokogawa & Jumo)

### Business chance

I/P Converter & Positioner: VPI → AVP302 (about 50 units)

SVP field trial completed → order received for 4 units of AVP302

# 3.1 Existing Customers (Fertilizer)

## JSCo Rossosh (built: 1976)

1<sup>st</sup> Visit - September, 2007 (by Mr. Temir Rashidov, Sojitz)

➔ Visit again in 2008

### General

Location: South East of Moscow

### Existing Yamatake products

CV: 110 units (V-series) ➔ spare parts list submitted

### Modernization

DCS: to be investigated

### Business chance

CV spares & replacement, AVP300 or 302

# 3.1 Existing Customers (Fertilizer)

## Kirovo-Chepetsk AZOT (built: 1977)

1<sup>st</sup> Visit - 12<sup>th</sup> November, 2007 (Key person: Mr. Danilov Andrey)

### General

Own institute tests products, so no GOST-R is basically required.

### Existing Yamatake products

CV: 50 units (V-series) → 25% of ammonia plant

Pneumatic instruments: some

### Modernization

DCS: Foxboro (Invensys)

Positioner: METSO, FLOWSERVE → AVP302 for field trial

(if no problem after one year, the invoice will be paid.)

### Business chance

CV replacement & AVP202/302 & CV spares

# 3.1 Existing Customers (Fertilizer)

## Novomoskovsky AZOT (built: 1973) Holding Company: EUROHIM

Internal use only

1<sup>st</sup> Visit - 13<sup>th</sup> March, 2007 (with UNICOM - Sudden cancellation)

2<sup>nd</sup> Visit - 14<sup>th</sup> November, 2007 (with Sojitz)

### General

3 ammonia plants (1: 100% Russian, 1: 50% Russian & 50% Japanese and  
1: 100% Japanese built by TEC)

### Existing Yamatake products

CV: TEC 2 plants 100% Yamatake CV (V-series) about 200-250 units?

DCS: TDC3000 already replaced with Honeywell C200, TRICONEX (Invensys), Yokogawa, GE FANUC

### Modernization

Production Capacity should be increased, so modernization will be one by one

### Business chance

CV replacement & AVP202/302 (AVP202 supplied by German company 2007)

# 3.1 Existing Customers (Fertilizer)

## Nevinnomyssky AZOT (built: 1971) Holding Company: EUROHIM

Internal use only

1st Visit - 16<sup>th</sup> November, 2007

Key person: Mr. Vladimir Fedorovich (Chief Specialist on Metrology and instrumentation)

### General

2 ammonia plants (TEC)

Coldest ambient temperature is above -30 degrees C → No limitation

### Existing Yamatake products

CV: CV (V-series) about 300 units → Spare parts inquiry received for NV series & CV3000 →  
Production number "S" should be first priority

DCS: TRICONEX (Invensys) 4-20mA

### Modernization

Production Capacity should be increased, so inquiry for plant modernization is active now!

### Business chance

CV spares & replacement, AVP200/300

# 3.1 Existing Customers (GPP)

## SIBUR LLC (OGP Restoration 2007)

1<sup>st</sup> Visit - 15<sup>th</sup> June, 2007 (Mr. Yury A. Kostyuk, Head of Procurement)

2<sup>nd</sup> Visit - 20/21 February, 2008 (CV Trouble Shooting at site)

### General

Location: Belozerniy, Nizhnevartovsk (West Siberian Region)

Owner: 75% GAZPROM Bank & 25% GAZPROM

Originally built by JSW with Sojitz (ex. Nichimen)

### Yamatake products

CV: 9 units (New installation in 2007) → 4 more units expected as spare

### Modernization

Ammonia I (Honeywell DCS) / Ammonia II (Invensys DCS)

### Business chance

CV & Spare parts

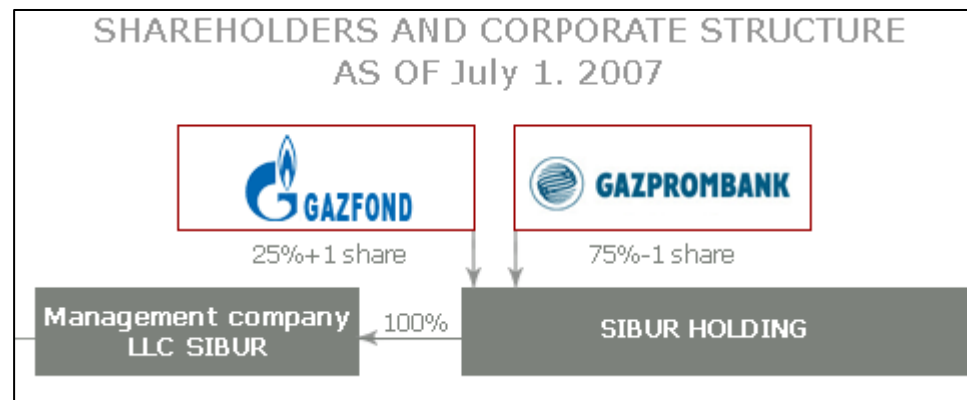
# 3.2 Target Customers

## 3.2.1 SIBUR Holding

Internal use only

The SIBUR group is Russia's leading petrochemicals company, with a total of 34 plants and subsidiaries producing over 100 petrochemical products.

A controlling stake in SIBUR Holding Joint-Stock Company (JSC) is held by the **Gazprom** group, and the Company is run by a management organization called SIBUR Limited Liability Company (LLC). It has achieved strong financial results over the past few years, and its planned investment for 2007 amounts to 16.9 billion roubles (US\$655M).

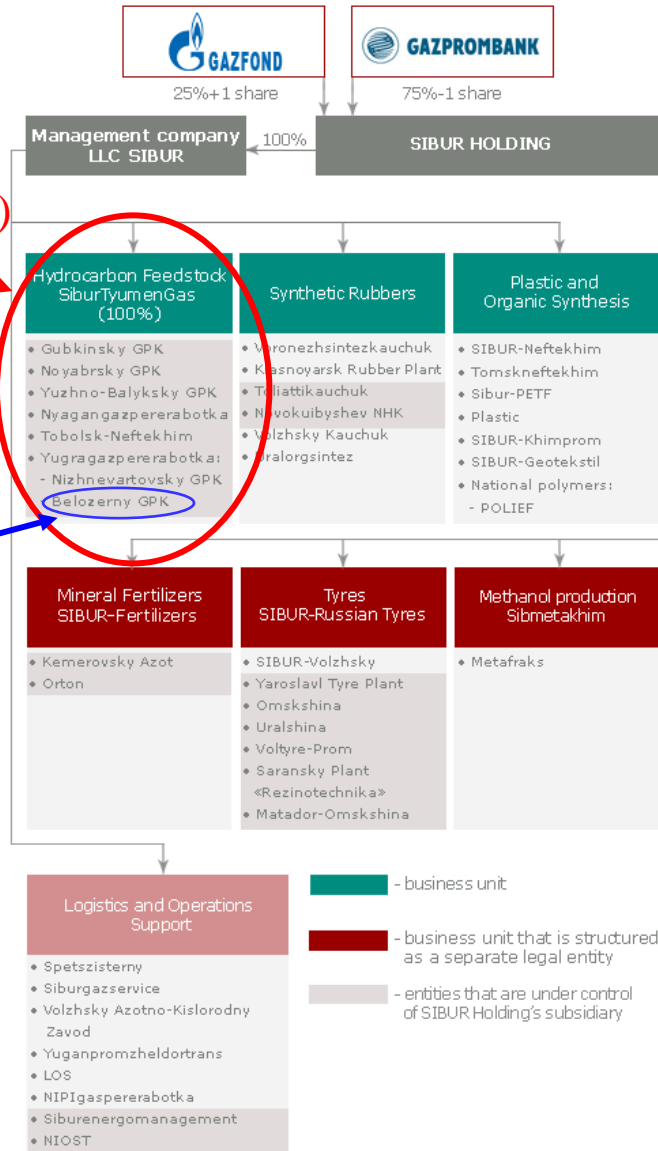


# Structural Overview of SIBUR Holding

Internal use only



SHAREHOLDERS AND CORPORATE STRUCTURE  
AS OF July 1, 2007



First Target  
(Biz Scale:  
CV 2,000 units)

Just get an  
order!

## Main Products

- Gas processing
- Rubbers
- Monomers
- Batch Chemicals
- Fuel, Lubricants and high-octane additives
- Mineral Fertilizers
- Polymers
- Organic Synthesis
- Industrial Rubber Goods
- Tires
- Chemical fibers

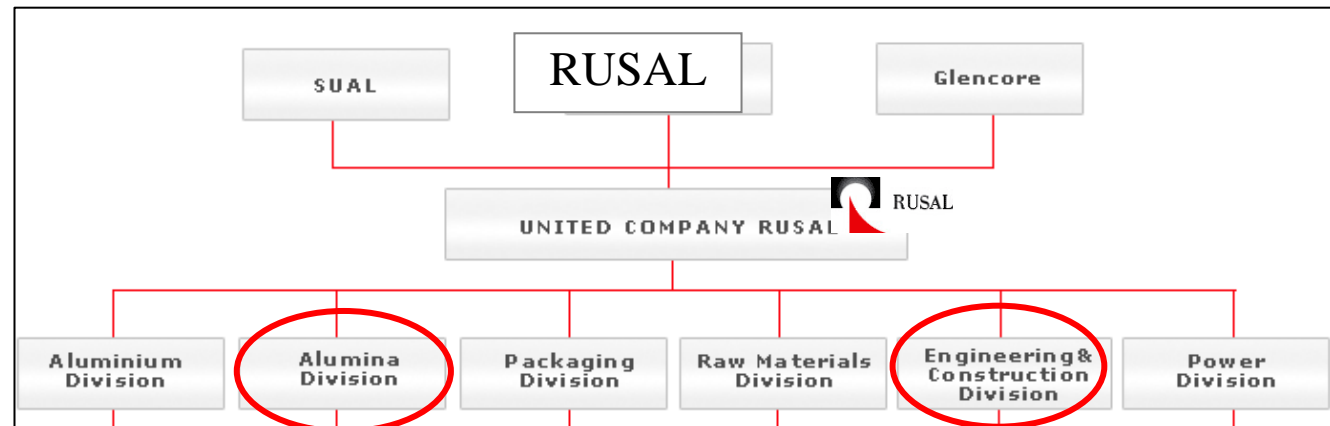
# 3.2 Target Customers

## 3.2.2 RUSAL

The RUSAL is the world's largest producer of aluminum and alumina, with 14 aluminum smelters, 10 alumina refineries, 4 bauxite mines and 3 foil mills, which mainly produces 3.9 million tones of aluminum and 10.6 million tones of alumina every year.

(This accounts for almost 12.5% of entire global output of primary aluminum and 16% of the world's alumina production)

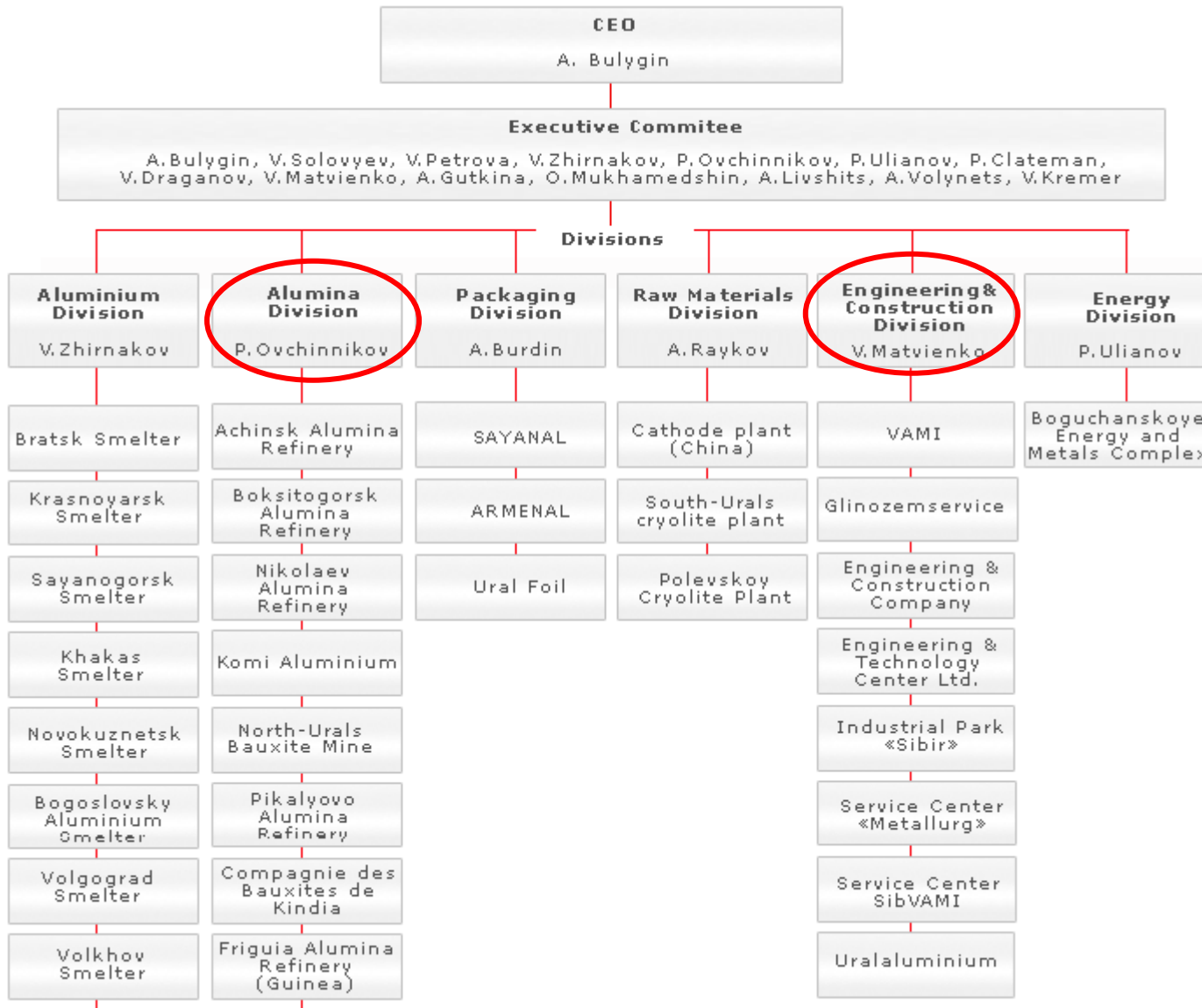
RUSAL's shareholders own a 66% stake in the United Company, SUAL's shareholders hold 22%, and the remaining 12% is owned by **Glencore**



Reference: Alcoa

# Structural Overview of united company RUSAL *azbil*

Internal use only



## Main Products

Primary aluminium

**Alumina**

Primary wrought alloys

Primary foundry alloys

Foil and Packaging

Powders metallurgy

Wire rod

Silicon

Chemical Products

Corundum Products

Gallium

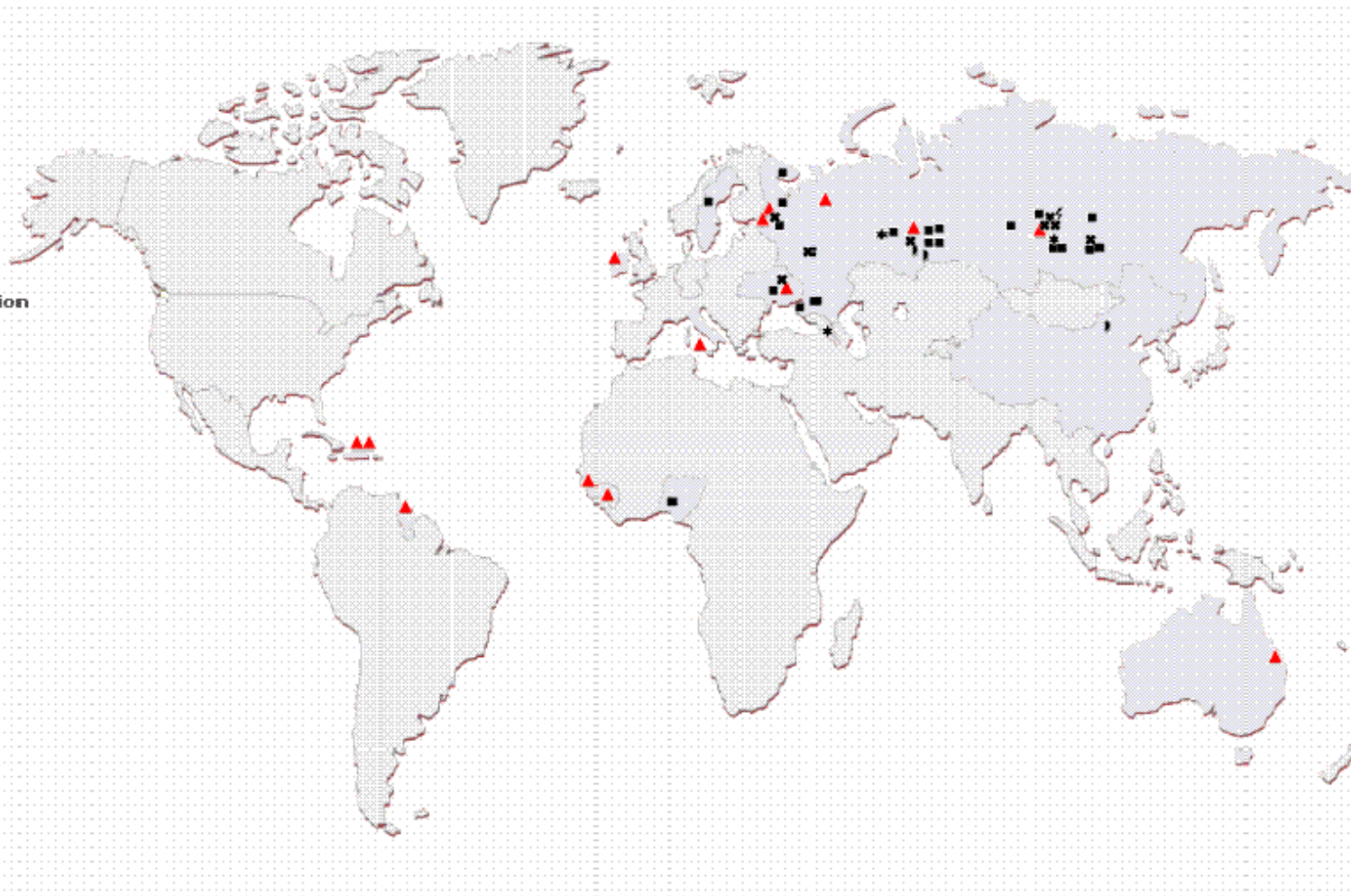
# Worldwide Overview of RUSAL

Internal use only

- Aluminium division
- ▲ Alumina division
- Packaging division
- Raw Materials division
- Energy division
- Engineering & Construction division
- Offices

## RUSAL Worldwide

- |             |           |
|-------------|-----------|
| ■ Russia    | ■ China   |
| ■ Australia | ■ Armenia |
| ■ Ukraine   | ■ Ireland |
| ■ Guinea    | ■ Guyana  |
| ■ Italy     | ■ Jamaica |
| ■ Sweden    | ■ Nigeria |



# RUSAL in Russia - Aluminum Smelters & Alumina Plants



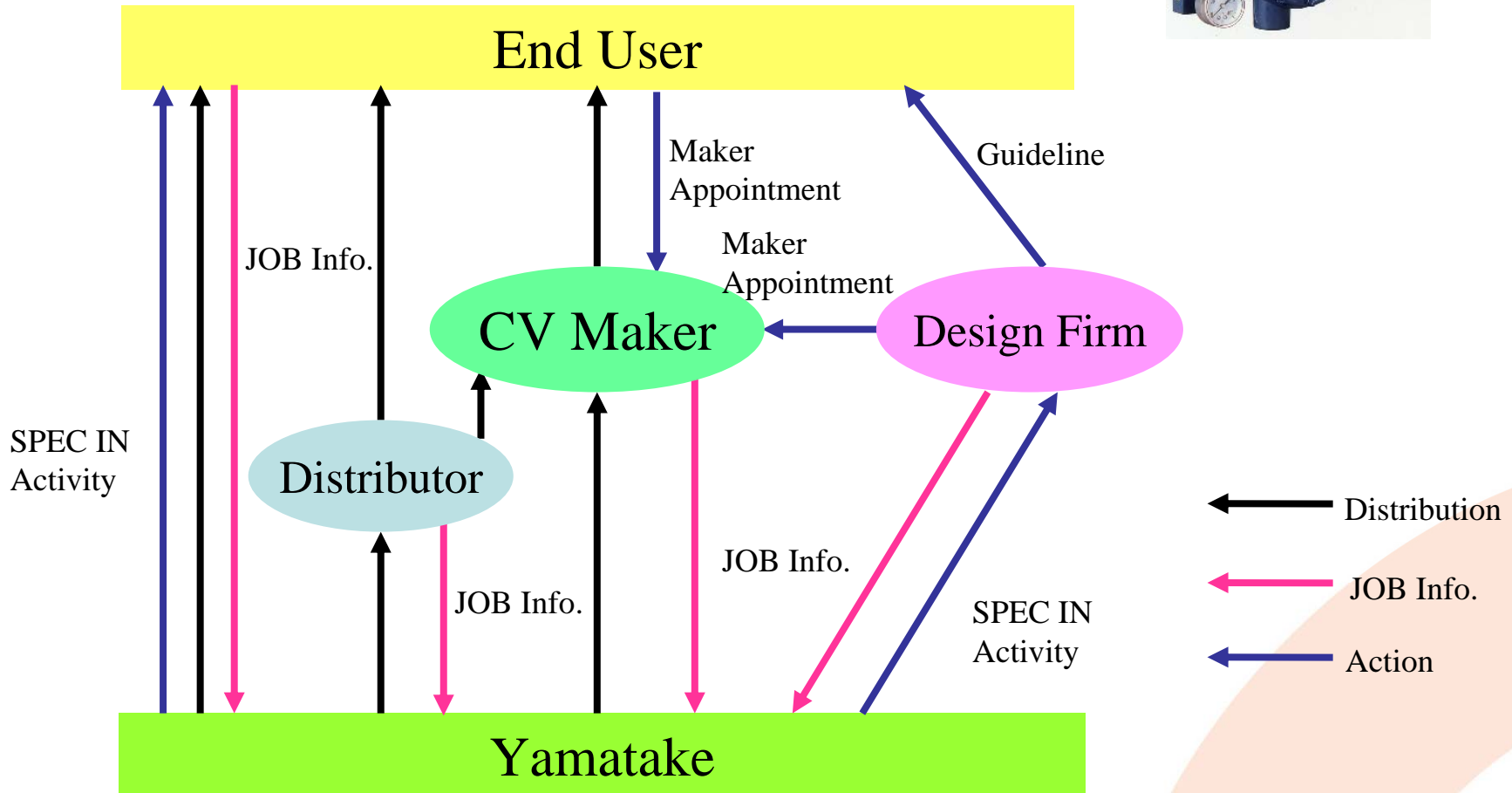
## 3.2 Target Customers

### 3.2.3 Russian Local Engineering Contractors

No.	Name	Location	Major Market	Remark
1	NIIK	Nizhny Novogorod	Urea	
2	Metaprocess	Moscow	Fertilizer/Meth anol	Visited on Sep.09
3	Giprokauchuk	Moscow	Petrochemical	Visited on Sep.09
4	Khimteknologiya	Severodonetsk, Ukraine	Ammonia	
5	Lengiproneftechim	St. Petersburg	Refinery	Visited on Jun.07
6	Plastpolymer	St. Petersburg	Petrochemical	
7	Nipigazprererabotka	Krasnodar	Gas Processing	Visited on Sep.09

Internal use only

- Green Field Project



# 3.3 Our Partners

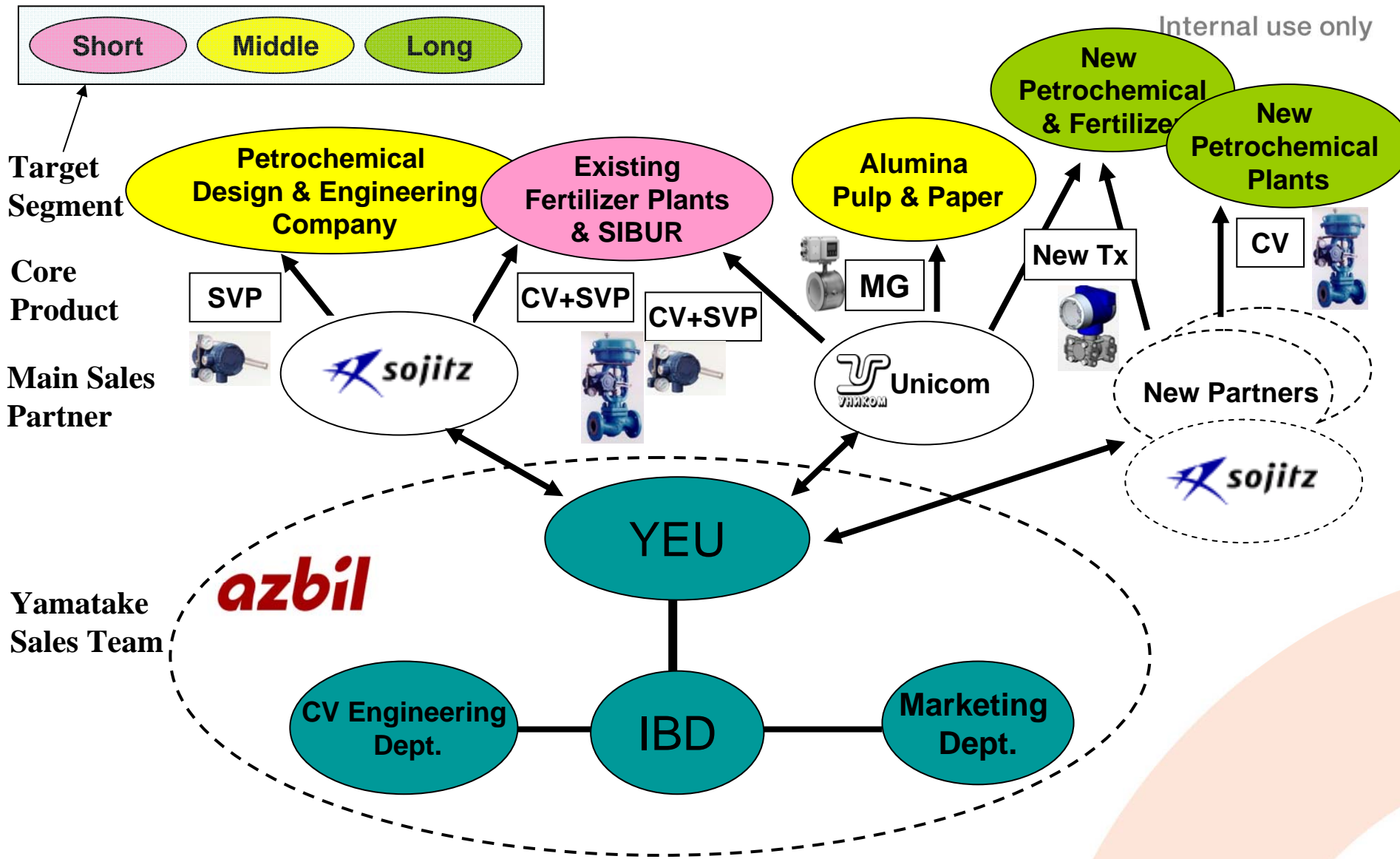
## 3.3.1 Target Business Segment

Internal use only

No.	Target Business Segment		Applicable Sales Partner		
	Core Product	Applicable Market & Customer	Sojitz	Unicom	New
<b>Short Tracking</b>					
a)	CV Spares & Replacement	Fertilizer Plant	○	○	×
		SIBUR	○	×	×
b)	SVP Replacement	Fertilizer Plant	○	○	×
<b>Middle Tracking</b>					
c)	MGG/MTG Sales	Alumina	×	○	×
		Pulp & Paper	×	○	×
d)	SVP Spec. in	Russian Design & Engineering Co.	○	×	×
<b>Long Tracking</b>					
e)	CV Project Sales	New Petrochem. Plant	△	×	△
f)	New Tx MRO & Project Sales	Petrochem. Plant	△	○	△
		Fertilizer Plant	△	○	△
<b>Legend</b>					
○ : Covered by this partner					
× : Not covered by this partner					
△ : YA should look for new sales partner to cover this target segment or the existing partner to reinforce the sales staff.					

# Russia Business Flow Overview

Internal use only



## 3.3 Our Partners

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### 3.3.2 Milestone

Internal use only

[Russia Business Milestone 070708 cbim.xls](#)

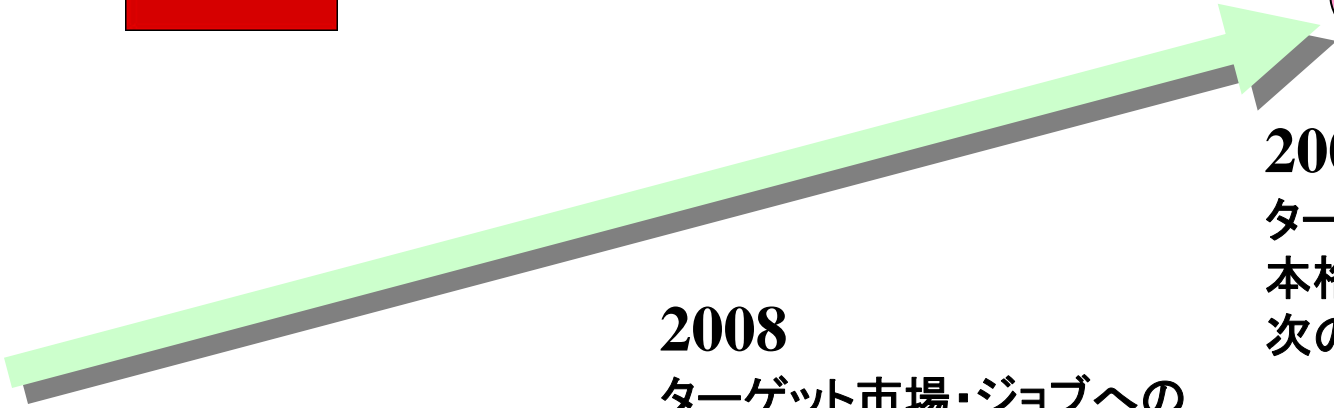
# 3.4. Where we are now?

## Initial Business Plan - Qualitative objectives

Internal use only



To full-scale entry  
in NEXT 3 years



**2007**

ロシア再参入への  
インフラ作り。

1. GOST-R Approval
2. Market Survey
3. Training to the selected sales partners.

**2008**

ターゲット市場・ジョブへの  
本格的販売活動

1. Review Year 2007
2. Expand field trial opportunities
3. 1<sup>st</sup> reference of MGs in target industries
4. Exhibition (NEFTEGAZ)

**2009**

ターゲット市場・ジョブへの  
本格的販売活動の継続と  
次の3年へのレビュー

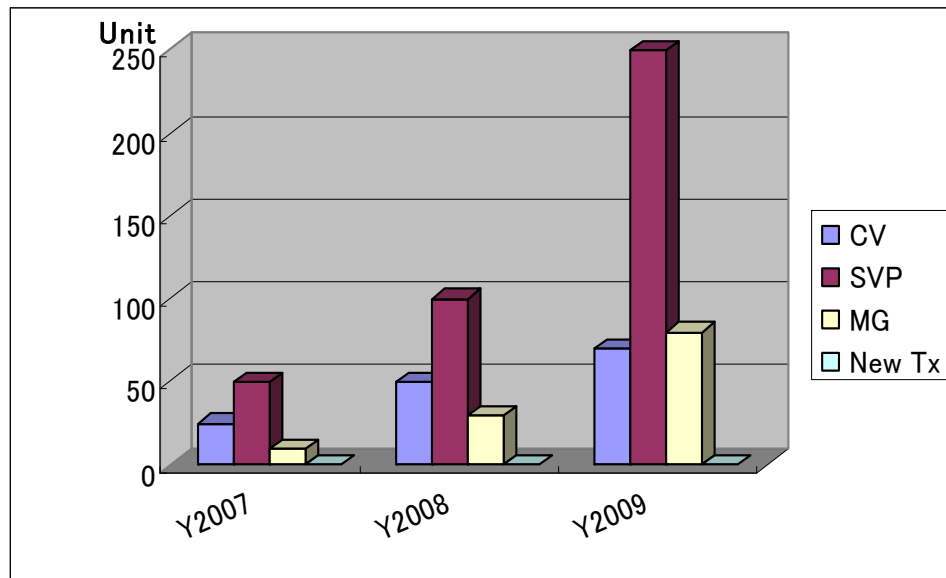
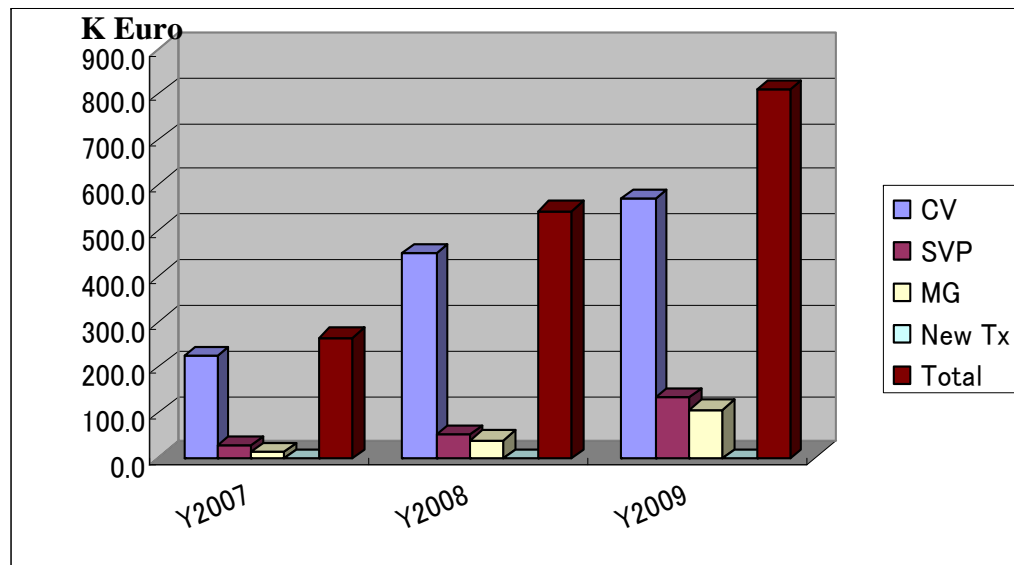
1. Review Year 2008
2. Study of reinforcing the sales force & expanding the target segments.

# 3.4 Where we are now?

## Initial Business Plan - Quantitative objectives

Internal use only

### (Conservative Case)



**Conditions**  
 現有の販売体制・製品系列・規格取得状況で、販売活動を展開。  
 (大きな投資はしない。)

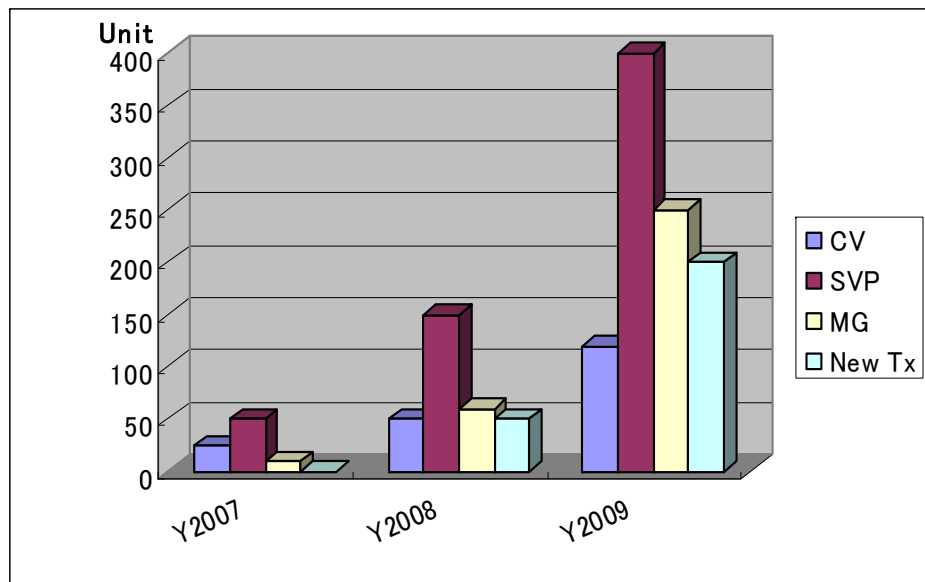
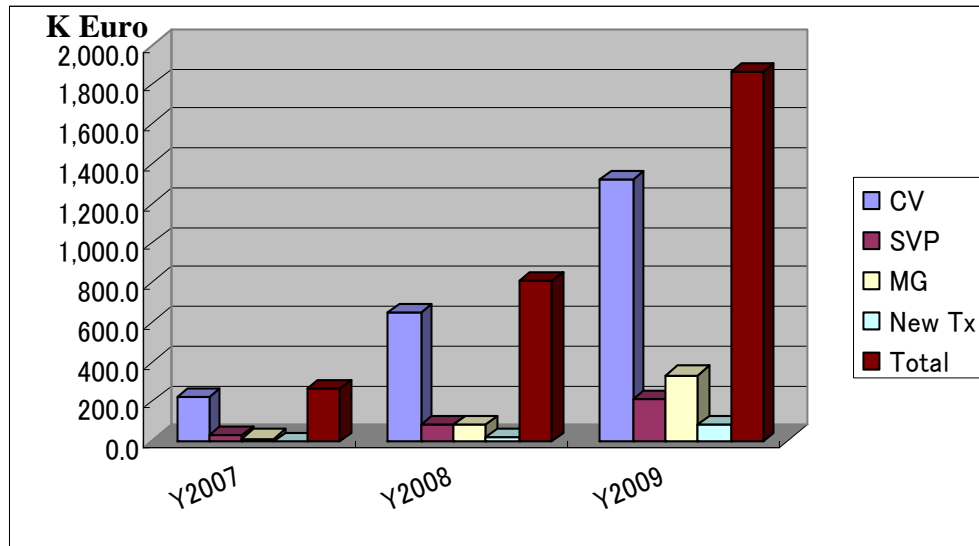
YEU藤井をロシア拡販のメイン遂行者としてそれほどの頻度では  
 なくても、IBD/MKT/CV技術部が適宜出張サポートをする。

# 3.4 Where we are now?

## Initial Business Plant - Quantitative objectives

Internal use only

### (Aggressive Case)



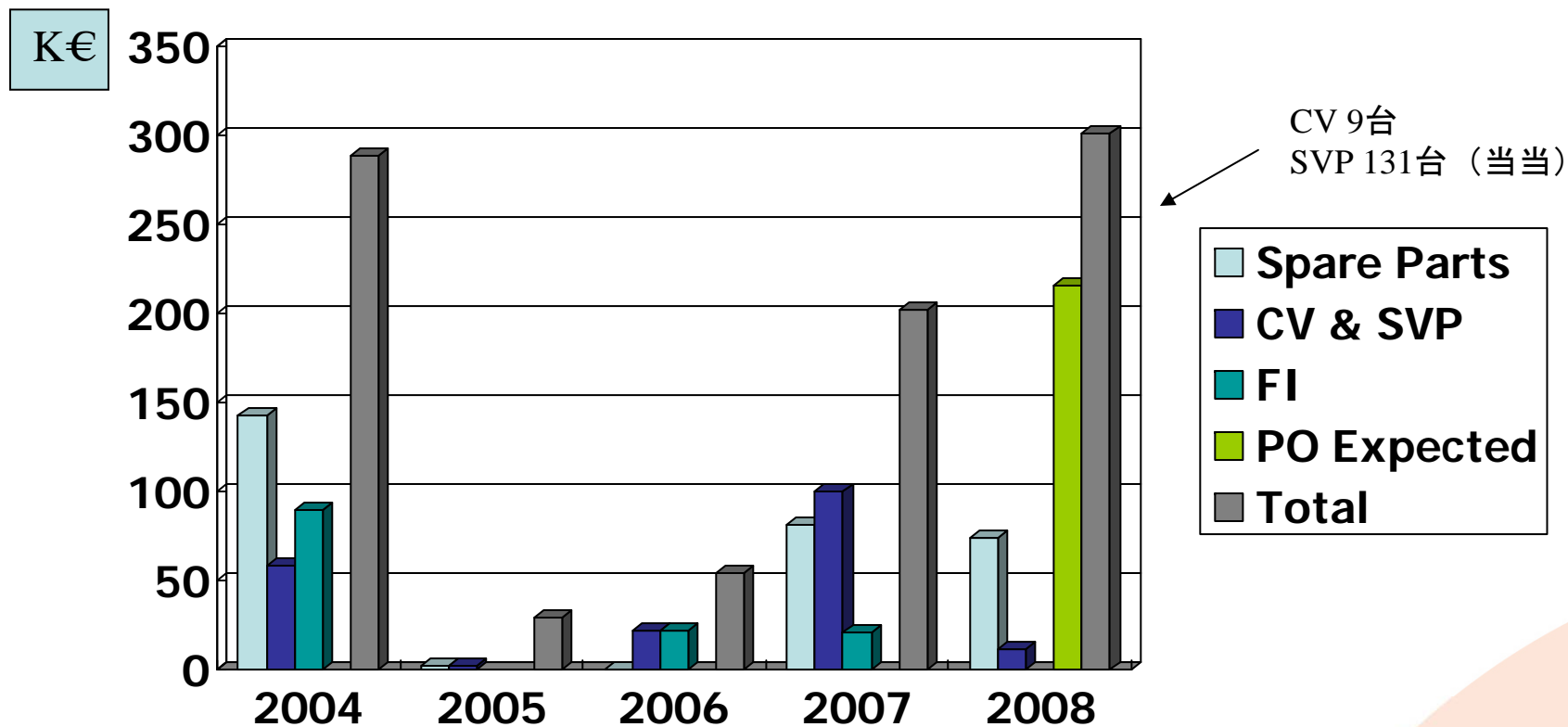
#### Conditions

- 2008-3Qからは、ロシア人営業技術員(1-2人)を雇用し、ロシア注力エリアに常駐。
- 新TxのGOSTを2008-3Q末に取得
- RusalのようなMG向けNational Account攻略に、AAC全体にて支援。
  - MKT・開発部門の全面的な支援。
  - 低温仕様要求が求められない。もし必要なら、開発対応をする。
- 新ターゲット・セグメントに即した新しい販売パートナーが適宜見つかる。

# 3.4 Where we are now?

## YEU Sales Result & Forecast in Russia

Internal use only



## 3.5 What we should do for next?

- a) **ロシア人営業技術員の採用 (Russian Sales Engineer needed)**
  - ✓ Communication must be in Russian.
  - ✓ Russia is geographically far from both Japan and Belgium
  
- b) **GOST規格の更新・追加取得 (More GOST-R certified products)**
  - ✓ MG & SVP: Already certified but update is required every three years
  - ✓ New Tx (GTX): Another application and audit is required (4 months)
  
- c) **低温仕様要求 (Cold ambient temperature complied as standard)**
  - ✓ SVP: up to (-) 55 deg C is covered.
  - ✓ MG: up to (-)20 – 25 deg C only is covered.
  
- d) **新パートナーの発掘 (New partners on targeted business segments)**
  - ✓ Local CV manufactures for SVP OEM and CV Maintenance
  - ✓ Project Sales for CV & GTX
  
- e) **紙パ、アルミナ市場でのMGG拡販 (MGG promotion on PP & Alumina)**
  - ✓ Financial back up to UNICOM by YG
  - ✓ Accompanied by MGG Specialist on customers visit (on the job training)