

INVEST IN SPB

I INVEST IN SAINT PETERSBURG

INVESTMENT PROJECTS

FEEDBACK
FROM INVESTORS

SPBINVESTMENT.RU

INVESTMENT PROJECTS OF SAINT PETERSBURG

An architectural model of Saint Petersburg, featuring several modern high-rise buildings with glass facades and green roofs. In the foreground, a prominent golden geodesic dome, the Spidertower, stands out. The background is a blurred cityscape.

SUPERHIGHWAY

RAILWAY LINE:
PULKOVO AIRPORT — VITEBSKY RAILWAY STATION

HIGH-SPEED TRAM LINE:
**PETERHOF — KIROVSKY ZAVOD METRO STATION
(PUTILOVSKAYA)**

HIGH-SPEED TRAM LINE:
**KUPCHINO METRO STATION — SHUSHARY DISTRICT —
SLAVYANKA DISTRICT**

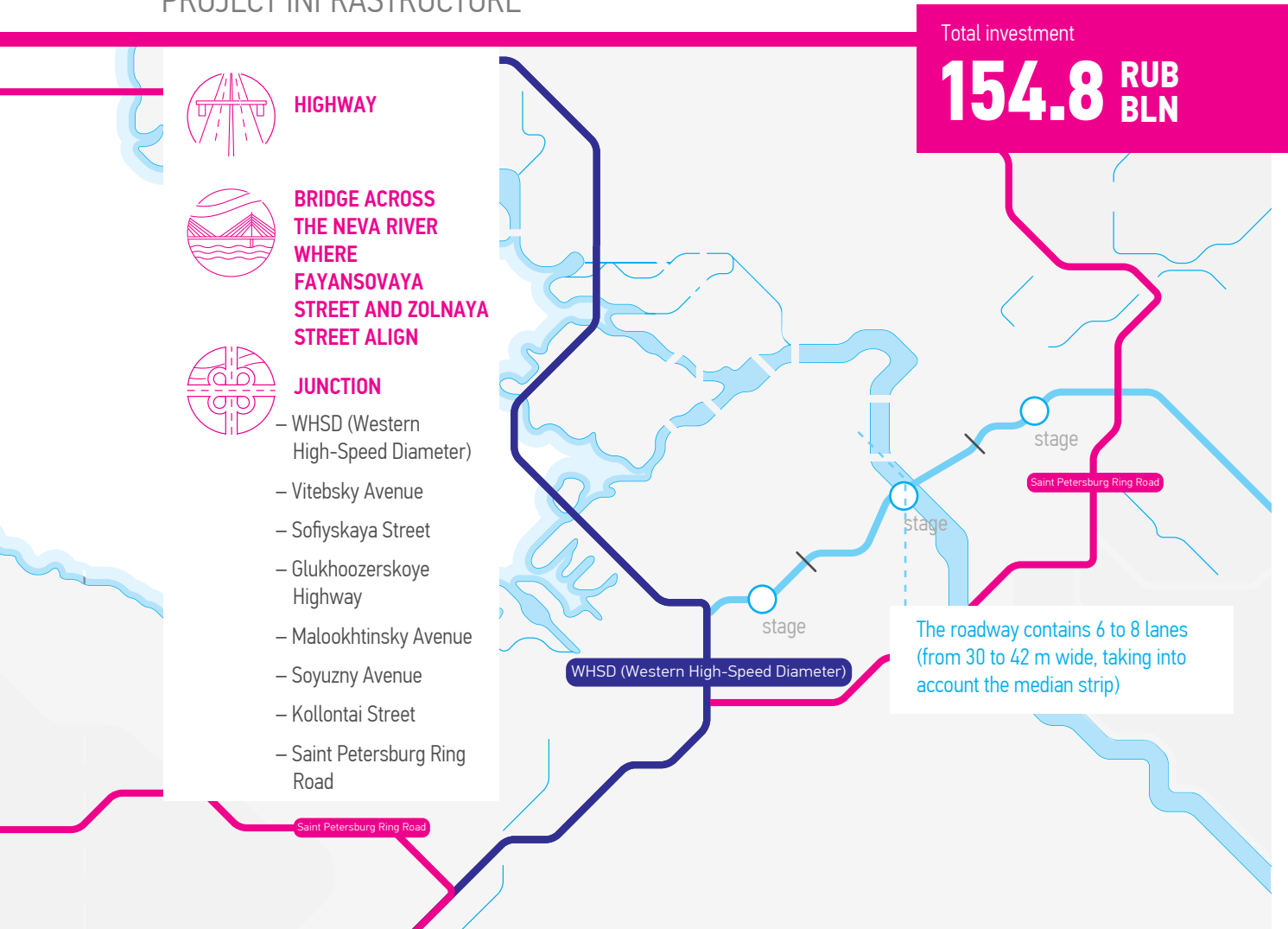
**NETWORK
OF THEME PARKS**

**OBJECTS
OF HOTEL INFRASTRUCTURE**

LATITUDINAL HIGH-SPEED MOTORWAY

The initiator	Form of implementation	Status	Payback period
The Government of Saint Petersburg	Competitive process for selecting private investor Concession agreement	Planned for implementation	≈19 years

PROJECT INFRASTRUCTURE



SOCIO-ECONOMIC INDICATORS

Project:

- Improving the quality of transport infrastructure of St. Petersburg
 - Redistribution of traffic flows
 - Reducing the traffic on roads in the Central, Frunzensky and Moskovsky districts
 - Additional outgoing highway
 - Additional connection to the banks of the Neva River

INVESTMENT INDICATORS

	PROJECT	FOR SHAREHOLDERS
NET PRESENT VALUE (NPV)	RUB 101.7 BLN	RUB 101 BLN
INTERNAL RATE OF RETURN (IRR)	15.01%	

FINANCING



OWN AND/OR BORROWED FUNDS OF PRIVATE PARTNER



MAJOR GRANT FOR CONSTRUCTION FROM SAINT PETERSBURG BUDGET AND FINANCED BY PUBLIC BUDGET LOAN

LAND PLOTS



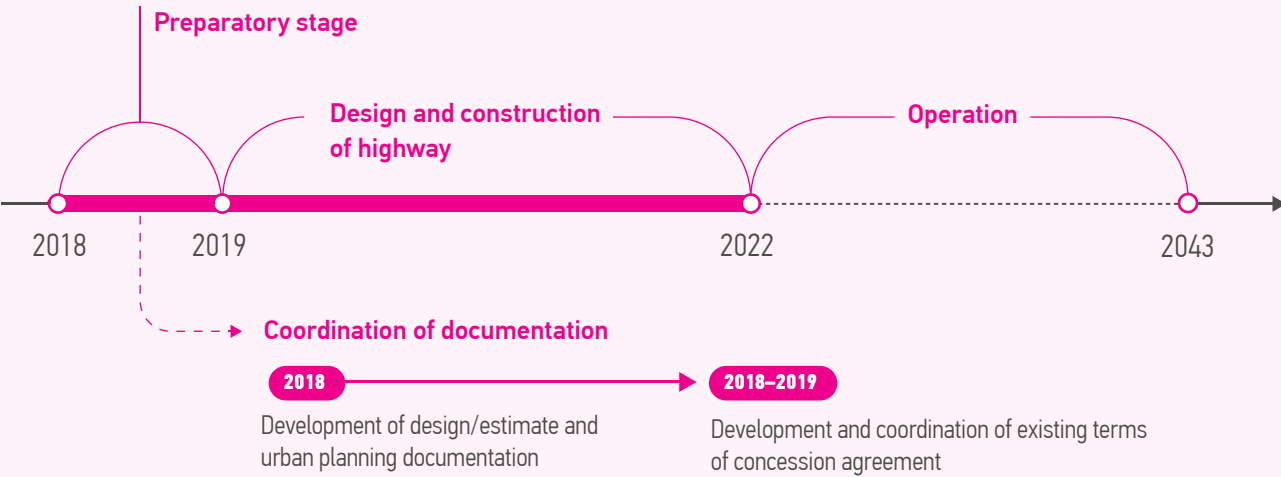
REQUIRED TERRITORY FOR CONSTRUCTION OF THE HIGHWAY, OWNED BOTH BY GOVERNMENT AND THIRD PARTIES. THE FINAL LIST IS BEING FORMED

IMPLEMENTATION PLAN

THE CURRENT STATUS OF IMPLEMENTATION



Cooperation agreements signed with VTB and Renaissance Construction to develop Saint Petersburg's transport infrastructure as part of SPIEF-2017.



* The size of the major grant and subsidies will be determined by the results of the open tender in accordance with Federal Law No. 115-F3 On Concession Agreements of 21 July 2005.

RAILWAY LINE: PULKOVO AIRPORT — VITEBSKY RAILWAY STA-

The initiator	Form of implementation	Status	Payback period
The Government of Saint Petersburg	Competitive selection process of private investor. Public-private partnership	Planned for implementation	≈15 years

PROJECT INFRASTRUCTURE



SOCIO-ECONOMIC INDICATORS

Project:

- Will provide Pulkovo airport users with high-speed transport to the Saint Petersburg metro and centre
- Will turn airport into international flight hub
- Will increase appeal of Saint Petersburg for business and tourists
- Will reduce travel time from airport to city centre to 1 hour and 30 minutes
- Will reduce load on transport interchange

Expected airport passenger traffic

23,000,000 PEOPLE in 2025

33,700,000 PEOPLE in 2035

INVESTMENT INDICATORS

	PROJECT	FOR SHAREHOLDERS
NET PRESENT VALUE (NPV)	RUB 48 MLN	RUB 971 MLN
INTERNAL RATE OF RETURN (IRR)	9.16%	8.65%

FINANCING



OWN AND/OR BORROWED FUNDS
OF THE PRIVATE PARTNER

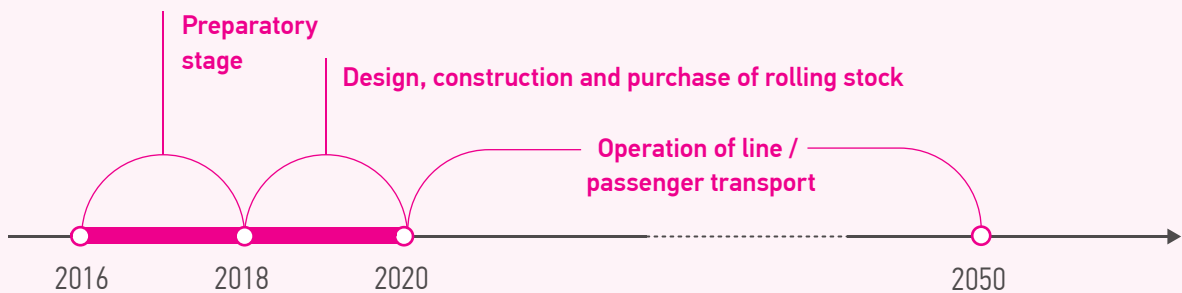


MAJOR GRANT FOR CONSTRUCTION FROM SAINT
PETERSBURG BUDGET AND FINANCED BY PUBLIC
BUDGET LOAN

THE ESTIMATED COST OF DESIGN AND CONSTRUCTION:

- Construction of new line — RUB 13.3 million (excluding VAT) and RUB 15.7 billion (including VAT) **
- The purchase of rolling stock — RUB 2.4 billion
- Construction of Pulkovo railway station complex — RUB 1.9 billion
- Construction of vehicle flyover junction at Pulkovo — RUB 1.4 billion
- Improvement of transport infrastructure of the stations — RUB 0.8 billion
- Purchase of private land (acquisition for public use) — RUB 0.4 billion

IMPLEMENTATION PLAN



CONTACT INFORMATION

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* The size of the major grant and subsidies will be determined by the results of the open tender in accordance with Federal Law No. 115-F3 On Concession Agreements of 21 July 2005.

** In Q2 2017 prices.

HIGH-SPEED TRAM LINE PETERHOF — KIROVSKY ZAVOD METRO STATION (PUTILOVSKAYA)

The initiator	Form of implementation	Status *	Payback period
The Government of Saint Petersburg	Competitive process for selecting private investor Public-private partnership	Planned for implementation	≈10 years

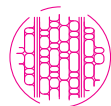
PROJECT INFRASTRUCTURE



**TRAM
DEPOT**



**ROLLING
STOCK**



**TRAM
TRACKS**



**CONTACT AND
CABLE NETWORKS**



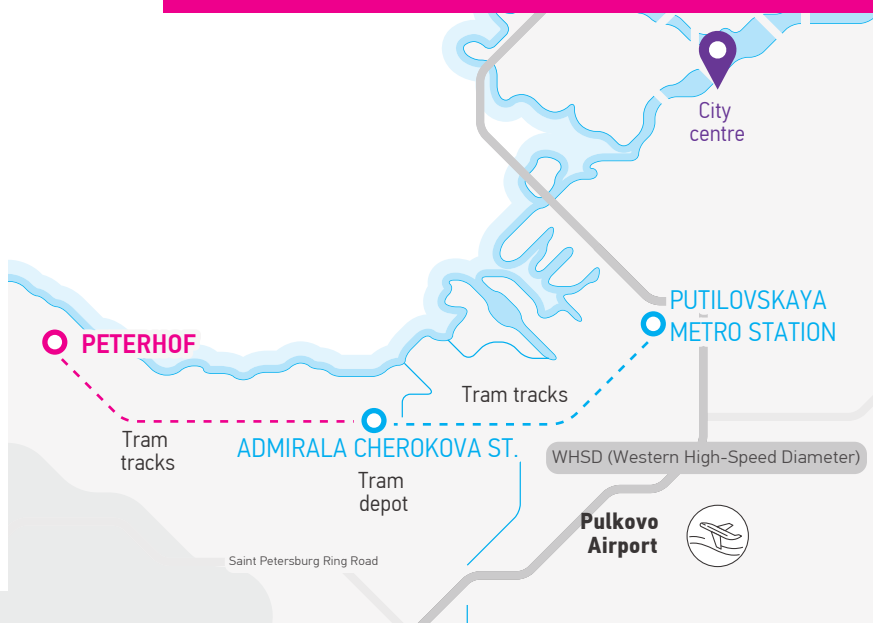
**TECHNOLOGICAL
EQUIPMENT**

Investment stage

3 YEAR

Total investment

**9.3 RUB
BLN**



SOCIO-ECONOMIC INDICATORS

PROJECT:

- Improvement of transport access for Southwest Saint Petersburg (Krasnoselsky, Kirovsky and Petrodvortsovy Districts)
- Creating a sustainable transport connection with The Palace and Park Ensemble of Peterhof
- Modernisation of transport infrastructure
- Reduced burden on transport interchange
- Creating conditions for new transport hubs around metro stations under construction

Expected passenger traffic

**17,000,000 –
30,000,000
PEOPLE PER YEAR**

depending on the economic situation

* The project is implemented in accordance with the Federal law On concession agreements of 21 July 2005 No. 115-FZ.

INVESTMENT INDICATORS

	PROJECT	FOR SHAREHOLDERS
NET PRESENT VALUE (NPV)	RUB 245 MLN	RUB 0.78 BLN
INTERNAL RATE OF RETURN (IRR)	9.74%	9.62%

THE NECESSARY INVESTMENTS

- Construction of startup complex 1 — RUB 2,715.9 mln (excluding VAT)**
- Construction of startup complex 2 — RUB 4,666.7 mln (excluding VAT)**
- Acquisition of rolling stock for startup complex 1 — RUB 1,140 mln (including VAT)***
- Acquisition of rolling stock for startup complex 2 — RUB 830 mln (including VAT) ***



FINANCING



OWN AND/OR BORROWED FUNDS OF THE PRIVATE PARTNER

Concession agreement validity period
30 YEARS FROM THE DATE OF CONCLUSION

CONDITIONS FOR THE VALIDITY PERIOD OF THE CONCESSION AGREEMENT

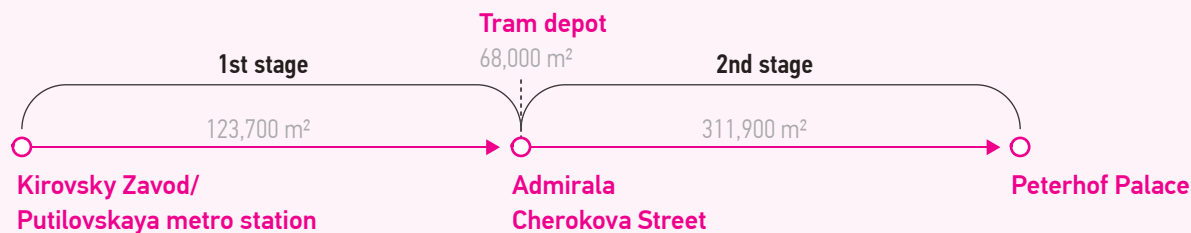
 Land plots and real estate	 Construction, creation, reconstruction and operation of the facilities under the concession agreement	 Right of ownership
PROVIDED TO CONCESSIONAIRE BY CONCESSOR	CONCESSIONAIRE USING OWN AND/OR BORROWED FUNDS	BELONGS TO CONCESSOR

HIGH-SPEED TRAM LINE IMPLEMENTATION STAGES

Taking into account economic efficiency and social significance



Stages are sequential, project implementation may be distributed among several investors



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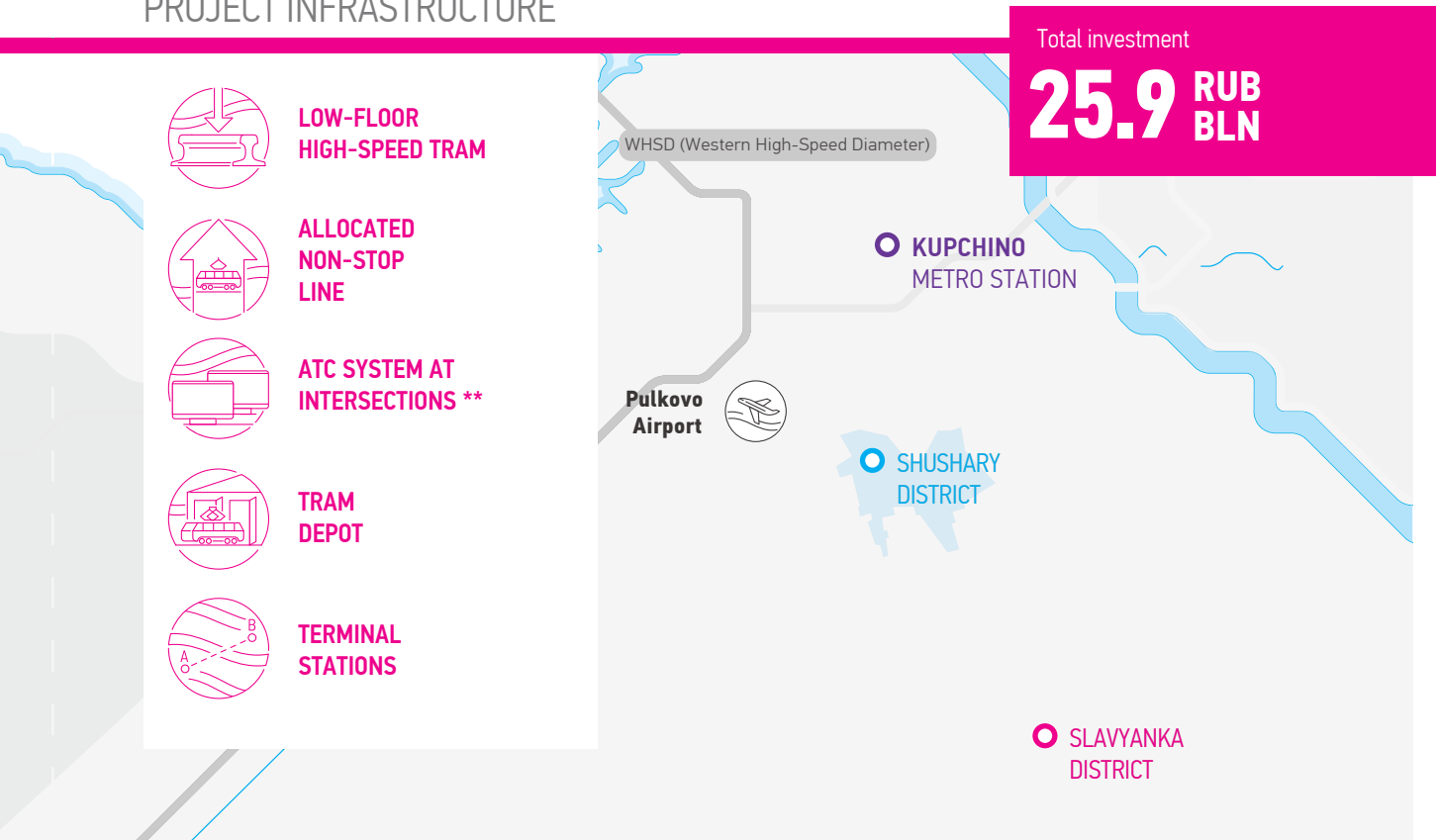
** Prices as of December 2017.

*** Prices as of Q4 2016.

HIGH-SPEED TRAM LINE KUPCHINO METRO STATION — SHUSHARY DISTRICT — SLAVYANKA DISTRICT

The initiator	Form of implementation	Status*	Payback period
The Government of Saint Petersburg	Competitive selection process of private investor Public-private partnership	Planned for implementation	≈9 years

PROJECT INFRASTRUCTURE



SOCIO-ECONOMIC INDICATORS

PROJECT:

- Improvement of transport accessibility for Shushary and Slavyanka districts
- Creation of transport infrastructure in Saint Petersburg
- Increased mobility and reduced time "in transit"
- Reduced transport burden on the street/road network in Pushkinsky district of Saint Petersburg
- Creation of comfortable travel conditions for citizens.

Expected passenger traffic per day

37,000 PEOPLE
in 2020

76,000 PEOPLE
in 2030

* The project is implemented in accordance with the Federal law On concession agreements of 21 July 2005 No. 115-FZ.

** ATC stands for Advanced Traffic Management System.

INVESTMENT INDICATORS

	PROJECT	FOR SHAREHOLDERS
NET PRESENT VALUE (NPV)	RUB 1.4 BLN	RUB 1.5 BLN
INTERNAL RATE OF RETURN (IRR)	12.61%	13.50%

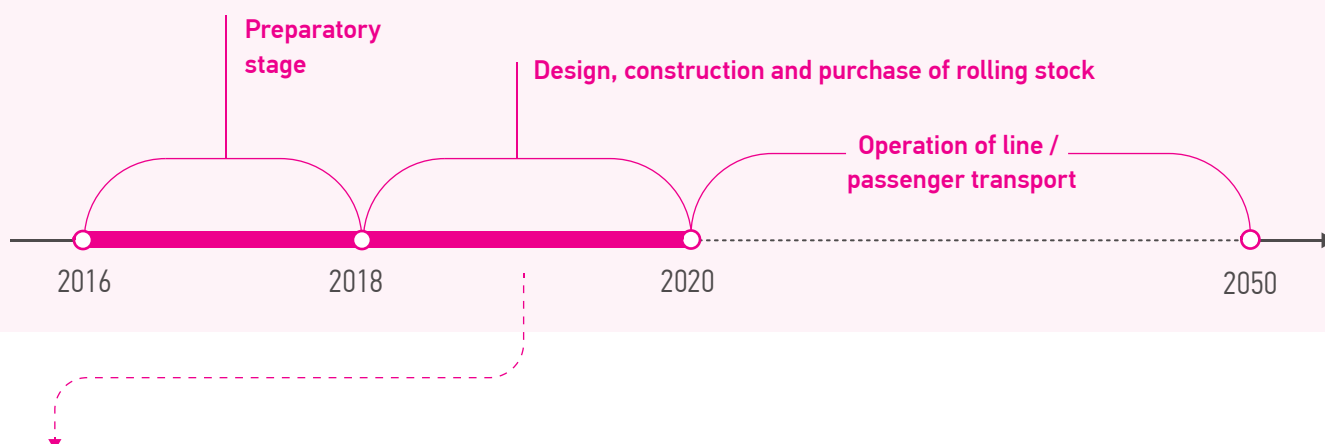
FINANCING



OWN AND/OR BORROWED FUNDS OF THE PRIVATE PARTNER

Proportion of borrowed funds no higher than 90%

IMPLEMENTATION PLAN



IMPLEMENTATION STAGES

Taking into account economic efficiency and social significance



NETWORK OF THEME PARKS

The initiator	Form of implementation	Status	Срок строительства
The Government of Saint Petersburg	Private investment Public-private partnership Concession	Planned for implementation	≈2 years

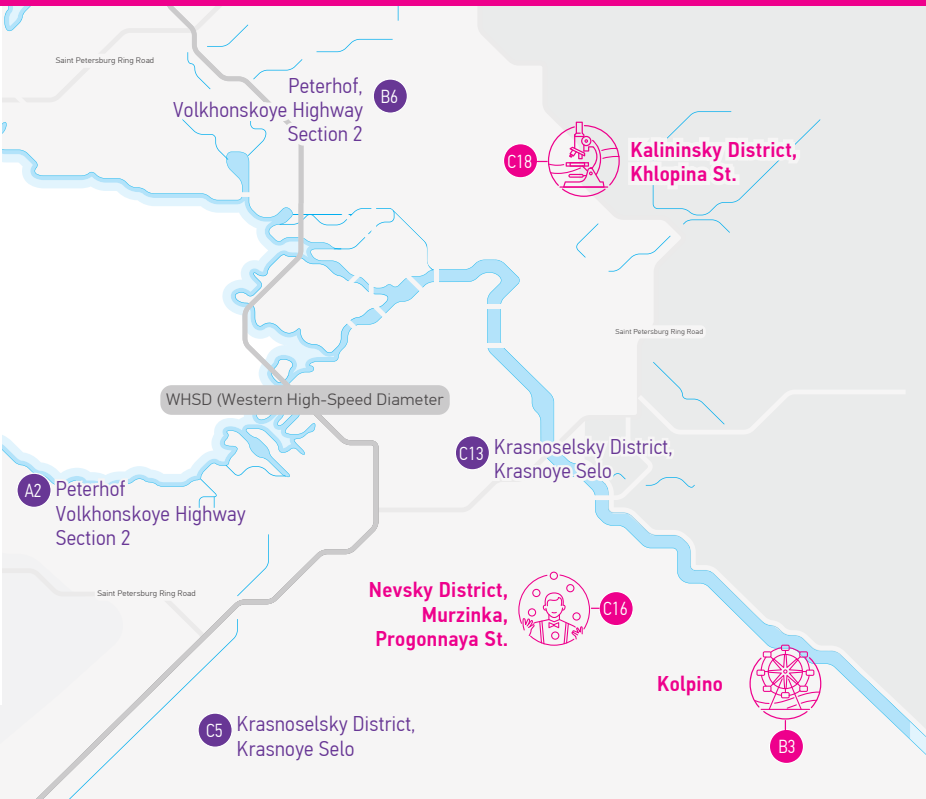
PROJECT INFRASTRUCTURE

TOP PRIORITY AREAS:

- B3 One day amusement park
- C16 Educational amusement park for children
- C18 Interactive science and technology park

SECOND PRIORITY AREAS:

- B6 Asian-themed amusement and historical park
- A2 Festival show park
- C13 Ethno-craft park
- C5 Extreme Park



Amusement park

Total investments, RUB bln

7.5–11

Educational amusement park

0.9–1.2








Interactive science and technology park

1.9–2.6

SOCIO-ECONOMIC INDICATORS

- Increased social appeal of the city
- Development of tourism in the region
- Increased GRP and tax revenue
- Increased overall investment volume and improved investment climate
- Increased investment attractiveness of the city

INVESTMENT INDICATORS

TYPES OF PARKS *	NET PRESENT VALUE (NPV)	INTERNAL RATE OF RETURN (IRR)	PAYBACK PERIOD, YEARS	COMPETITIVE LEVEL
 One day amusement park – Attractions in covered domes and outdoors – Show venues	RUB 4,300 MLN	29%	7.5	● ● ● — Medium
 Educational amusement park for children Play areas and learning zones for children aged 1-12	RUB 840 MLN	33%	6	● ● ● — High
 Interactive science and technology park – Exhibition halls – Auditoriums	RUB 1,230 MLN	28%	8	● ● ● — Low
 Asian-themed amusement and historical park – Interactive workshops – Concert hall – Themed restaurants	RUB 190 MLN	17%	10	● ● ●
 Festival show park – Sites for festivals – Restaurant complex	RUB 440 MLN	28%	8.5	● ● ●
 Ethno-craft park – Arts and crafts studio – Workshops with equipment for rent	RUB 115 MLN	29%	8	● ● ●
 Extreme Park – Sports grounds – Training sessions and master classes – Recreational facilities (trampolines, vertical wind tunnel, rock climbing, adventure park)	RUB 2,230 MLN	27%	9	● ● ●

FINANCING



**OWN AND/OR BORROWED FUNDS
OF THE PRIVATE PARTNER**

* Theme park options have been chosen based on analysis of the Russian and international markets.

OBJECTS OF HOTEL INFRASTRUCTURE

The initiator	Form of implementation	Status*	Payback period
The Government of Saint Petersburg	Tender/bidding Strategic investment Public-private partnership	Planned for implementation	≈10 years

PROJECT INFRASTRUCTURE



SOCIO-ECONOMIC INDICATORS

- Increased business and tourist attraction to Saint Petersburg
- Creation of new jobs
- Guaranteed tax payments into the city budget

* Project is implemented in accordance with:

- Federal Law No.115-F3 On Concession Agreements of 21 July 2005
- Law of Saint Petersburg No.742-136 On Strategic Investment Projects, Strategic Investors and Strategic Partnerships of Saint Petersburg of 3 December 2008.

INVESTMENT INDICATORS

FINANCING



OWN AND/OR BORROWED FUNDS
OF THE PRIVATE PARTNER

CONDITIONS FOR THE VALIDITY PERIOD OF THE CONCESSION AGREEMENT:



Building for placement
of hotel facilities



Construction, creation, reconstruction
and operation of the facilities under
the concession agreement



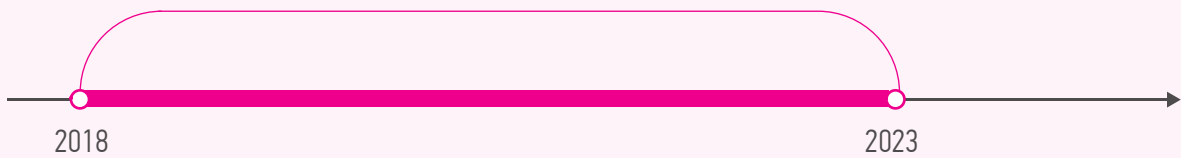
Right
of ownership

PROVIDED TO
CONCESSIONAIRE
BY CONCESSOR

CONCESSIONAIRE USING
OWN AND/OR BORROWED
FUNDS

BELONGS TO
CONCESSOR

PROJECT IMPLEMENTATION PERIOD



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PARTNERSHIP TESTIMONIALS



I INVEST IN SPB

NORTHERN CAPITAL HIGHWAY LLC

HYUNDAI MOTOR MANUFACTURING RUS LLC

**CENTRE FOR NUCLEAR MEDICINE AT
BEREZINA INTERNATIONAL BIOSYSTEMS
INSTITUTE LLC**

UNILEVER RUS LLC

JSC KIROVSKY ZAVOD

WRIGLEY LLC

CONSTRUCTION OF WESTERN HIGH-SPEED DIAMETER

Investor

Northern Capital Highway LLC

Implementation period

2004–2016

Commissioning

2016 (all sections)



Volume of investments

**212 RUB
BLN**
**Aleksey Bnatov**

General Director

Northern Capital Highway LLC

” WESTERN HIGH-SPEED DIAMETER BECAME A SYMBOL OF DYNAMIC DEVELOPMENT IN MODERN RUSSIA AND INVESTMENT ATTRACTIVENESS OF SAINT PETERSBURG

Total length

>70 km

Length of the main route

46.6 km
**9 TRANSPORT
INTERCHANGES**

Journeys completed in 2017

80,300,000

The successful experience of implementing one of the world's largest public-private partnerships in the field of road construction is testament to the considerable investment potential of the Northern capital and of the favourable investment climate created in Saint Petersburg as a result of ensuring the appropriate conditions for investment projects, fulfilling commitments and obligations, and ensuring the presence of a stable and predictable business environment. The WHSD, as a project, became a symbol of dynamic development in modern Russia and the investment attractiveness of Saint Petersburg.

The WHSD is an ongoing project in terms of growth prospects. I am convinced that thanks to effective cooperation and collaboration with city administration, development in this direction will continue with the aim to create prospective interchanges for the Western High-Speed Diameter, increase highway technology, and further increase comfort and road safety.

CONSTRUCTION OF HYUNDAI MOTOR MANUFACTURING RUS PLANT

Investor

Hyundai Motor Manufacturing Rus LLC

Implementation period

2008–2010

Commissioning

2010



Volume of investments

20 RUB BLN

For the entire period of implementation – >USD 1 bln

**Lee Entek**
*The General Director of the plant
Hyundai Motor Manufacturing Rus*

” WE WERE NOT MISTAKEN IN OUR CHOICE OF LOCATION FOR OUR INVESTMENT PROJECT

Area of buildings and structures

>100,000 M²

Production capacity

**>220,000
VEHICLES PER YEAR**
46% The level of localisation
of automobile
components

2,200 JOBS

We thought long and hard about which region to choose as the place to implement our investment project. The advantages which drew us towards Saint Petersburg in 2008 were the convenience of logistic flow, the presence of skilled workers in the region, and the support promised to us by the city Government. And I must say that we were not mistaken in our choice.

The Hyundai plant became strategic investors in the city. We received tax benefits and the city brought utilities up to the borders of our territory and provided for the accessibility of the enterprise by transport. We could feel the city's strong support during the construction of the plant at the stage of preparing all the necessary permits and documents.

And we still have their support. We regularly receive regional industrial subsidies and negotiate for the further development of our company. For delivery of imported automotive components, we are taking advantage of the sea Terminal in Kronstadt, which is located in the industrial area of Kamenka in the Northwest of the city. In seven years of operation, we've managed to create a true team of professionals. Right now we have 2,200 people working in at our plant over three shifts. 5,800 more work in the factories of our component suppliers.

CONSTRUCTION OF THE PROTON RADIOTHERAPY CENTRE AT THE SERGEY BEREZIN MEDICAL INSTITUTE

Investor	Implementation period	Commissioning
Centre of nuclear medicine of the International Institute of biological systems named after S. Berezin LLC	2012-2017	2017 — beginning of the testing mode



Volume of investments

**7.5 RUB
BLN**


Arkadiy Stolpner
 Chairperson of the Board
 of the Medical Institute named after Sergey Berezin

” OUR STORY IS AN EXAMPLE OF CONSTRUCTIVE, COHERENT INTERACTION BETWEEN BUSINESS AND GOVERNMENT

**800 PEOPLE
PER YEAR**

 Volume of high-tech
 medical care given


The specialisation of the centre will increase survival rates, lower disability rates, and lower the incidence of relapses and development of secondary cancers.

An agreement on the implementation of the project with the Government of Saint Petersburg was signed at SPIEF 2015. The city has proven to be a reliable partner: it has fulfilled its commitments on construction of road infrastructure, as well as the establishment of a regional order on the treatment of some patients at the expense of the city budget.

Our story is an example of constructive, coherent interaction between business and government, which ultimately benefits the Russian health care system, and most importantly – the patients. The opening of the first Clinical Proton Therapy Centre in the RF and CIS countries, equipped with the most modern rotating gantry system, will put our city and the S. Berezin Medical Institute on par with the leading world medical centres. And oncology patients have access to the most advanced method of radiation treatment for cancer.

The total investment (7.5 billion rubles) includes infrastructure site preparation and construction and equipping of the Centre, as well as training for radiologists and medical physicists. Currently there are no experts with this level of qualification in Russia.

MODERNISATION OF THE PRODUCTION CAPACITIES OF THE NORTHERN LIGHTS FACTORY

Investor

Unilever Rus LLC

Implementation period

2013-2017

Commissioning

2017



Volume of investments

37 EURO
MLN


Marina Khabacheva
 Director of Production
 for Unilever in Saint Petersburg

” NEW PRODUCTION LINES HAVE ALLOWED US TO DOUBLE THE NUMBER OF PRODUCTS AND HOUSEHOLD CHEMICALS WE MAKE

Area of buildings and structures

37,500 M²

Different products

>400
37%

of household chemical products

8%

of teas

Manufactured products are exported

For Unilever, Saint Petersburg is the starting point of the history of the company in Russia. Today we produce more than 400 kinds of products: teas (Lipton, Brooke Bond and Beseda), cosmetic products (Timotei, Clear, Rexona, Axe, Dove) and cleaning products (Domestos, Cif, Glorix). In 2017, over 110 million products were sent abroad. Today 37% of household chemicals and 8% of tea products produced locally have already been exported. Largely due to the full support of the local government authorities, the construction stages were completed on time, and in September 2017, with the participation of the Governor of the city Georgy Poltavchenko, the ceremonial start of new production lines was held, which allowed us to double the number of cosmetic products and household chemicals manufactured. Modernisation of the Northern Lights plant, which produces cosmetics and household chemistry products (the construction of new production and storage capacities with an area of 7.5 thousand m², and reconstruction of an industrial warehouse complex with an area of 30 thousand m²)

MODERNISATION OF THE PRODUCTION CAPACITIES OF THE KIROVSKY ZAVOD

Investor

JSC Kirovsky Zavod

Implementation period

2012-2017

Commissioning

2017



Volume of investments

**1.1 RUB
BLN**


Georgiy Semenenko
 General Director
 of JSC Kirovsky Zavod

” ST. PETERSBURG'S BUSINESS ENVIRONMENT CAN HOLD ITS OWN AGAINST THE GLOBAL BACKDROP

Facilities to be upgraded

Universal stand for testing marine steam turbine plants (STP)

Test bench for testing aggregates turbo-injection units of an anti-icing device for nuclear icebreakers

Also, a contract has been signed for supply of two more STPs for the serial universal nuclear icebreakers Sibir and Ural of project 22220.

St. Petersburg Tractor Plant, a subsidiary of JSC Kirovsky Zavod, now produces 72% of the equipment on the Russian market for powerful tractors. They are being exported to Canada, Columbia, Australia, the Czech Republic, Hungary, Poland, Uzbekistan, Belarus, Kazakhstan and other countries.

Our other projects are underway as well: a range of technological equipment for automotive filling compressor stations has been created, we've arranged the launch of a new drilling rig for geological exploration, and we're continuing the technological upgrading of our production.

Today, Kirovsky Zavod is an internationally competitive company, which is why I always compare our business environment to that of the whole world. I have to say, St. Petersburg looks quite good. Support from the Federal Government and the Government of St. Petersburg is important to the company's many-thousand-strong team.

MODERNISATION OF THE PRODUCTION CAPACITIES OF THE WRIGLEY PLANT

Investor

Wrigley LLC

Implementation period

2016-2017

Commissioning

2017



Volume of investments

**600 RUB
MLN**


Maher Batruni
General Director
of Wrigley LLC

” THE FAVORABLE BUSINESS CONDITIONS THAT HAVE BEEN CREATED HERE ALLOW ST. PETERSBURG TO EXPAND PRODUCTION



The project of modernising production entails increasing the output of confectionery products and installing additional treatment facilities to implement environmental protection measures.

List of facilities:

- A new production and packaging line
- Sewage treatment facilities

Socio-economic indicators:

- Creating high-paying jobs
- Increasing the export potential of the factory by creating a unique product

It's no secret that investors, when selecting a region for creating their own local production, take the following factors into account first of all: geographical position, transport and logistics infrastructure, availability of skilled workers, government support of investments at the regional level, and the general investment climate. I have to say: all these factors really come together nicely in St. Petersburg.

An investment agreement between Wrigley, LLC and the Government of St. Petersburg was signed in 2016 at the St. Petersburg international economic forum. As part of the above, we launched a new production line and created new, high-paying jobs. Currently, the products manufactured by our factory are exported to over 30 countries – the CIS, the Middle East and Africa, and Europe.

Now that we've implemented the 2016 contract, we're not resting on our laurels. In 2017, a new investment agreement on further modernisation of the factory equipment was signed. We intend to implement these projects over the course of the next two-three years, investing about another billion rubles.

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