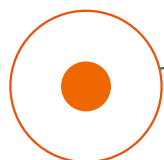




Welcome to
Altai krai

ALTAI KRAI



Moscow

Distance **2932 km**

Hours underway **3,5**



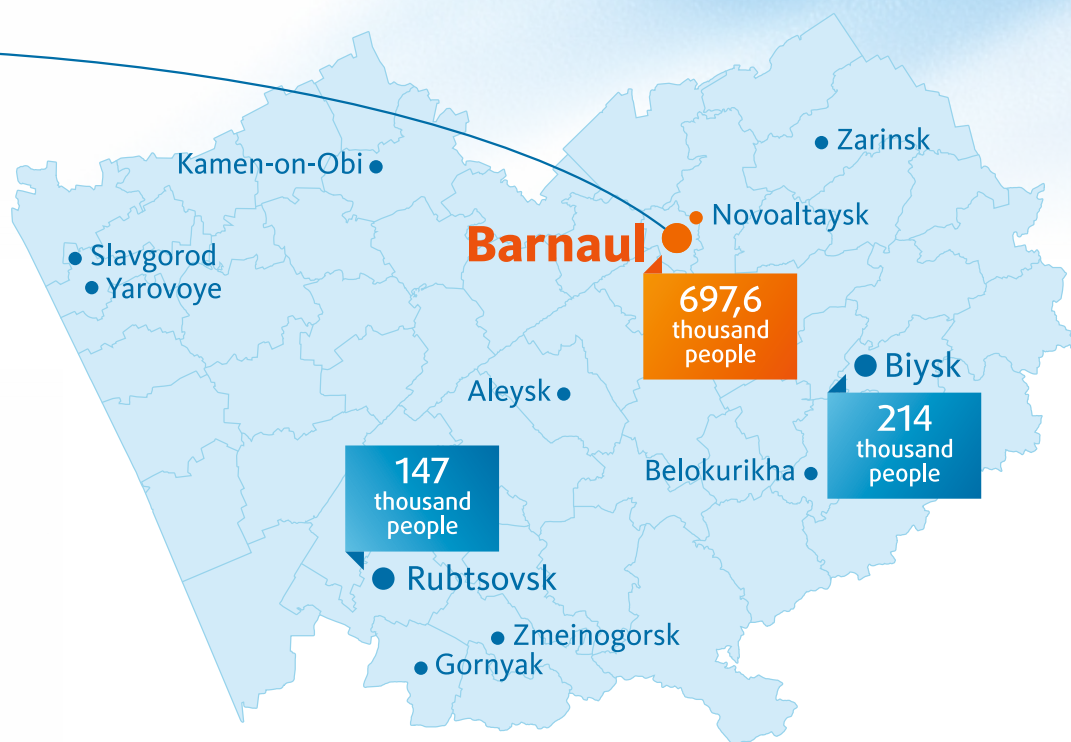
Area

168 sq. km.



Population

2,4 million



Federal District

Siberian Federal District



Time zone

UTC+7/MSK+4

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DIVERSIFIED ECONOMY OF THE REGION

TOURISM

hotel business
business tourism
medical tourism

INDUSTRY

agricultural machine building
food and pharmaceutical processing sectors
biotechnology
pharmaceuticals industry

AGRICULTURE

livestock
crop

ENERGY INDUSTRY

AGRICULTURE: PLANT- GROWING



10,6 million hectares – agriculturally used areas,
including arable land – **6,5** million hectares

Gross harvest of crop products:

5 place in Russia

grain –
4,2 million tons



1 place in Russia

buckwheat –
417 thousand tons



13 place in Russia

sugar beet –
823 thousand tons



10 place in Russia

sunflower –
386,4 thousand tons



4 place in Russia

flax –
4,6 thousand tons



5 place in Russia

vegetable –
224,9 thousand tons

potatoes –
830,3 thousand tons



PLANT-GROWING

GRAIN CROPS

(spring and winter wheat, buckwheat, barley, oat, etc.)

INDUSTRIAL CROPS

(sugarbeet, sunflower, flax, soy)

AGRICULTURE: LIVESTOCK SECTOR

Production volume:

4 place in Russia

the number of cattle –
840 thousand animal units



6 place in Russia

the number of pigs –
642 thousand animal units



12 place in Russia

cattle and poultry in live weight –
328,8 thousand tons



3 place in Russia

milk –
1414,9 thousand tons



14 place in Russia

eggs –
1100,4 million eggs



Velvet antler breeding and maral breeding

Russian Scientific Research Institute of Velvet Antler Breeding

Altai Biopharmaceutical Cluster

Altai Buket

Pantoproject

Evalar

Alfit Plus

Spektr-Balsam

Altamar

Beef and dairy cattle breeding

Pig breeding

Poultry breeding

Horse breeding

Sheep breeding

Velvet antler breeding

Bee breeding

Fur-farming

Fish breeding

LIVESTOCK TRENDS

BIOPHARMACEUTICAL INDUSTRY

63% in Siberia and **14%** in Russia

The share of Altai Krai
in production output
of **antibiotics**



More than **25%** in Russia

The share of Altai Krai
in production output
of **food additives**



43% in Siberia and **3%** in Russia

The share of Altai Krai
in production output
of **cardiovascular drugs**



Biopharmaceutical cluster «AltaiBio»



The first wholesale and industrial
production of oxidized dextrans
in Russia (based on them pilot lot
of food supplements and health
and beauty aids was launched,
effective antituberculous substance
«Dextrazid» was developed)



The first balloons
and tubes
production facility
for pharmaceutical
and perfume –
cosmetic industry
enterprises



The production of
antiasthmatic drug
«Salbutamol AV» and
biologic drug based on
recombinant human
interferon «Interferal»

CLUSTER DEVELOPMENT OF THE REGION



«AltaCAM» Altai Cluster of Agrarian Machine Manufacturing

The cluster's enterprises hold leading positions in Russia in disc harrows, chisel, mouldboard and turnwrest ploughs

more than 4.5 billion rubles – production output
more than 200 million rubles – investment in fixed capital
over 4 500 units – production turnout in physical terms
134 workplaces are created in the enterprises

18 participants: anchor companies –
Agrocenter, ASM Altai, Rubtsovsky factory of parts



Facility for the
assembly of
«Kirovets»
tractors in Altai Krai



Facility for the
assembly of
combine harvesters
«Altai-PALESSE»



Production
of combined
sowing complexes
«Feat»



Altai Polymer Composite Cluster

Anchor companies: Biysk fiberglass plant,
Altik, Spetsavtomatika

decking, siding, rim boards,
piers, sidewalks

polymer damp-
proof, polyvinyl
chloride tape

ventilated facade
panels made
of foamed PVC

**The offers'
cluster
enterprises**

polyethylene tubes
for gas pipelines,
water pipes

geomembranes:
solid waste landfills construction,
extraction of petroleum,
petroleum processing,
mining industry,
construction of dikes, dams, channels,
artificial water bodies

fiberglass armature
of different
profiles

Harnessing of renewable resources

The electric power demand of Altai krai is not less than **10,5 billion kWh per year**. A range of investment projects directed to electrical generation is ready for implementation, and using alternating sources, among other things.

Promising direction is energy industry



Gas conversion process:

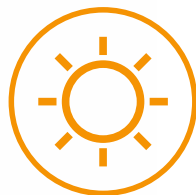
organization of ammonia and methanol production



Large-scale project – construction of condensation electric generating station with a capacity of 700 MW, lignite open-cut and autoroad with a total cost of **1,5 billion dollars**



annual
average wind
speed **5 m/s**



more than
2000 hour/year
solar activity

ALTAI KRAI

– one of the most favourable regions of Russia to use solar batteries, wind power generation, biopower, as well as agricultural wastes

INVESTMENT ATTRACTIVENESS OF THE REGION



The Main Department
of Economy
and Investment
of Altai Krai



Altai centre of
investment and
development



Altai krai created maximum
transparent comfortable
conditions for the development
of business of both Russian
and foreign investors

FitchRatings

Long-term ratings of Altai Krai:
on the international scale – «BB +»
on a national scale – «AA (rus)»
The outlook on the long-term ratings – «Stable»



Expert-RA Rating 26 place in the rating
of investment potential Russian regions
(improvement by 1 position in 2014) 32 place
in the rating of investment risk Russian regions
(improvement of 5 products in 2014)
Reliability Estimation of warranty coverage
Altay Guarantee Fund – «A+», corresponding
to a very high level of reliability



National state rating
investment climate 38 place
among Russian regions
3 place among the regions
of the Siberian Federal District



National Award in the field of
entrepreneurship «Golden Mercury»
in nomination «The best the region
with the most favorable conditions
for development of entrepreneurship»

PRIORITY DEVELOPMENT AREA IN MONOTOWN



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0% VAT on imports for processing

↓% preferential
rental rates

for PDA residents (0.4 from base rate)
for the use of items of immovable
property belonging to Management
Company on the right of ownership
or lease and located on the PDA



It is not need
to obtain a permit

to involve foreign workers (permit is
issued without considering quotas)



Reduced control
checks time

Reconciliation of checks with the Main
Department of Economy and Investment
of Altai Krai and joint checks



The reduced time

for obtaining permission documentation
for the objects of capital construction.
Environmental impact assessment
of infrastructure is made for 45 days



Simplified

government control (delegation
of authorities of administrative and
economic cases of the one body –
Management Company)

0% for 5 years –

the profit tax rate in part, which
is credited to **the federal budget**

Laws of the subjects of the Russian
Federation can establish reduced tax rate
of profit tax, which is credited to the budgets
of subjects of the Russian Federation
(not more than **5%** the first 5 years
and not less than **10%** following 5 years)

0% of tax

– on business property
– land tax

(in accordance with the legislation of
subjects of the Russian Federation)

↓ reducing
factor

to mineral production tax for 10 years (0-0,8)

VAT – on accelerated
recovery system

PDA residents have a right to
the accelerated VAT recovery system
(the use of declarative procedure of VAT
recovery system) with additional
presentation to the tax return of surety
agreement of Management Company

↓7,6% the first 10 years

Reduction of insurance payments from 30%
to 7.6% (the first 10 years), including:

Reduction of rate in the Pension Fund
from 22% to 6%

Reduction of rate in the Social Insurance Fund
from 2.9% to 1.5%

**Reduction of rate of the Federal
Compulsory Medical Insurance Fund**
from 5.1% to 0.1%

INVESTMENT SITES OF MONOTOWN ZARINSK

Site
№1

Area 402.4 ha
Cadastral number
22:66:170101:2

Site
№2

Area 67.2 ha
Cadastral number
22:66:180101:8

Site
№3

Area 4.5 ha
Cadastral number
22:66:200201:24

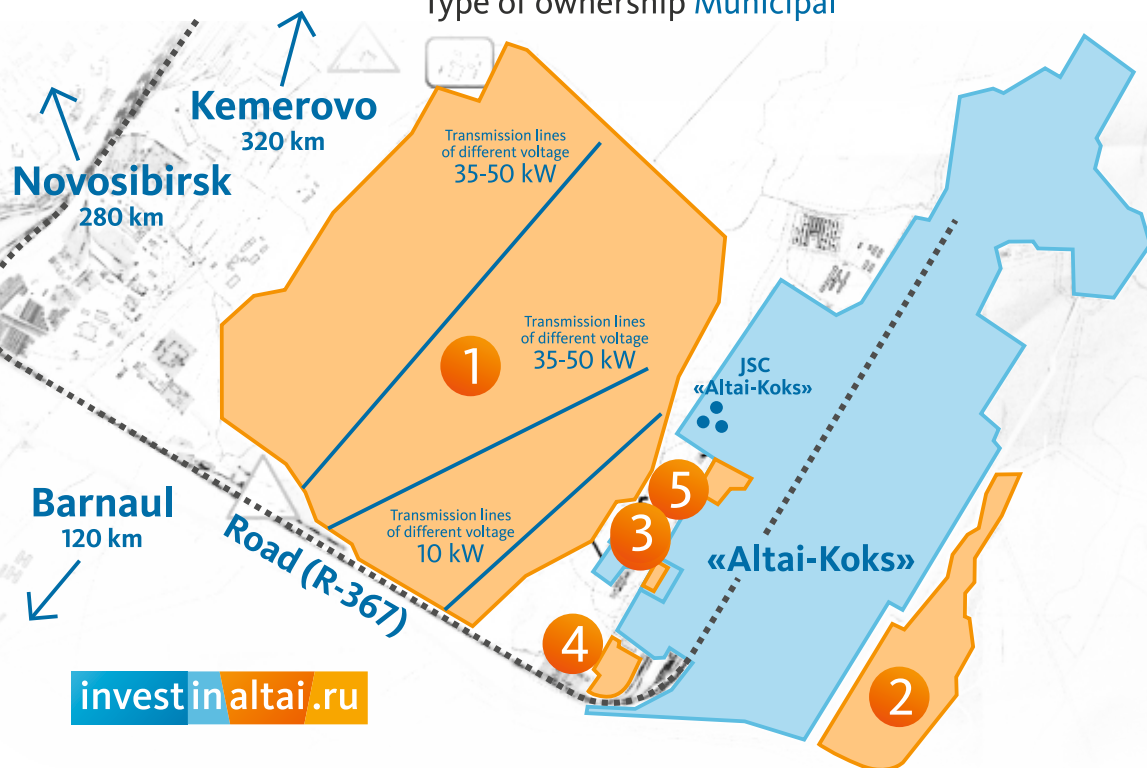
Site
№4

Area 6.7 ha
Cadastral number
22:66:200201:29

Site
№5

Area 4.5 ha
Cadastral number
22:66:200201:183

Type of ownership **Municipal**



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Transport support:

The Road of regional significance (R-367) is at the border of the site, connecting the eastern regions of the north-eastern regions of Altai Krai, as well as the regions and cities of Kemerovo Oblast

The distance to Barnaul:

110 km

Distance to airport (Barnaul):

130 km

Railroad tracks:

up to 200 m



Transmission lines of different voltage: from 10 to 50 kW



Heat supply:

the cost of 1 Gcal – 235.55 rubles, connected to the networks of JSC «Altai-Koks»



Water supply:

connection point to utilities of Zarinsk located at a distance of 300 meters from the site. The cost of water 1 cube. m:
– cold water – 16.13 rubles
– hot water – 50.13 rubles



Water disposal:

possible construction of filtration fields near to sites or connection to a central collector of Zarinsk



Gas supply:

the issue of the construction of the gas distribution station

INVESTMENT PROPOSALS FOR PDA MONOTOWN ZARINSK

Construction of factories for the production of footwear



Construction of a plywood plant



Construction of a brick factory



The construction of the tannery LLC «Russian leather Altai»



Furniture manufacture



Construction of factories for the production of paper packaging



Construction of a chipboard factory



INVESTMENT SITES OF MONOTOWN NOVOALTAYSK

Site №1

Area 129.9 ha
Cadastral number
22:69:030304:1

Site №2

Area 19.8 ha
Cadastral number
22:69:030303:12

Site №3

Area 131.95 ha
Cadastral number
22:69:050103:18

Transport support:

Highway P-256 (M-52) of federal significance «Novosibirsk-Biysk-Novosibirsk-Mayma» – state border with Mongolia is near the site

The distance to Barnaul:

10 km

Distance to airport (Barnaul):

30 km

Railroad tracks:

the nearest train station – 2,5 km (Altai Station)



Electricity:

possible connection to the existing infrastructure of the industrial park



Ventilation:

can be connected to the existing infrastructure of the industrial park



Water supply:

can be connected to the existing infrastructure of the industrial park



Water disposal:

can be connected to the existing infrastructure of the industrial park



Gas supply:

can be connected to the existing infrastructure of the industrial park

Novosibirsk
210 km

Industrial park
«Novoaltaisk
Yuzhniy»

Barnaul
18 km

Biysk
150 km

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INVESTMENT PROPOSALS FOR PDA MONOTOWN NOVOALTAYSK

Biofactory construction for the production of starter cultures for dairy industry



 Annual project capacity
18 thousand kilograms of starters
 Investment amount
411.25 million rubles
 Work places **26**

Construction of the plant for grain processing and cereals production



 Annual project capacity
25.5 thousand tons
 Investment amount
1 643.46 million rubles
 Work places **251**

Organization of the contact center with 400 operators



 Annual project capacity
-
 Investment amount
53.83 million rubles
 Work places **422**

Construction of a meat processing plant for the production of semi-finished products



 Annual project capacity
7 thousand tons
 Investment amount
2 721.26 million rubles
 Work places **295**

The construction of a sugar factory



 Annual project capacity
10 000 tons per day
 Investment amount
6 385 million rubles
 Work places **320**

INVESTMENT PROPOSALS ALTAI KRAI



Dairy farm for 200 cows with rearing young stock

integrated solution of organization of milk production

Investment amount 71 044 thousand rubles
Payback period 6.2 years
NPV 4 022 thousand rubles
IRR 13 %



Dairy farm for 1000 cows with rearing young stock

integrated solution of organization of milk production

Investment amount 859 657 thousand rubles
Payback period 9.3 years
NPV 46 037 thousand rubles
IRR 7.3 %



Commercial farm for 200 head of beef breed

integrated solution of organization of meat production

Investment amount 52 997 thousand rubles
Payback period 5 years
NPV 4 480.6 thousand rubles
IRR 17 %



Farm building for rabbits breeding with 1083 doe rabbits

income from the sale of dietary rabbit meat and its byproduction

Investment amount 37 125 thousand rubles
Payback period 6 years
NPV 371 thousand rubles
IRR 14 %



Sturgeon fish breeding in recirculating aquaculture system

Investment amount 42 465 thousand rubles
Payback period 4 years
NPV 8 673 thousand rubles
IRR 21 %



Construction of plant for the production of flour confectionery products

to ensure the needs of the population of Altai Krai in flour confectionery products

Investment amount 3 208.96 thousand rubles
Payback period 4.5 years
NPV 556.88 thousand rubles
IRR 15 %



Production of soft cheeses («Mozzarella» and «Ricotta») to ensure the needs of the population Altai Krai in soft cheeses, of import substitution basis

Investment amount 14 855.5 thousand rubles
Payback period 4.5 years
NPV 2 760.3 thousand rubles
IRR 16 %



Farm building for sheep breeding and rearing construction of the sheepfold for 500 head of ewes with annual crop up to 2000 lambs for growing

Investment amount 19 673.5 thousand rubles
Payback period 4.6 years
NPV 2 235.5 thousand rubles
IRR 18 %

INVESTMENT PROPOSALS ALTAI KRAI



Construction of fur farm

Construction of fur farms for mink raising for fur production

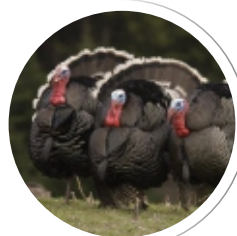
Investment amount	32 777.32 thousand rubles
Payback period	5.8 years
NPV	2 973.77 thousand rubles
IRR	13 %



Construction of tourist facility in Altai Krai with 34 rooms

tourist facility building in Altai Krai with the tourism and recreation areas

Investment amount	7 664 thousand rubles
Payback period	4.1 years
NPV	1 279 thousand rubles
IRR	19.5 %



Farm building for turkey breeding and growing

opening a farm for turkey growing (up to 2000 head)

Investment amount	9 911 thousand rubles
Payback period	9.9 years
NPV	4.6 thousand rubles
IRR	17 %



Construction of solid-waste recycling plant

Investment amount	31 629.7 thousand rubles
Payback period	6 years
NPV	122 thousand rubles
IRR	9 %



Theme park

specialized theme park with elements of Russian culture, with includes about 50 amusement rides, shops with sale of local goods

Investment amount	3 000 000 thousand rubles
Payback period	11 years
NPV	50 063 thousand rubles
IRR	13.3 %



Greenhouse facility with area of 2 hectares

construction of greenhouses with area of 2 hectares for the production of vegetables (cucumbers, tomatoes) and green (onions, parsley, dill, lettuce, celery, arugula, spinach, etc.)

Investment amount	234 148 thousand rubles
Payback period	5.6 years
NPV	20 027 thousand rubles
IRR	16 %



Manufacturing microcalcite

Investment amount	80 500 thousand rubles
Payback period	6.2 years
NPV	13 154 thousand rubles
IRR	13 %



Construction of oceanarium

construction of the culture and recreation facility – oceanarium

Investment amount	655 500 thousand rubles
Payback period	5 years
NPV	7 608 thousand rubles
IRR	9 %



Welcome to Altai krai