

PRESENTATION OF THE INVESTMENT POTENTIAL OF THE SVERDLOVSK REGION

**10 NOVEMBER 2014
AEB OFFICE**



Philippe Pegorier

AEB Chairman of the Board

Opening remarks



Frank Schauff

AEB Chief Executive Officer

Opening remarks



Association
of European
Businesses

Evgeny Kuivashev

Governor of the Sverdlovsk Region

Welcome Speech

Alexey Orlov

**First Deputy Head of
Administration of the Sverdlovsk
region, Minister of investment
and development of the Region**

***Presentation of the key
investment projects of the
region***

Investment potential of Sverdlovsk region



**SVERDLOVSK
REGION**
beyond borders



First Deputy prime minister of the Sverdlovsk region –
Minister of investment and development of the Sverdlovsk region

Aleksey Orlov



SVERDLOVSK
REGION

Regional network of highways
more than

11 000 km

► International transport corridor

Berlin to Vladivostok

70 Annual railway loading
million tons every year

SVERDLOVSK RAILROAD

- Total mileage – more than 7 thousand km
- Density of railroad 3,6 times higher than the average in Russia

Direct flights to more than

100 cities of the world
>5 000 thousand
passengers every year

"KOLTSOVO" AIRPORT

- The largest regional Air Hub in Russia
- More than 40 Russian and foreign Air Companies
- Plan to build the third air strip
- More than 30 thousand tons of cargo being received



SVERDLOVSK REGION IS THE HEART OF INDUSTRIAL RUSSIA!
IT IS THE LARGEST INDUSTRIAL CENTER IN THE COUNTRY

General information:

► Sverdlovsk region is one of

10 industrial regions of Russia

The region holds the **6th place** in the country
when it comes to the volume shipped industrial goods

The region is on the **third place** when it comes to retail
volume, only falling behind Moscow and Moscow region

2nd

place

In Forbes 2011 rating

.....
"MOST ATTRACTIVE
REGIONS FOR
INVESTMENTS"

6th

place

In Forbes 2012 rating

.....
"30 BEST CITIES
FOR BUSINESSES"

Forbes

will rank Yekaterinburg in top 20 "Greatest cities for the future"
and top 5 "Best Russian cities to develop business"

The credit rating
of Standard & Poor's is

"BB"

THE FORESIGHT FOR RATING
CHANGE IS – "STABLE"

(agency Standard & Poor's)

NEW Investment projects



◆ **Sumitomo Corporation (Central Eurasia) LLC**

 **Mishima Kosan Co., Ltd.** *Human & Technology*
Vivid and joyful, for ourselves and for the society



DEVELOPED INDUSTRIAL BASE

Ural Mining
and Metallurgical Company
Evraz
Rusal
JSC TMK
Russian cooper company
Urals Optical
and Mechanical plant
Enel
BOING
Siemens



INDUSTRIAL PARKS

BOGOSLOVSKY INDUSTRIAL PARK

- ▶ Location: Krasnoturyinsk
- ▶ Area: 86 ha
- ▶ Volume of investments: more than 10 billion rubles
- ▶ Staff to be involved: 65 thousand people



NOVOURALSKY INDUSTRIAL PARK

- ▶ Location: Novouralsky city district, around Belorechenskoye highway
- ▶ Area: 256 ha
- ▶ Volume of investments: more than 3 billion rubles
- ▶ Staff to be involved: 56 thousand people



SVERDLOVSK
REGION

UNIVERSITETSKY TECHNOLOGICAL PARK

The Universitetsky Technological Park is a platform for innovative development of enterprises. It is a holistic scientific and educational cluster formed together with the Ural Federal University

- ▶ Location: Yekaterinburg, nearby the Shartash lake
- ▶ Area: 51,2 ha
- ▶ Primary volume of investments: 2,1 billion rubles
- ▶ The Technological Park is to create more than 1500 job places

CHEMICAL PARK "TAGIL"

- ▶ Location: Nizhniy Tagil
- ▶ Area: 140 ha
- ▶ Volume of investments: more than 3 billion rubles
- ▶ Staff to be involved: 5 thousand people

THE CREATED INFRASTRUCTURE ALLOWS TO EFFECTIVELY LAUNCH
INVESTMENT PROJECTS

SPECIAL ECONOMIC ZONE "TITANIUM VALLEY"

VERKHNESALDINSKY DISTRICT. SVERDLOVSK REGION. SITUATED RIGHT NEARBY THE LARGEST TITANIUM EXTRACTION AND PRODUCTION ZONE ("VSMPO-AVISMA CORPORATION")

**TITANIUM
VALLEY**

Special Economic Zone

EXPECTED RESULTS OF THE PROJECT:

The area of more than **582 ha**

9 000 workplaces

tax revenue of
73,2 billion rubles in 20 years

3,5 the index of budget efficacy about 3,5
(taking the budgets of all levels)

35–40 new high-tech enterprises

27 000 workplaces
of interconnected businesses

2 stages
of construction



1 stage of construction (2012–2018)

+



1500
workplaces

+



18
enterprises



2 stage of construction (2015–2025)

+



6000
workplaces

+



17
enterprises

Main spheres of development:

- ▶ production of titanium-based goods
- ▶ production of details and devices for machinery construction and metallurgy
- ▶ production of construction materials

Tax and customs remissions:

- 2% income tax*
- 0% property tax
- 0% land tax
- 0% transport tax
- 0% foreign custom duty

* for 10 years after receiving the taxable income, 7% for the 11th–15th years, 15,5% from the 16th year and on

IN THE MIDDLE OF INTERNATIONAL EVENTS



BRIC

Over **400** foreign companies operate
in the Sverdlovsk region

Russia-EU Summit – 2013

Russia-Kazakhstan Interregional Cooperation Forum – 2013

Over **130** major trade partners all over the world

Over **25** official diplomatic and trade
representative offices of foreign states



TOURISM

SVERDLOVSK REGION IS AN ATTRACTIVE REGION WITH MODERN
DEVELOPED TOURISTIC INFRASTRUCTURE

MORE THAN **1500**
CULTURAL HERITAGES



Verkhoturye

Historic cities:



Irbit



Nevyansk



Alapaevsk





EXTERNAL ECONOMIC ACTIVITY

FOR THE RECENT 20 YEARS SVERDLOVSK REGION
HAS BECOME ONE OF THOSE RUSSIAN REGIONS
THAT ARE MOST OPEN TO THE INTERNATIONAL COMMUNITY



INNOPROM

The largest
international
industrial
exhibition

More than **200 000**
visitors from more than 70 countries

COOPERATION AGREEMENTS
WITH MORE THAN

25

COUNTRIES
OF THE WORLD

more than

130

BUSINESS PARTNERS ALL
OVER THE WORLD

- ▶ 400 companies representing foreign businesses
- ▶ 20 official representatives of foreign states

THE MAIN DIRECTIONS INNOPROM

- ▶ Mechanical Engineering
- ▶ Computer-aided manufacturing
- ▶ Robotics
- ▶ Logistics
- ▶ New materials
- ▶ Energy Efficiency
- ▶ IT - solutions





WELCOME TO SVERDLOVSK REGION

Alexey Orlov

**First Deputy prime minister
of the Sverdlovsk region –
Minister of investment and development
of the Sverdlovsk region**

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<http://invest.midural.ru>

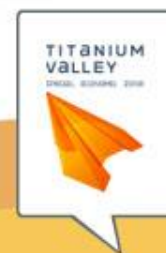
Artemy Kyzlasov

CEO, OJSC SEZ "Titanium Valley"

Presentation of the Special Economic Zone "Titanium Valley"



"TITANIUM VALLEY" SPECIAL ECONOMIC ZONE



Russian industrial-production type SEZ

Lipetsk
Lipetsk SEZ

Saint
Petersburg

Moscow

Yelabuga
Alabuga SEZ

Kazan

Novorossiysk

Togliatti
Togliatti SEZ

Ekaterinburg

Vladivostok

Two phases of construction

I phase – 295,4 ha
II phase – 289 ha

Infrastructure for residents:

gas;
water;
drainage;
electricity;
roads.

9 000 qualified jobs

27 000 Jobs at related works

40 new hi-tech production

Budget efficiency index of 2.5
(relative to revenues to the
budget at all levels)

28 SPECIAL ECONOMIC ZONES CURRENTLY
OPERATE IN THE RUSSIAN FEDERATION:

14 tourist
zones

5 innovation
zones

6 industrial-production
zones

3 logistics-port
zones

TITANIUM
VALLEY

2012-2013-2014



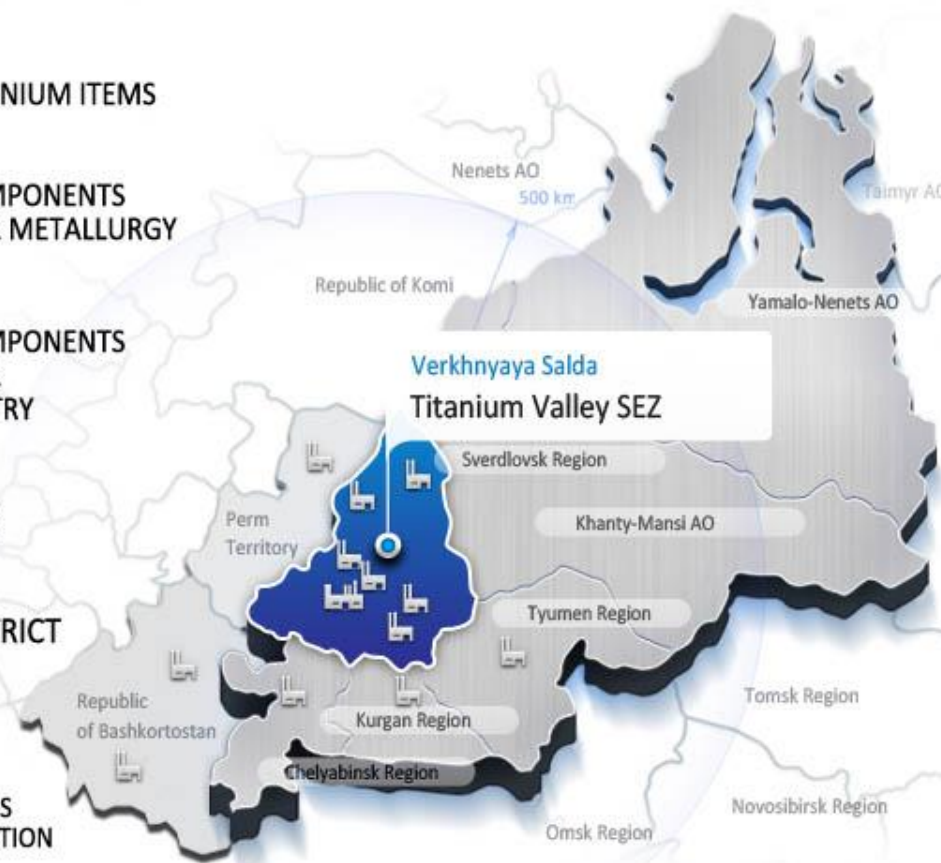
Industrial potential and sectoral focus

1. PRODUCTION OF TITANIUM ITEMS
2. PRODUCTION OF COMPONENTS AND EQUIPMENT FOR METALLURGY
3. PRODUCTION OF COMPONENTS AND EQUIPMENT FOR ENGINEERING INDUSTRY
4. BUILDING MATERIALS

URAL FEDERAL DISTRICT RANKS (2010/11)

2nd

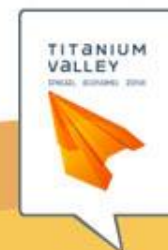
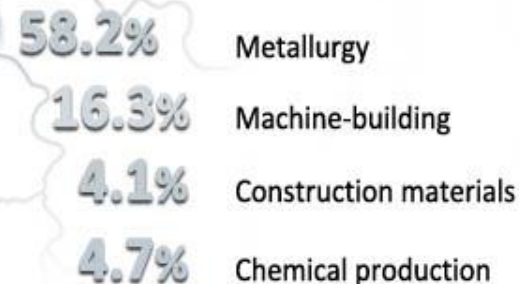
ACROSS RUSSIA IN TERMS OF INDUSTRIAL-PRODUCTION VOLUME



INDUSTRIAL-COMPLEX STRUCTURE, BROKEN-DOWN BY INTERNALLY-PRODUCED GOODS



PILLARS OF THE INDUSTRIAL COMPLEX



Titanium Valley SEZ



Infrastructural facilities



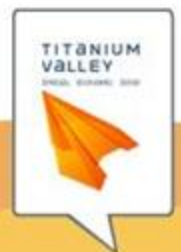
Construction of substation "Titanium"



Information pavilion



Land-use planning



LLC "VSMPO-New technologies"

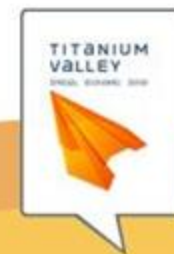


Sketch of the production complex
of "VSMPO-New Technologies"

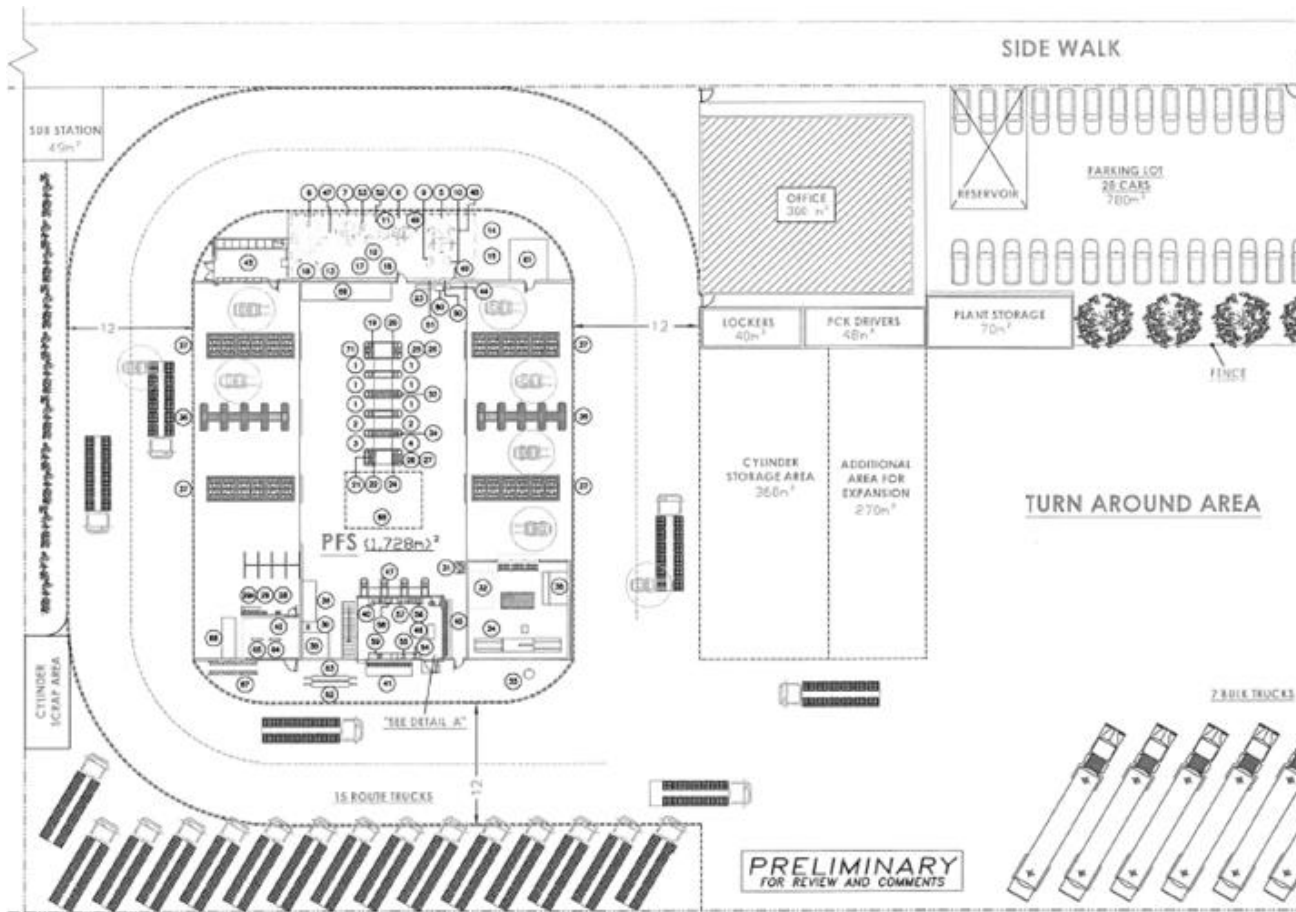


Foundation works will be finished by the
end of November 2014

Launch of production - I half-year of 2016



LLC "Praxair Titanium valley"



Preliminary layout

Preparing works
will be finished by
the end of 2014.

Construction will
start in 2015.

The launch of
production - by the
end of 2015.



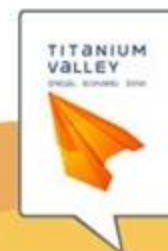


Figeac Aero, the French leading company providing complete services from design phase to subassembly of the finished aeronautical assemblies, and the Russian titanium corporation VSMPO-AVISMA signed a memorandum of cooperation under the current project of Special Economic Zone Titanium Valley.

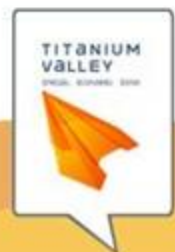


TITANIUM
VALLEY

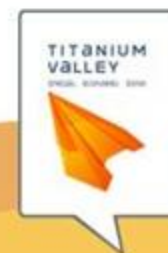
Special Economic Zone



Signing of agreement between MHIEC, ROSTEC, SPE "Mashprom" and SEZ "Titanium valley" within the framework of INNOPROM 2014



Completed plants, built by technology of MHIEC on the territory of Japan



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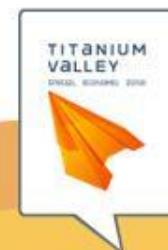
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Maxim Popov

CEO, OMYA Ural

***Presentations of European
companies doing business in
the region***

Stephane Zweguintzow

**Chairman of the Board,
Enel Russia**

***Presentations of European
companies doing business in
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Association
of European
Businesses

Q&A

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