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RUSSEZ OVERVIEW

JOINT-STOCK COMPANY SPECIAL ECONOMIC ZONES (SEZ JSC)

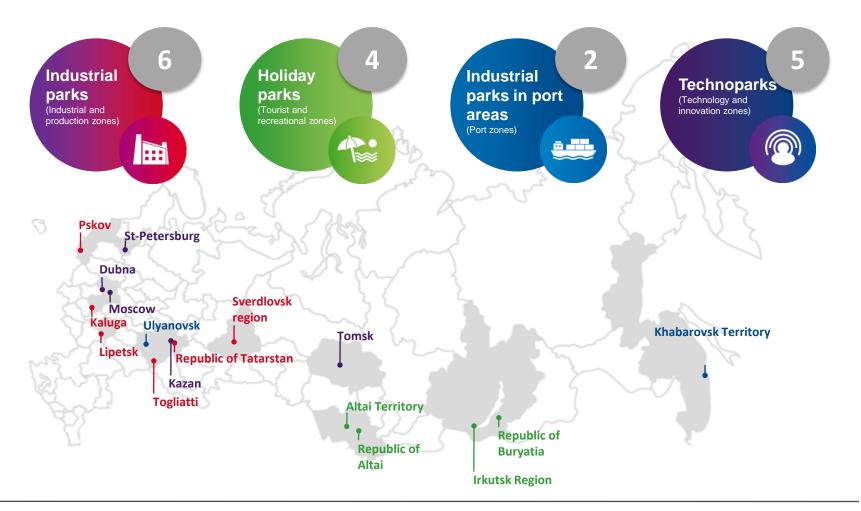
- Set up in 2006
- 100% state owned
- A management company developing and operating 17 SEZs in the Russian Federation with focus on industrial production, technological innovation, port logistics and tourism development
- Services: design, construction and management of SEZ



RUSSEZ

SEZ UNDER MANAGEMENT

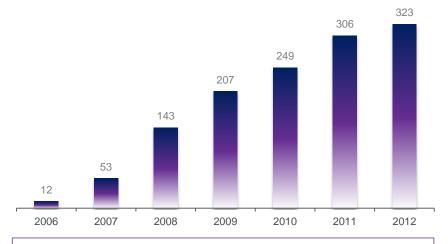
RUSSEZ OPERATES 17 SEZ (+2 IN 2013 VS. 2012)



RUSSEZ OVERVIEW

SUCCESSFUL TRACK RECORD

Number of investors in SEZ



- 2013, September: more 350 Companies (Residents in SEZ)*
- Companies from 24 countries: Germany, USA, Japan, etc*
- Over 13 billion USD of committed private investments*
- 63 foreign investors, about 4 billion USD of foreign investments (Companies established with the participation of foreign investors)*



































^{*} including Companies at the stage of Agreements signing

RUSSEZ OVERVIEW

SEZ BENEFITS FOR MANUFACTURING AND R&D

Comfortable administrative procedures

Federal and regional government support

Tax benefits

Free customs zone

Tax benefits

	Russia	SEZ
Profit tax, %	20	2-15.5
Property tax, %	2.2	0
Land Tax, %	1.5	0
Transport Tax, EUR per horse power	0.1 – 3.5	0
Social taxes, %	30	Working R&D staff staff
		30 14
Land acquisition price	100% market price	4 - 50% cadastral price

Full-scale infrastructure supply

SEZ Infrastructure:

- No connection fees (resources granting)
- · Electricity, heating, water, gas

Ready to use facilities:

· Customs terminals

Attractive lease and buying rates:

- Office space (lease)
- Land plots (lease and buying)

RUSSEZ

COMPETITIVE ADVANTAGES

Comfortable administrative procedures

- Clear legislation and management (Federal Law #116)
- Minimized administrative barriers
- "Single window" procedure
- Guarantees from the State
- Professional managing Company
- Triple agreement on mutual commitments between the Ministry of economic development, the Managing Company and a Resident

Tax benefits

- Special tax benefits for SEZ Residents
- · Tax vacations for the construction period

Full-scale infrastructure supply

- Ready-to-use infrastructure for residents, opportunity to reduce investments on new project
- Free access to infrastructure (no connection fees for resources granting)
- Reduced and incentive prices for land plots and offices lease
- Opportunity to buy land plots on special and incentive prices

Free customs zone

- No import duties on equipment, components and materials imported in SEZ
- No VAT on equipment, components and materials imported in SEZ
- No export duties on finished goods (products) exported outside the Customs Union

LAND PURCHASE PRICE IN INDUSTRIAL SEZ

RUR / 1 hectare

	Moscow region	Samara region	SEZ "Togliatti"
Land purchase price	15 000 000*	7 500 000*	138 415**

	Moscow region	Lipetsk region	SEZ «Lipetsk»
Land purchase price	15 000 000*	350 000 – 450 000 *	290 000**

Note

* Expert evaluation, land for industrial use

** In case of land purchase under the residents own facilities (Resident's land plot). Land lease rate for the period of facilities construction is not more than 27 683 – 55 366 RUR / hectare per year. Land purchase price for 1 hectare for the moment = cadastral value of 1 hectare. Now the draft of the Governmental Decree about special rates for land purchase is waiting for approval. If it is agreed and approved the rate of land purchase will be 5% from the cadastral value, so if the cadastral price is 2 768 300 RUR/ hectare, the rate of purchase will be 138 415 RUR/hectare

Note

* Expert evaluation, land for industrial use

** In case of land purchase under the residents own facilities (Resident's land plot). Land lease rate for the period of facilities construction is about 77 000 RUR / hectare per year.

	Moscow	Republic of Tatarstan	SEZ
	region	Alabuga region	"Alabuga"
Land purchase price	15 000 000*	2 000 000 – 5 000 000*	100 800**

Note

^{*} Expert evaluation, land for industrial use.

^{**} In case of land purchase under the residents own facilities (Resident's land plot). Land lease rate for the period of facilities construction is about $22\ 400-44\ 800\ RUR$ / hectare per year.

TAX BENEFITS IN INDUSTRIAL ZONES

Tax preferences

	Russia	SEZ «Togliatti»
Profit tax, %	20	2% - during 01.01.2012 - 31.12.2018; 5% - during 01.01.2019 - 31.12.2020; 9% - during 01.01.2021 - 31.12.2022; 12% - during 01.01.2023 - 31.12.2024; 15,5% - c 01.01.2025 and further
Property tax, %	2.2	0 (for 10 years)
Land tax, %	1.5	0 (for 5 years)
Tax on means of transport (Ruble / h.p.)	2.5-15	0 (for 5 years)

	Russia	SEZ «Lipetsk»
Profit tax, %	20	2% — for the first 5 years 7% — the following 5 years 15.5% — further
Property tax, %	2.2	0 (for 7 years)
Land tax, %	1.5	0 (for 5 years)
Tax on means of transport (Ruble / h.p.)	2.5-15	0 (for 10 years)

	Russia	SEZ «Alabuga»
Profit tax, %	20	2-15,5 2% — first 5 years 7% — further 5 years 15,5% —up to 2055
Property tax, %	2.2	0 for 10 years
Land tax, %	1.5	0 for 10 years
Tax on means of transport (RUR / h.p.)	2.5-15	0 for 10 years

HOW TO BECOME A RESIDENT

GETTING RESIDENT STATUTE PROCEDURE



5 steps to become a Resident



Stage 1	Stage 2	Stage 3	Stage 4	Stage 5
Registration of a legal entity (a company) in the Municipal region, where SEZ is located.	Submission of the set of documents to SEZ JSC or directly to the Ministry of economic development: a demand to become a Resident, a business plan, corporate statute, etc. The list of documents is established by the Legislation/ of RF.	Consideration of the Demand by the Supervisory Board of SEZ* (preparation for Expert Council examination in the Ministry of Economic Development).	Examination of the Demand by the Expert Council in the Ministry of Economic Development **	Signing of Agreement on activities in a SEZ, issue of a Certificate of Resident registration in SEZ

^{*} This procedure is not obligatory according the Federal Law #116, but is strongly recommended in the frame of the preparing for Expert Council examination as well as getting additional feasibility opinion from the SEZ personnel.

Resident in Industrial Zone must invest not less than 120 millions RUR (capital investments), including 40 millions RUR during the first 3 years of activities (Federal Law #116 about SEZ)

INDUSTRIAL PARKS LOCATION

LOCATION IN MAJOR INDUSTRIAL REGIONS

• ALABUGA SEZ 2,000 hectares, Republic of Tatarstan

LIPETSK SEZ 1,024 hectares, Lipetsk region

TOGLIATTI SEZ 660 hectares, Samara region

• TITANUM VALLEY 584.4 hectares, Sverdlovsk region

MOGLINO SEZ 280 hectares, Pskov region. New SEZ

LYUDINOVO SEZ 316 hectares, Kaluga region. New SEZ





SPECIAL ECONOMIC ZONES

«CARS AND COMPONENTS»: ASSEMBLING, SPARE PARTS, COMPONENTS AND PARTS, EQUIPMENT

Automotive industry and auto components manufacturing is one of priority directions in special economic zones development

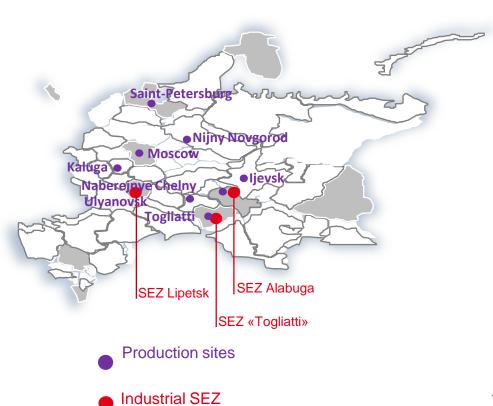
Acting SEZ		Recently esta	ablished SEZ
SEZ	Current stage	SEZ	Current stage
Togliatti (Samara region)	The infrastructure construction (Stage 1) must be ready up to the end of 2013. Now the Residents can be connected to infrastructure on the temporary basis.	Titanium valley (Sverdlovsk region)	The infrastructure is under construction
Lipetsk (Lipetsk region)	The infrastructure is ready (Stage 1). The Residents are acting.	Ludinovo (Kaluga region)	Established in December 2012. Designing works.
Alabuga Republic of Tatarstan	The infrastructure is ready (Stage 1 and 2). The Residents are acting.	«Moglino» (Pskov region»	Established in 2012. Designing works.

SPECIAL ECONOMIC ZONES

CARS & AUTO COMPONENTS

Location of the main car producers

Distance between SEZ and auto producers



	SEZ «Alabuga»	SEZ «Lipetsk»	SEZ «Togliatti»
Togliatti (AvtoVAZ, GM-Avto- VAZ)	415	764	2
Nijny Novgorod (GAZ, GAZ-VW)	609	603	666
Kamsky industrial region (KAMAZ, Sollers etc)	21	1,128	426
Ulyanovsk (UAZ, UAZ-BAIC)	402	731	184
Ijjevsk (Ijavto-OAG-AvtoVAZ)	170	1,300	585
Kaluga (VW, PSMA, Volvo- Renault etc.)	1,200	372	1,090
Saint-Petersburg (Toyota, Nissan, Ford, GM, Hyundai etc.)	1,736	1,145	1,720
Moscow (Renault)	1,000	450	1,064

INDUSTRIAL SEZ «TOGLIATTI»

Region description	Acting Residents	Project description
Centre of automotive industry (AvtoVAZ plant), experience in	TPV RUS (Russia-Slovenia)	Car seats. Plant construction has started
production, logistics and personnel training	Rulevye Systemy Plus (Steering System Plus) (Russia)	Steering systems with hydraulic amplifier for cars. Landscaping stage of works.
Acting companies in the frame of components manufacturing sector	EDSCHA (Germany)	Hood hinge, trunk hinge, door hinge, door stop, hand brake lever and pedal box Expertise of plant design and construction project
Close location to the centre of	Sanoh (Japan)	Tubes for fuel and brake systems. Landscaping stage of works
automotive industry in Nijny Novgorod (GAZ Plant)	Mubea (Germany)	Suspension spring for cars. Landscaping stage of works/
Close location to the centre of automotive industry in Ulyanovsk	GM AVTOVAZ (USA-Russia)	Automotive body and other components; logistic services; researches . Plant construction has started.
(UAZ)	Atsumitec Toyota Tsusho (Japan)	Mechanisms for gear box (mechanical and automatic) . Signing of agreement on activities in SEZ.
	HILEX	Cables for steering system, cables for window lift. Signing of agreement on activities in SEZ.
	Nobel Automotive (Orhan Group) (Turkey)	Fuel lines, washers, flexible cables, seat frames, springs for engine mount Plant designing stage.
	Avtoelectronica (Russia)	Car electrical equipment components. Signing of agreement on activities in SEZ.
	AZ Powertrain (Russia-India)	Engine manufacturing for GM Avtovaz. Signing of agreement on activities in SEZ.
	Residents under consideration	Project description
	Tyre manufacturer(Germany)	Tyre manufacturing
	Aluminium parts producer (Spain)	Aluminium parts manufacturing
	Transmission parts manufacturer (Great Britain)	Development and manufacturing of transmission components
	Conditioning system (Great Britain)	Conditioning systems
	Window producer(Russia)	Windows for cars

INDUSTRIAL SEZ «LIPETSK»

Region description	Project description	Project description
Novolipetsk metallurgical complex is one of leading	Bekaert (Belgium)	Steel wire cord manufacturing
automobile body sheet producers as well as construction, electrotechnical	Lanxess (Germany)	Components for tyres manufacturing
and other types of steel.	Yokohama (Japan)	Joint Venture with Itochu Corporation (Japan). Tyres manufacturing. Production since May, 2012. The planned volume of production is up to 5 000 000 tyres / year.
	Autocrater (Russia)	Auto machinery (platforms and oil products tank trucks)
	PPG Industries (USA)	Production of high-quality coating and paint materials (paint for cars)
	Residents under consideration	Project description
	Spare parts manufacturer (Czech Republic)	Spare parts for agricultural equipment and cars

Advantages	Acting Residents	Project description
 Centre of automotive industry (KAMAZ Naberejny Chelny plant), experience in production, logistics and personnel training 	Ford Sollers	Cars & trucks assembling
 Industrial park Sinerguia development for car components Acting companies in the frame of components manufacturing 	Sollers - Stamp	Press forming and welding
Industrial park Eurasia - Alabuga development	Automotive Glass Aliiance Rus (Sisicam, Saint-Gobain)	Car glass
•Ford Sollers assembling plant	Alabuga Motors	Electrobus production
•Acting residents in the frame of cars sector		
Close location to the centre of automotive industry in Nijny Novgorod (GAZ Plant)	Alabuga Ecotechnologies	Recycling of used tyres into rubber granulate material
Close location to the centre of automotive industry in Ulyanovsk (UAZ)	NTZ MSP	Exhaust system production for cars
 Close location to the centre of automotive industry in Ijevsk (IJAVTO) 	Joshkunoz Alabuga	Press forming of big car details
Possibility of painting facilities location in SEZ		

SPECIFIC COMPETITIVE ADVANTAGES IN THE FRAME OF «CARS AND COMPONENTS FOR AUTOMOTIVE INDUSTRY MANUFACTURING»

Car producing enterprises in the Republic of Tatarstan

CNH-KAMAZ Industrial – tractors manufacturing



Mercedes-Benz

- Mercedes Benz Trucks East trucks manufacturing
- KAMAZ trucks, buses, engines



- Ford Sollers Naberejny Chelny cars
- Ford Sollers Alabuga Ford Transit, Ford Explorer, Ford Kuga, Ford Galaxy, Ford S-Max assembling, petrol engines, press forming
- FUSO KAMAZ Trucks Rus Mitsubishi Fuso assembling and distribution







SPECIFIC COMPETITIVE ADVANTAGES IN THE FRAME OF «CARS AND COMPONENTS FOR AUTOMOTIVE INDUSTRY MANUFACTURING»

Components producing enterprises in the Republic of Tatarstan

OOO «ZF-KAMA»: gear manufacturing



Kamminz Kama: engines



LEONI

Leoni wiring systems: wires



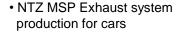
- Federal Mogul Naberejnye Chelny: engines
- Knorr Bremse: brakes
- Tissan: nylon tubes for fuels system and brakes

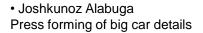


· Meiller East: skip loaders and platforms



















INDUSTRIAL SEZ «TOGLIATTI», SAMARA REGION



INDUSTRIAL ZONES

SAMARA REGION

Project overview

Established: 12 August 2010

Lifecycle: 49 years

Total area - 660 hectares

Number of Residents: 14 companies

Business of Residents:

- Cars, components
- Machinery and Equipment
- Construction materials
- FMCG

Distance to Moscow: about 985 km

The main infrastructure is to be ready in 2014. During the infrastructure construction residents will be connected on the temporary basis.

Master plan





INDUSTRIAL SEZ «TOGLIATTI», SAMARA REGION

INFRASTRUCTURE DEVELOPMENT SCHEDULE

TYPES OF INFRASTRUCTURE	Phase 1 (180 hectares)	Phase 2 (195 hectares)	Phase 3 (285 hectares)
Customs infrastructure	Under consideration Neighboring available facilities can be considered	-	-
Roads	IV Q 2013 For Railways connections neighboring available facilities can be considered	Second half of 2014	Designing and engineering works. Projected date – 2015
Storm-water system	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015
Sewage system	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015
Water supply system	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015
Gas supply system	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015
Electricity supply	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015
Phone, internet	IV Q 2013	Second half of 2014	Designing and engineering works. Projected date – 2015

INDUSTRIAL SEZ ALABUGA, REPUBLIC OF TATARSTAN



INDUSTRIAL ZONES

ALABUGA, REPUBLIC OF TATARSTAN

Project overview

Established: 21 December, 2005

Lifecycle: 49 years

Total area – 4 000 hectares

Number of Residents: 36 companies

Business of Residents:

- Cars, trucks, components
- · Machinery, tools and instruments
- Chemicals and petrochemicals
- Construction and composite materials
- Consumer goods
- Agriculture

Distance to Moscow: about 1 036 km

Master plan



SEZ «ALABUGA»

INFRASTRUCTURE DEVELOPMENT SCHEDULE

TYPES OF INFRASTRUCTURE	Phase 1 (204,4 hectares) 2005-2012	Phase 2 (734 hectares) 2012-2015	Phase 3 (1061.6 hectares) 2015-2020
Customs infrastructure	Ready	Ready	Feasibility studies
Roads	Ready	Ready	Feasibility studies
Storm-water system	Ready	Ready	Feasibility studies
Sewage system	Ready	Ready	Feasibility studies
Water supply system	Ready	Ready	Feasibility studies
Gas supply system	Ready	Ready	Feasibility studies
Electricity supply	Ready	Ready	Feasibility studies
Phone, internet	Ready	Ready	Feasibility studies
Heating supply system	Ready	Not available. Autonomous heating on the basis of gas supplies	Feasibility studies

Transport infrastructure facilities

- ✓ Internal roads are ready up to the border of resident land plots, asphalt pavement, 8 m width
- ✓ Parking places for trucks (up to 157 trucks) and cars are ready
- ✓ Distance from SEZ to Federal auto route «M-7» «Volga» (Moscow Nijny Novgorod Kazan Ufa) is about 0,5 км
- ✓ Distance to the nearest international airport Beguishevo is 60 km (flight time to Moscow 1 h 30 min)

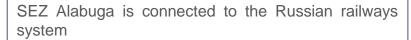






Transport infrastructure facilities





More 5 km intrasite railways

Intrasite railways are connected to the nearest railway station «Tikhonovo» - about 18 km from SEZ

Distance to the nearest passengers railway station «Naberejnye Chelny» is about 25 km





Industrial park A-Plus





- > Industrial park will consist of ready-to-use industrial facilities with built engineering, transport and other infrastructure. The residents of SEZ "Alabuga" as well as medium sized companies with amount of investments up to 3 mln. Euro can be accommodated there.
- ➤ The total territory of Eurasia Alabuga is 36.9 hectares.
- ➤ The total buildings area 200 000 sq.m
- > The buildings will be equipped with the infrastructure and networks including the high-speed internet

Industrial and technological park Synerguia for auto components manufacturing







Construction: 2012—2013

Total area: 9 hectares

Total area of construction: 7 hectares



Project	Infrastructure
Industrial and technological park Synerguia for auto components	Land plot in the frame of Industrial SEZ Alabuga
manufacturing	Total area of construction – 7.05 hectares
Creation of auto components industrial park oriented on small and medium size production	 4 buildings for different use: ✓ Block 1 for "the first hand" producers – 36 023 sq.m ✓ Block 2uilding for production from polymer materials – 24 541 sq.m ✓ Block 3 Building for "the second hand" and "the third hand" producers – 15 048 sq.m ✓ Administrative building – 3 105 sq.m
The project is financed by SEZ Alabuga	 Warehouses, office spaces and service buildings Block 2 must be ready in 2013 ✓ Industrial part – 18 650 sq.m ✓ Administrative part – 5 891 sq.m 14 February 2013 – inauguration of construction works



INDUSTRIAL ZONES

LIPETSK REGION

Project overview

Established: 21 December 2005

Lifecycle: 49 years

Total area – 1,024 hectares, with possible expansion

up to 4000 hectares

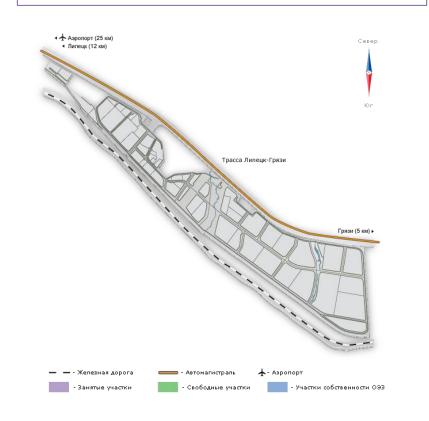
Number of Residents: 27 companies

Business of Residents:

- Metalworking and machinery
- Machinery and equipment
- Electrical machinery
- Automotive components
- Construction materials

Distance to Moscow: about 460 km

Master plan



INFRASTRUCTURE DEVELOPMENT SCHEDULE

TYPES OF INFRASTRUCTURE	Phase 1 (175 hectares)	Phase 2 (345 hectares)	Phase 3 (504 hectares)
	2006-2009	2010-2013	2014-2016
Customs infrastructure	Ready	Ready	Feasibility studies
Roads	Ready	Under construction	Feasibility studies
Storm-water system	Ready	Under construction	Feasibility studies
Sewage system	Ready	Under construction	Feasibility studies
Water supply system	Ready	Ready	Feasibility studies
Gas supply system	Ready	Ready	Feasibility studies
Electricity supply	Ready	Under construction	Feasibility studies
Phone, internet	Ready	Under construction	Feasibility studies
Heating supply system	Ready	Ready	Feasibility studies

MODERN INFRASTRUCTURE IS READY FOR RESIDENTS









OFFICE SPACES

Total office spaces more than 7 000 sq.m

Free office spaces more than 300 sq.m

- Conference-halls
- Communications
- T\/
- Internet
- Cafe
- Parking





Office spaces rent price 430-550 RUR sq.m / month



INDUSTRIAL SEZ «TITANIUM VALLEY», SVERDLOVSK REGION



INDUSTRIAL ZONES

«TITANIUM VALLEY», SVERDLOVSK REGION

Project overview

Established: 16.12.2010

Lifecycle: 49 years

Total area – 584.4 hectares

• Stage 1 – 295.4 hectares

• Stage 2 – 289 hectares

Number of Residents: 5 companies

Business of Residents:

- Aerospace industry
- Titanium products
- Machinery (equipment, components)
- Construction materials

Distance to Moscow: about 1 870 km



INDUSTRIAL SEZ «TITANIUM VALLEY»

INFRASTRUCTURE DEVELOPMENT SCHEDULE

TYPES OF INFRASTRUCTURE	Phase 1 (295.4 hectares)	Phase 2 (289 hectares)
Customs infrastructure	Designing and engineering works	Designing and engineering works
Roads	Under construction	Designing and engineering works
Storm-water system	Designing and engineering works	Designing and engineering works
Sewage system	Designing and engineering works	Designing and engineering works
Water supply system	Designing and engineering works	Designing and engineering works
Gas supply system	Under construction	Designing and engineering works
Electricity supply	Under construction	Designing and engineering works
Phone, internet	Designing and engineering works	Designing and engineering works
Heating supply system	Designing and engineering works	Designing and engineering works

INDUSTRIAL SEZ«MOGLINO», PSKOV REGION



INDUSTRIAL ZONES

PSKOV REGION

Project overview

Established: 19 June 2012

Lifecycle: 49 years

Total area - 215 hectares

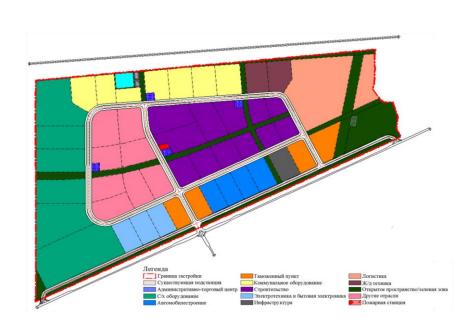
Number of Residents: 1

Business of Residents (focus on):

- Metalworking and machinery
- Consumer electronics
- Construction materials
- Automotive components
- Power engineering

Distance to Moscow: about 740 km

Master plan



INDUSTRIAL SEZ «MOGLINO»

INFRASTRUCTURE DEVELOPMENT SCHEDULE

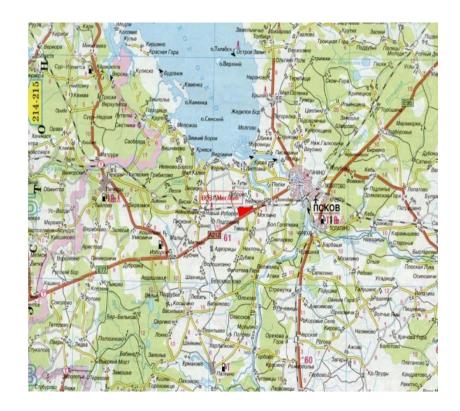
TYPES OF INFRASTRUCTURE	1 Stage (215 hectares)
	2012-2014
Customs infrastructure	Feasibility studies, designing, construction
Roads	Feasibility studies, designing, construction
Storm-water system	Feasibility studies, designing, construction
Sewage system	Feasibility studies, designing, construction
Water supply system	Feasibility studies, designing, construction
Gas supply system	Feasibility studies, designing, construction
Electricity supply	Feasibility studies, designing, construction
Phone, internet	Feasibility studies, designing, construction
Heating supply system	Feasibility studies, designing, construction

INDUSTRIAL SEZ «MOGLINO»

Transport infrastructure facilities

Auto and Railways connections:

- 8 km from the City of Pskov (Southern-Western direction on the way to the boarder with the Republic of Estonia)
- the SEZ land plot is close to the Federal auto road and the Railways line (Saint-Petersburg Pskov Riga).
- Distance to the boarder with Estonia is about 45 km



INDUSTRIAL SEZ «LUDINOVO» (KALUGA REGION)



INDUSTRIAL ZONES

KALUGA REGION

Project overview

Established: 28 December 2012

Lifecycle: 49 years

Total area: 289 hectares

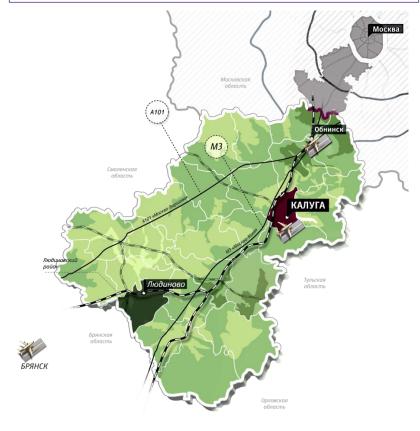
Number of Residents: -

Business of Residents (focus on):

- Machinery
- Construction materials
- · Automotive components

Distance to Moscow: about 188 km

Location



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