

## 20th Anniversary: Our history

### Celebrating 20<sup>th</sup> anniversary — our history

HMS Group was founded in 1993 with the creation of Hydromashservice, a specialised trading company that distributed pumps and pumping equipment in Russia and the CIS. In 2003, the Company began acquiring companies with pump manufacturing facilities in Russia, oil and gas equipment production facilities and engineering and construction companies with the goal of integrating the flow control market in Russia and the former Soviet Union.

The timeline below highlights key events in the HMS Group's history, as well as the Company's participation in a number of high profile projects.



**1993**

Pump trading and servicing company was founded by German Tsoy, Artem Molchanov and Kirill Molchanov. The Company expanded its operations and client base to become a leading distributor of pumps and pumping equipment in Russia and the CIS. Its main activity comprised supplies of pumping and joint equipment to Russia from CIS countries (Ukraine, Belarus, Moldova, Kyrgyzstan) where traditional suppliers of specific types of pumps for the Russian market were located.



**1995**

HMS Group launched a pump skid assembly business in Russia and CIS countries where Gidromashservice became one of the leading enterprises specializing in complete deliveries of pumping equipment for oil and gas complex, power and water industry and housing utilities.



**2003**

HMS Group began to manufacture pumps after an acquisition of Livgidromash (since 26 Aug, 2010 — HMS Pumps), one of the largest manufacturers of industrial pumps in the CIS. The Group made its first steps to become a largest industry consolidator.



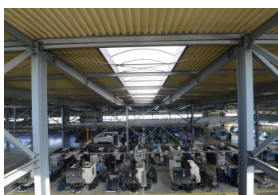
**2004**

HMS Group enhanced its product offering with oil and gas equipment through the acquisition of Neftemash (Tyumen), one of the largest Russian producers of modular flow control equipment for surface oil field sites. The Company also acquired Elektrovigatel plant (Bavleni), a manufacturer of submersible electric water pumps for households.



**2005**

HMS Group became a leading manufacturer of high capacity customised pumps through the acquisition of Nasosenergomash (NEM), located in Ukraine, one of the major companies for the nuclear and thermal power generation industries and trunk oil pipelines in the CIS.



**2006**

HMS Group became a leading manufacturer of submersible borehole pumps for water through the acquisition of Livnynasos, one of the largest producers of submersible electric water pumps in the CIS. The Company also acquired operational control over TGS (Tomsgazstroy), a provider of construction services for oil and gas pipelines. The Company expanded its maintenance and repair business through the acquisition of NRS (Nizhnevartovskremervice).



**2007**

HMS Group entered the EPC market through the acquisition of SKMN (Sibkomplektmontazhnaladka), a provider of integrated EPC services for the development and construction of oil field infrastructure. The Company also acquired a minority stake in DGKhM, a manufacturer of pumps and vessel equipment, with an option to purchase a controlling stake in 2012 and increased its R&D capabilities through the acquisition of a 49% stake in VNIAEN, an R&D centre and the only one of its kind in the CIS, which specialises in pumping equipment for the nuclear power generation and oil transportation industries.



**2008**

HMS Group increased its presence in the water utility, power generation and modular equipment sectors through the acquisitions of Promburvod, the largest producer of electric submersible water pumps in Belarus; NPO Gidromash, a manufacturer of pumps for the thermal power generation and oil and gas industries that consequently has been joined to NEM and IRVKP, a leading project and design facility for the water utility sector.



**2009**

HMS Group continued to enhance its position in the water utility, power generation and oil and gas sectors through the acquisition of SibNA, a manufacturer of high precision measuring equipment for the oil and gas, power generation and water utility sectors. The Company participated in the flagship project of Vankor oil field development and the Baltic Pipeline System construction project.



**2010**

HMS Group enhanced its design and R&D capabilities and its position in the EPC market through the acquisition of 51% of the voting shares of GTNG, a leading independent Russian R&D centre focused on the design of the surface infrastructure of oil and gas fields. The Group participated in the ESPO-1 pipeline expansion project and the construction of the ESPO-2 pipeline. The Company commenced a large-scale production of pumps for use in nuclear power generation.



**2011**

HMS Group went public in February 2011, placing 37.2% of its stock via GDRs on the London Stock Exchange. Being a consolidator in the domestic pumping industry HMS completed 3 acquisitions (Sibneftemash, Bobruisk Machine Building Plant and exercised the option to acquire next stake in Dimitrovgradkhinmash) seeking opportunities to increase its presence on existing and adjacent markets.



**2012**

HMS Group enters to the new promising market of gas projects with an acquisition of the leading Russian industrial compressor producer OJSC "Kazankompressormash". Pursuing enhancement of its pumps product portfolio, the Group completed an acquisition of German manufacturer of high-end specialized pumps Apollo Goessnitz GmbH (Goessnitz, Germany), which allowed strengthening its market positions in the basic industries with focus on technologically demanding integrated solutions.