



Special Economic Zone (SEZ) «Alabuga»





«It is necessary to fulfill the project in Elabuga. It is important not only for the Republic, but also for the whole country»

The President of Russian Federation
Vladimir Putin, Kazan, 19.01.2007





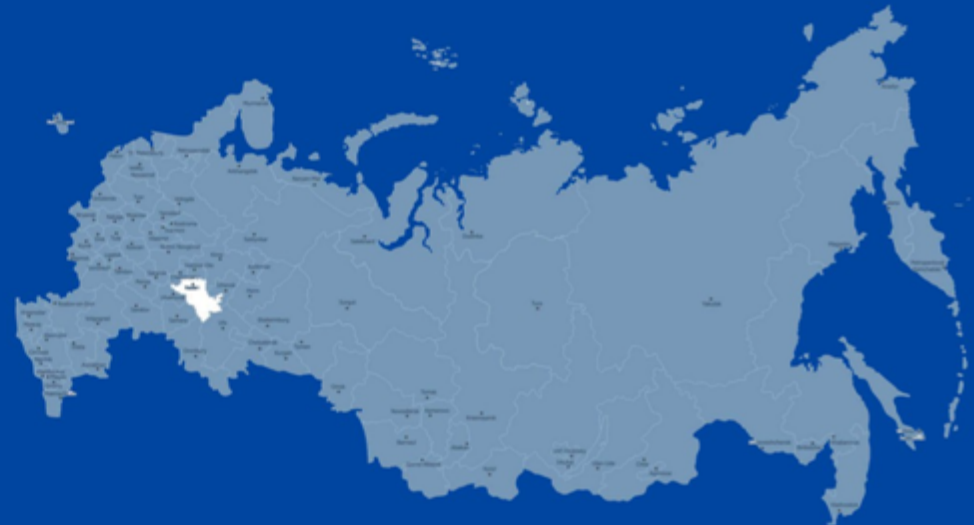
The Republic of Tatarstan is one of the most developed regions in the Russian Federation



The Special Economic industrial Zone “Alabuga” was created on December 21, 2005 in the Republic of Tatarstan

In the centre of the largest industrial region 800 km to the east of Moscow

- Territory – 67 800 km²
- Population – 3.8 mln.
- GRP –USD 26.7 bln
- Industrial output –USD 26 bln.





The SEZ “Alabuga” provides an excellent set of conditions for investors who intend to establish new production in Russia

- Located in one of the biggest industrial centers of Russia
- Attractive tax and customs preferences
- Developed industrial infrastructure
- Decreased bureaucracy
- Strong governmental support
- Low cost land plots
- Proven track record - many global companies have already established production in the SEZ





“Free customs zone” regime

Foreign countries

Russia

No VAT*
No Import duty

SEZ
“Alabuga”

* There are exceptions for excise goods (e.g. Oil and Medicine)

Investment incentives and preferences

Tax	Tax rate for Non-residents	Tax rate for SEZ Residents
Profit tax	20.0%	15.5%
Property tax	2.2%	0%
Land tax	1.5%	0%
Transport tax	0.3-3.8 USD*	0 USD



* From 0.3 USD to 3.8 USD depending on horse power



Low cost land plot rent and purchase are available for the residents

Land plot rent: USD 0.05 per m² per year

Land Purchase: USD 0.12 per m²

Example:

10 ha

Rent: USD 4.800 per year

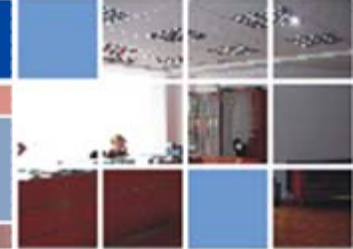
Purchase: USD 11.800



Industrial infrastructure

- Inner-site roads
- Railway
- Gas
- Electricity
- Heating
- Water
- Sewerage
- Storm sewage
- Drainage
- IP Phone
- High-speed Internet

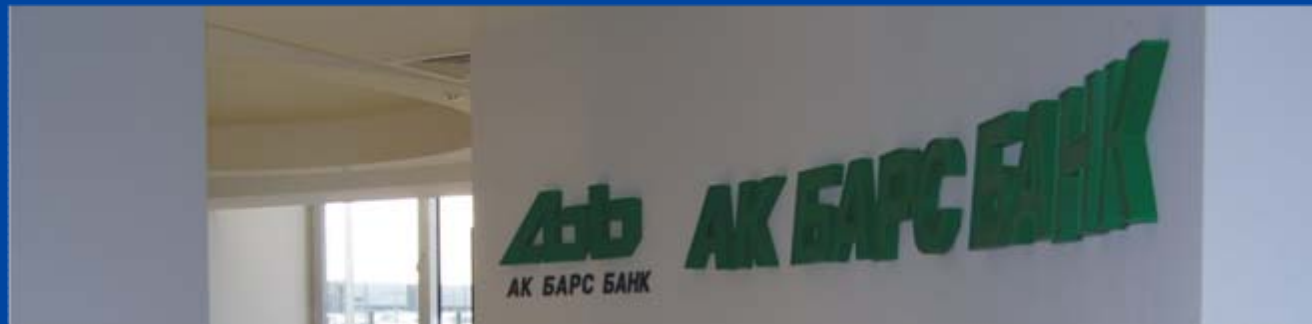




Infrastructure

Governmental donation up to
USD 650 mln. until 2011
USD 300 mln. has already been invested

- Industrial infrastructure
- Customs infrastructure
- Business infrastructure





Full access to all the necessary utilities

Gas:

USD 67 per 1000 m³
(depends on demand)

Electricity:

USD 89 per MW/h

Heating:

USD 39 per Giga cal

Water:

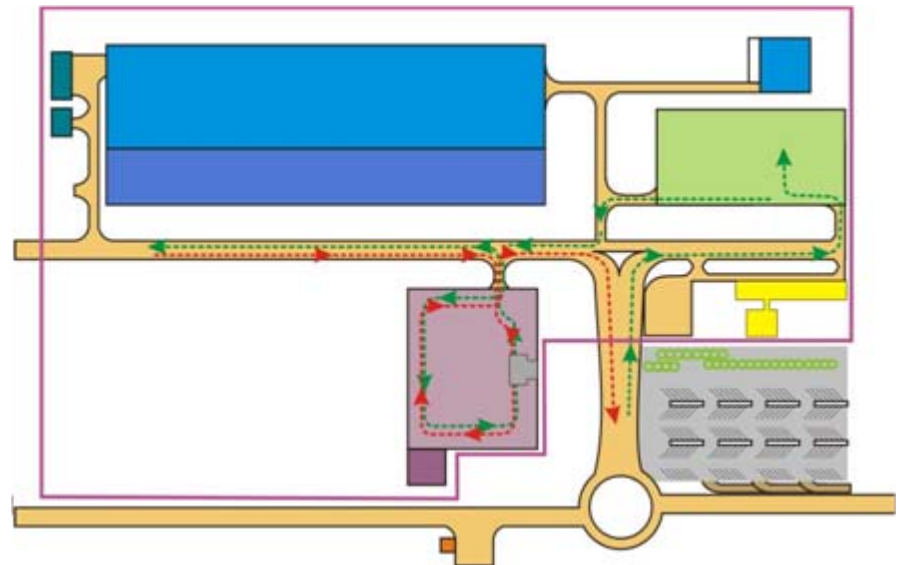
USD 1,05 per m³





Customs infrastructure

- Checkpoint with 4x2 driving lanes (entrance and exit)
- Parking for 100 trucks
- Parking for 50 trucks
- Unit of cargo and vehicle profound audit
- Unit of container profound audit
- Railway
- Railway terminal
- Container terminal (1 500 containers, 40 pound each)



Business infrastructure

Administrative business centre
(total area – 11.000 m²)
with all the necessary services
needed for everyday work:

- Single Window System (One Stop Shop) (All necessary governmental agencies in one place)
- Banks
- Conference halls
- Exhibition hall
- Offices
- Post office
- Meeting rooms
- Public health office
- Gym
- Canteen





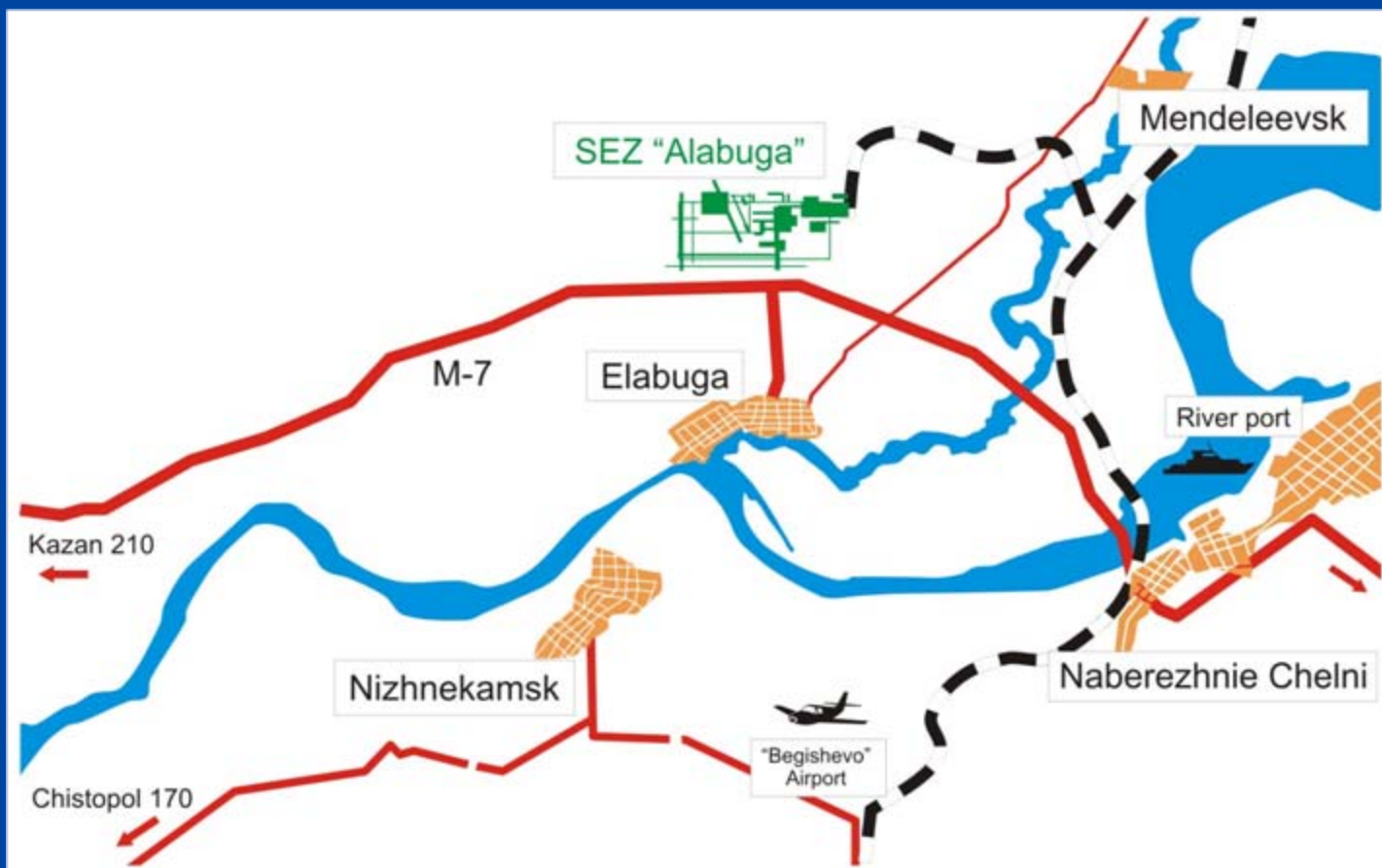
Single Window System (One Stop Shop)

- Ministry of Ecology and Natural Resources
- Ministry of Labor and Social Security
- Service of Environmental, Technological and Nuclear Oversight
- Federal Real Estate Cadastre Agency
- Social Insurance Fund
- Fund of Obligatory Medical Insurance
- Inspection of State Architectural Building Supervision
- Registration Service
- Chamber of Commerce and Industry
- Tax Service
- Customs Service
- Migration Service
- Pension Fund
- Certification Test centre
- Technical Inventory Bureau





Kama industrial centre Population of more than 1 mln. people





The SEZ “Alabuga” is located in one of the most densely populated regions of Russia



Within 500 km.

Total population is 21.4 mln.

Large cities:

Stratum A (over 1 mln.) – 4

Stratum B (over 500,000) – 4

Stratum C (over 100,000) – 16

Within 1000 km.

Total population is 71.1 mln.

Large cities:

Stratum A (over 1 mln.) – 8

Stratum B (over 500,000) – 11

Stratum C (over 100,000) – 51

49 % of the Russian population lives within 1000 km. from SEZ “Alabuga”



Manpower resources of the Kama industrial centre (Naberezhnie Chelni, Nizhnekamsk, Elabuga, Mendeleevsk)

- 29 Institutes of Higher Education
- 28 Specialized Schools and Colleges
- 20200 Fresh Specialists annually

Monthly average salary

Kazan – EURO 400

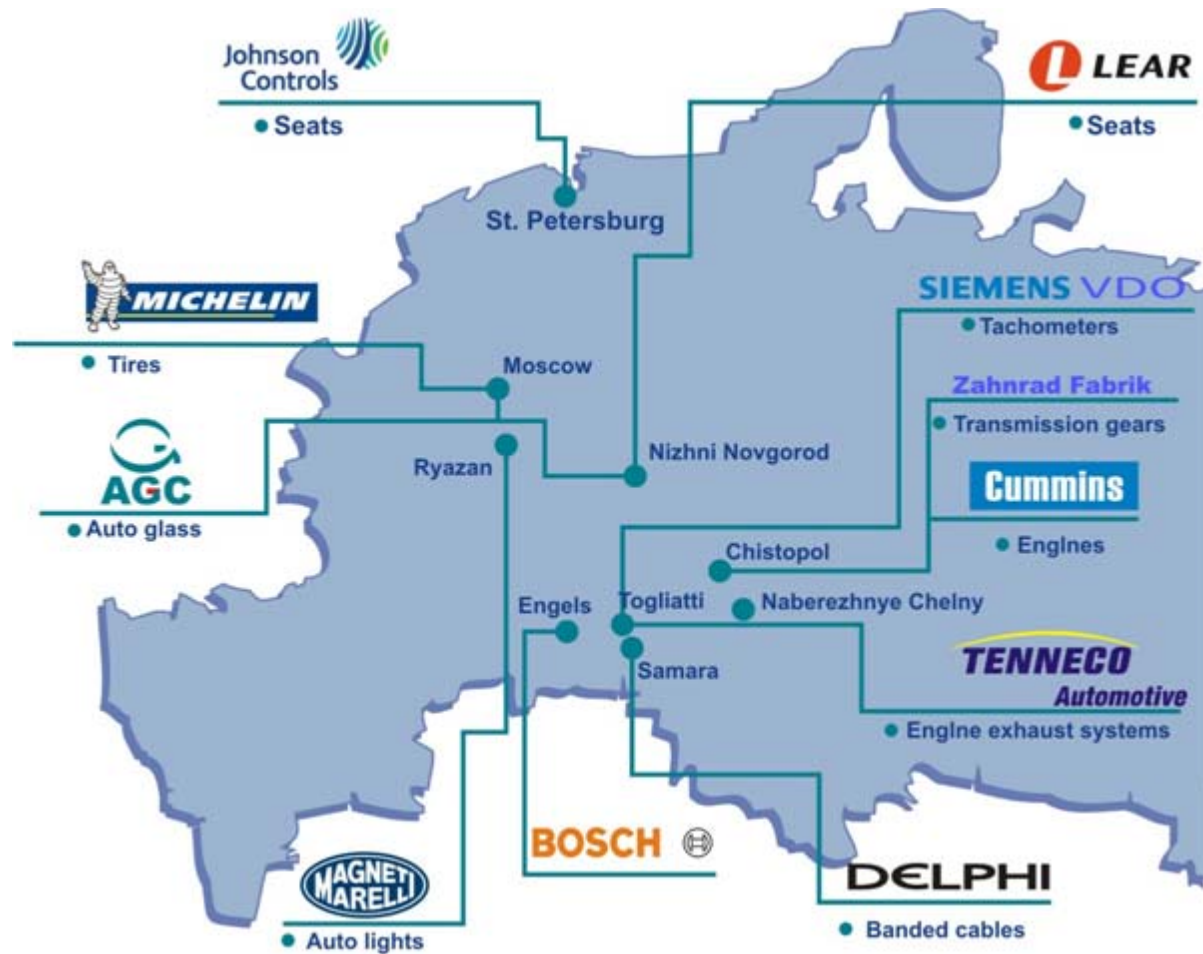
Naberezhniye Chelny - EURO 320

Yelabuga – EURO 180

The level of average wage in Kazan
is 45% to Moscow level
(according PWC research)

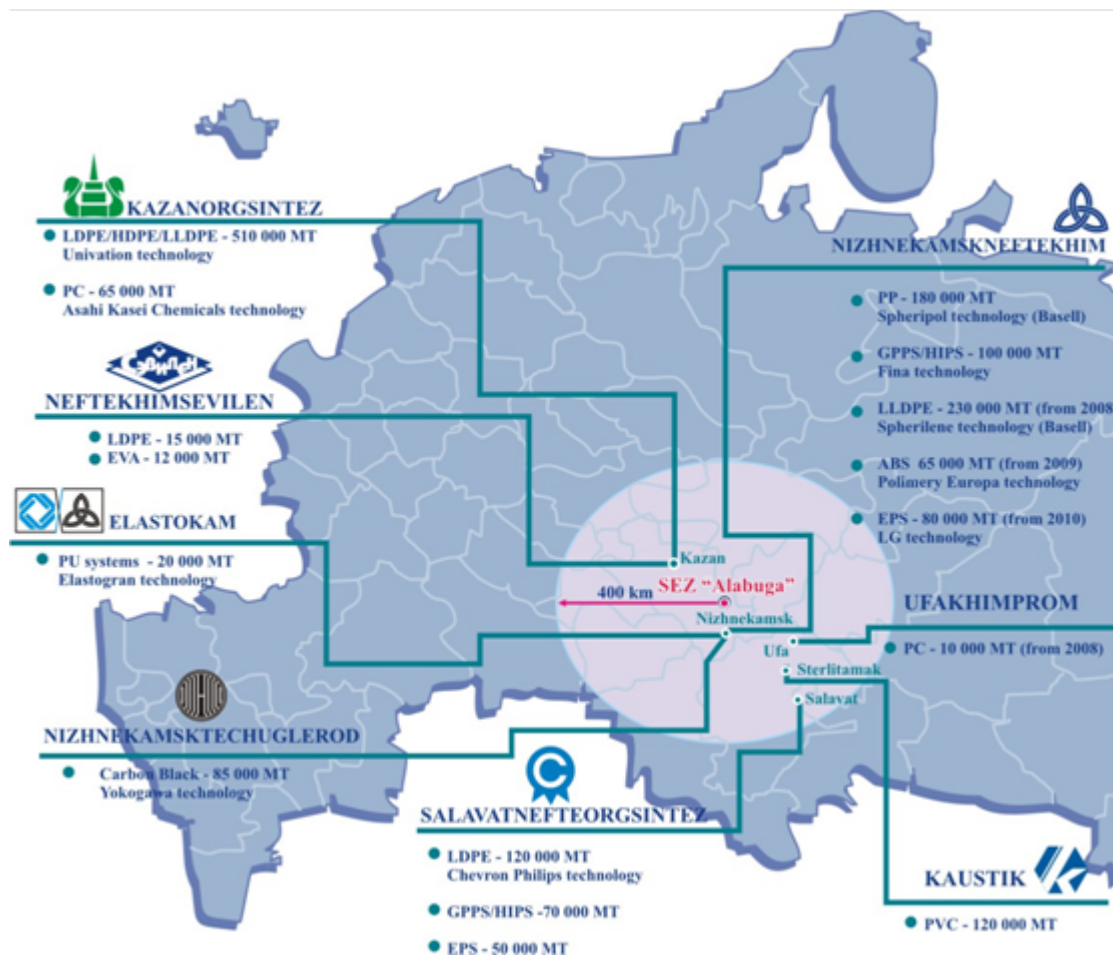


International automobile components manufacturers





Polymers produced within 400 km from the SEZ "Alabuga"





There are many global enterprises which have chosen to establish their production in the SEZ

1. Sollers-Elabuga
2. Sollers-Isuzu
3. Rockwool-Volga
4. Polymatiz
5. P-D Tatneft-Alabuga Steklovolokno
6. Air Liquide Alabuga
7. The engineering equipment factory
8. Septal
9. Akulchev-Alabuga



P-D TATNEFT
FIBERGLAS





Sollers-Elabuga

- Automotive manufacturing
- Investment volume over USD 250 mln.
- Output capacity: 75.000 Fiat Ducato automobiles annually
- 2500 jobs
- Complete manufacturing cycle





Sollers-Isuzu

- Production of commercial trucks
- Investment volume: USD 83.3 mln.
- Output capacity: 25.000 automobiles annually
- 1500 jobs

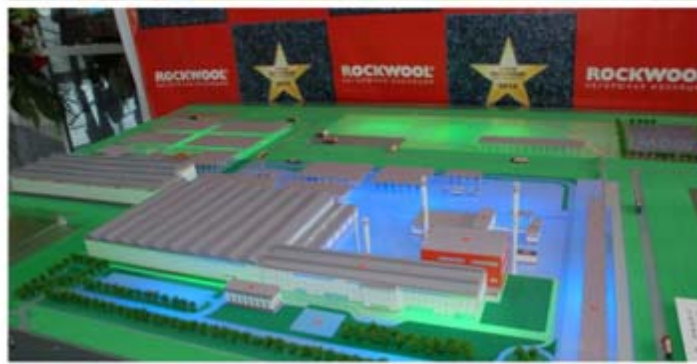
ISUZU



Rockwool-Volga

- Production of firesafe insulation materials
- Investment volume: USD 210 mln.
- Output capacity: 200.000 tons per year
- 150 jobs

ROCKWOOL®
НЕГОРЮЧАЯ ИЗОЛЯЦИЯ





Polymatiz

- Production of nonwoven fabric and other polymer goods
- Converting of PP, produced by Nizhnekamskneftekhim
- Investment volume: USD 50 mln.
- Output capacity: 15.000 tons annually
- 110 jobs





P-D Tatneft-Alabuga Steklovolokno

- Production of glass fiber and fiber-based goods
- Investment volume: EURO 70 mln.
- Output capacity: 21.000 tons annually
- 300 jobs

P-D TATNEFT
FIBERGLAS





Air Liquide Alabuga

- Production of technical gases (nitrogen, oxygen)
- Investment volume: EURO 35 mln.
- Output capacity: 80 thousand tons annually
- 40 jobs





The engineering equipment factory

- Investment volume: over USD 20 mln.
- Production of units of engineering equipment, heat pump units
- Output capacity 35.000 units annually
- 200 jobs

Завод инженерного
оборудования

ЗИО



Septal

- Production of equipment for local and small sewerage systems
- Investment volume: euro 28 mln.
- Output capacity: 7.000 items annually
- 200 jobs





Akulchev-Alabuga

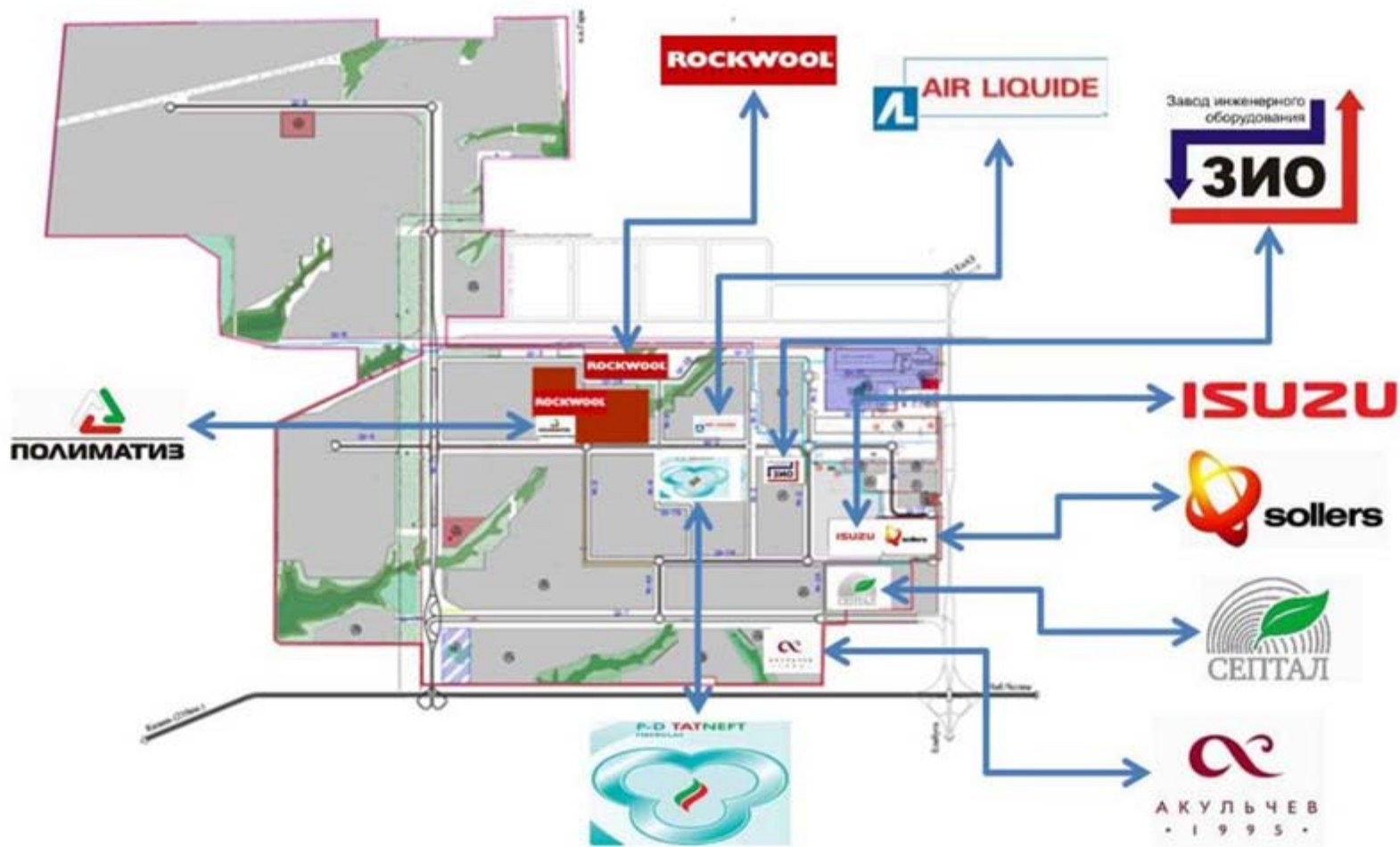
- Confectionery and bakery production
- Investment volume: euro 10,9 mln.
- Output capacity: 7.000 tons annually
- 156 jobs



А К У Л Ь Ч Е В
• 1 9 9 5 •



Cluster structure of the SEZ “Alabuga”





Automotive Components Industrial Park “Alabuga”

- Territory – 100,000 m²
- Small and medium-size production lines
- Access for residents and companies with no status of resident (less than EURO10 mln. investments)
- Cooperation with the anchor carmakers – residents of SEZ “Alabuga”





Production of building materials

The Russian construction sector is experiencing an enormous growth
80 mln. m² of housing per annum is forecasted by 2010.

Tatarstan possesses abundant natural resources, thus, projects can be carried out in:

- Production of insulation materials
- Production of flat glass
- Production of reinforced concrete blocks and sandwich panels
- Production of bricks
- Production of ceramic tiles



Agricultural processing

Rising consumer market
Weak processing industry

Agricultural goods
produced in 2008 in
the Republic of Tatarstan:

6,3 mln. MT of crops

1.8 mln. MT of milk

390.000 MT of meat and
poultry





Competitive investment

Pharmaceuticals industry

Components for aircraft industry

Optical fiber

Machine-tool construction





Long – term strategy (December, 2012)

As-Is 2009

9 residents

95 % has been completed

USD 750 mln *

2.500 jobs

To-Be 2012

More than 40 residents

Full completion of industrial infrastructure

Investment volume: **USD 2 bln**

16.000 jobs



”The strategic goals are within reach and we are confident we will meet our 2012 targets”

«On my first visit in Elabuga and Kazan. Struck by the significant progress in just one year in the SEZ. Shows promise of growth and progress. With my best wishes in your success».

The Father of “Singapore’s economic miracle”
Lee Kuan Yew,
Elabuga, 07.06.2007





The town of Elabuga celebrated its 1000th anniversary in 2007



Alabuga-City Hotel

Hotel category — 4 stars

Facilities including business centre, meeting rooms, conference hall, restaurant and bar

- 75 rooms available including standard and luxury
- 28 apartments for living (average area 114 square meters)
- Penthouse (panoramic view of the Kama river) 26-car parking lot







Thank you for your kind attention!

Contact information:

Investor Relations Department

Tel.: +7 (85557) 5-90-00, 5-90-23

Fax.: +7 (85557) 5-90-30

Mob.: +7 (960) 052-00-22

E-mail: investalabuga@tatar.ru

www.alabuga.rosuez.ru