

INVESTMENT PRESENTATION

LENINGRAD REGION



Front Office for Investor Relations
of the Administration of Leningrad Region



GENERAL INFORMATION ABOUT LENINGRAD REGION

GEOGRAPHY AND TRANSPORT INFRASTRUCTURE



Population –
1.8 million
people



Area of the
region – 83.9
thousand km²



In close proximity
to Saint Petersburg



4 seaports



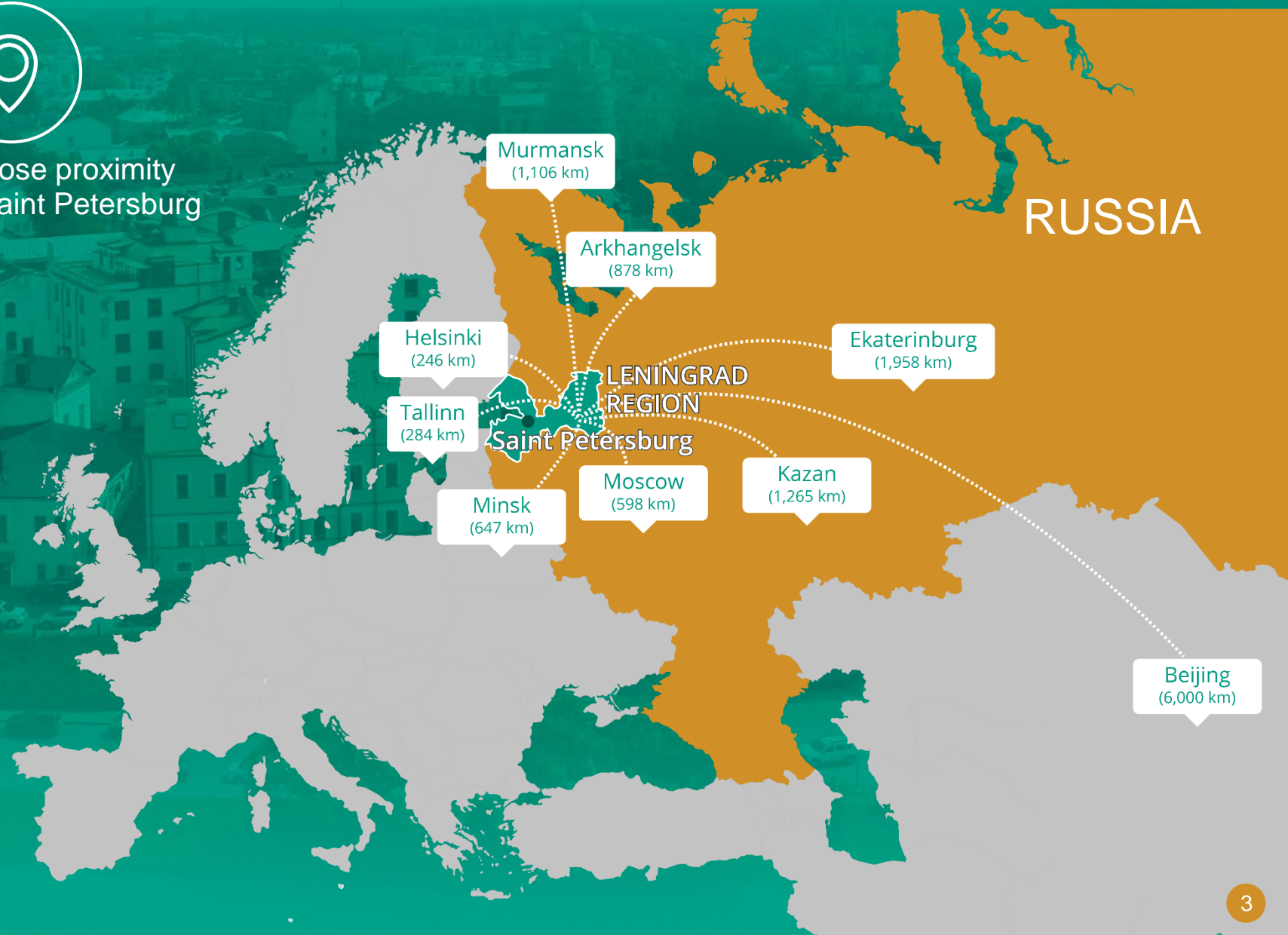
Border with
the European Union
(Finland and Estonia)



Access to the
Baltic Sea
(through the Gulf
of Finland)

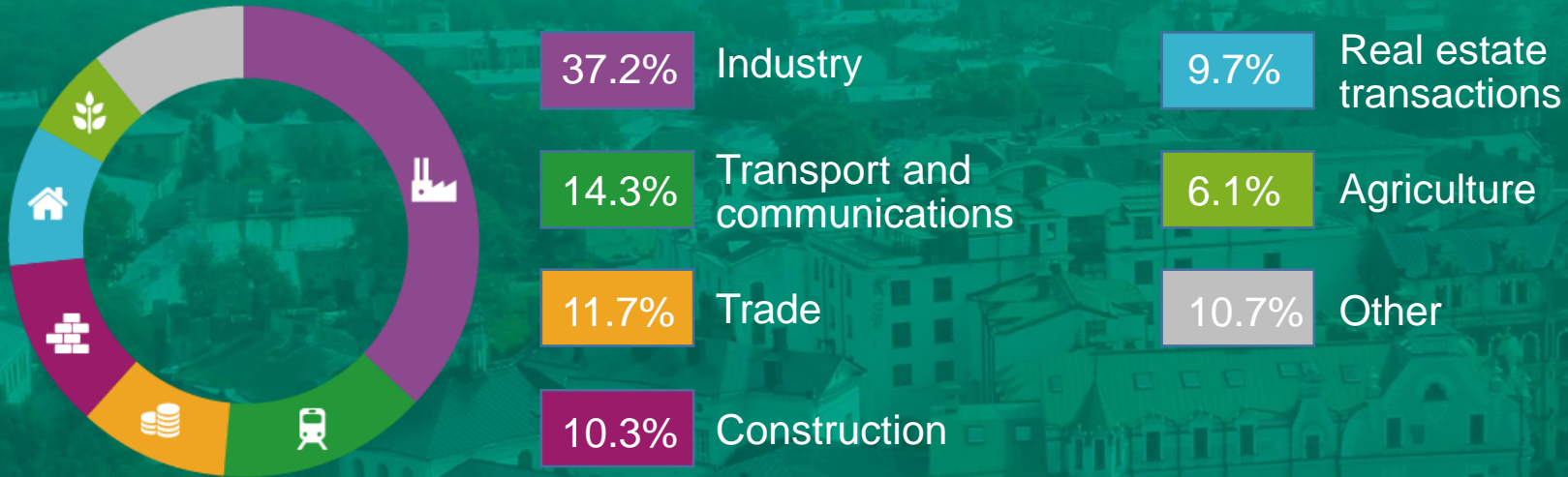


Pulkovo International
Airport (located
in Saint Petersburg)



ECONOMY

STRUCTURE OF GROSS REGIONAL PRODUCT (GRP)

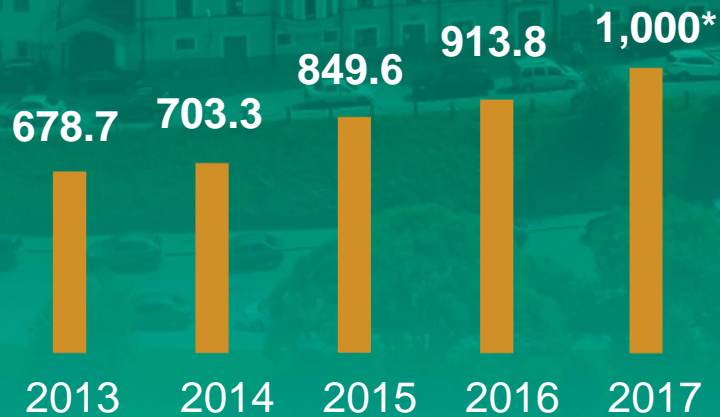


GRP DYNAMICS, RUB billion



Over 5 years GRP
will increase by

47%



*according
to estimates

RATINGS



12 place
out of 85

National Regional Investment
Climate Ranking (↑8)



**BB+, stable
forecast**

Long-term credit rating



16 place
out of 85

In terms of the volume
of industrial production
among the subjects of the
Russian Federation

INVESTMENT CLIMATE

INVESTMENTS STRUCTURE



338.6 billion RUB

volume of investments
in the economy
of the region in 2017



+26%

growth in comparison
with 2016



5.3 billion USD

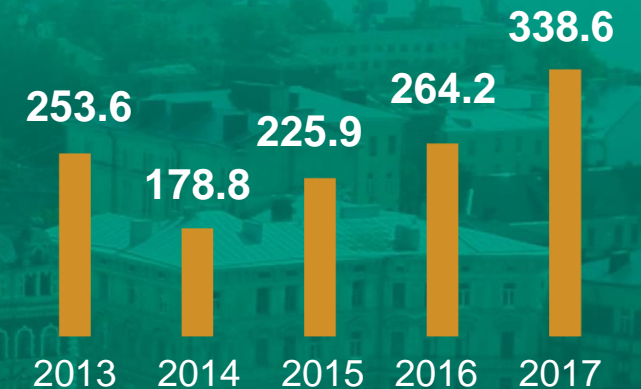
volume of foreign
investment in 2017



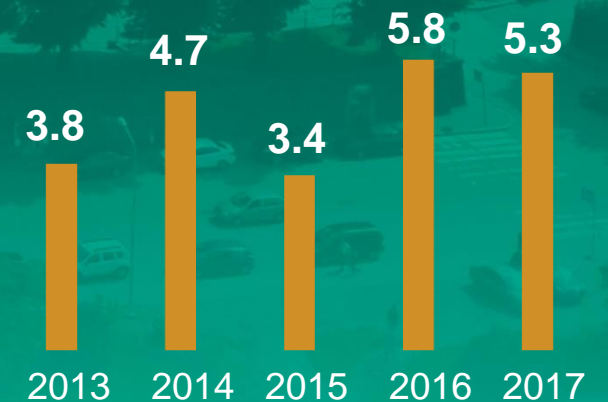
**5 place among
all Russian regions**

in terms of the attracted
foreign direct investment

INVESTMENTS, RUB BILLION



FOREIGN DIRECT INVESTMENT, USD BILLION



PRIORITY DEVELOPMENT AREAS OF LENINGRAD REGION



Automotive industry



Oil, gas and chemical industry



Shipbuilding



Metallurgical industry



Mechanical engineering



Tourism



Construction materials

HOW WE WORK WITH INVESTORS

REGIONAL MODEL OF WORK WITH INVESTORS



Front Office
for Investor Relations
of the Administration
of Leningrad Region



Center for Industrial
Development
of Leningrad Region



Integrated regional
information system
Investment Development
of Leningrad Region



Investment portal
of Leningrad region



Tax benefits



Industrial parks

FRONT OFFICE FOR INVESTOR RELATIONS OF THE ADMINISTRATION OF LENINGRAD REGION

INVESTORS SUPPORT ON “ONE-STOP-SHOP” PRINCIPLE WHICH IS PROVIDED FREE OF CHARGE



Informational and consulting support

Information about investment
advantages of the region

Information about measures
of government support

Other information required for
implementation of investment
projects



Selection of investment sites according to the requirements of projects

Selection of an investment site

Organization of visits
to investment sites

Analysis of compliance
of territorial planning documents
to a project



Provision of engineering and transport support

Analysis of the possibility to provide
a land plot with engineering and
transport infrastructure

Assistance in interaction with
resource supplying organizations

Information about strategies and
development plans, tariffs and
other information

FRONT OFFICE FOR INVESTOR RELATIONS OF THE ADMINISTRATION OF LENINGRAD REGION

FRONT OFFICE



238

investment projects receive support, including



36

projects with foreign investments

INVESTMENT PORTAL OF LENINGRAD REGION (www.lenoblinvest.ru)

UNIFIED INFORMATION AND ANALYTICAL CENTER OF BUSINESS SUPPORT IN LENINGRAD REGION

available in 4 languages:



Russian



Chinese



English



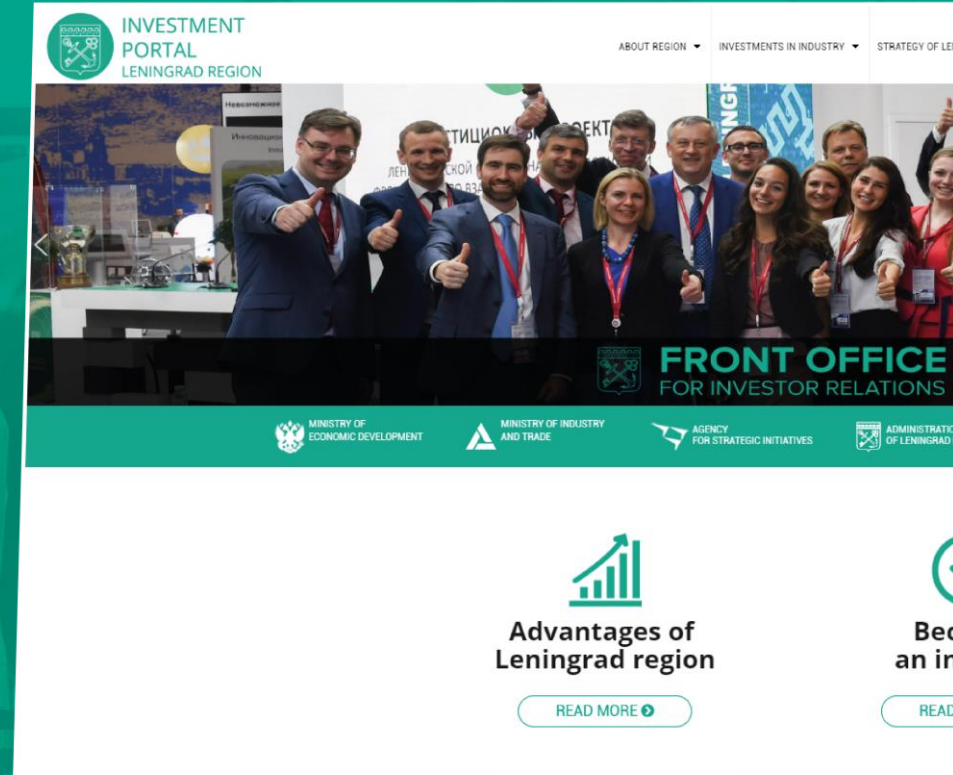
German

Investment portal provides access to the integrated regional
information system

INVESTMENT DEVELOPMENT OF LENINGRAD REGION
(MAP.LENOBLINVEST.RU)

The system includes information about:

- available industrial sites
- engineering and transport infrastructure facilities



CENTER FOR INDUSTRIAL DEVELOPMENT

CREATION OF FAVOURABLE CONDITIONS FOR BUSINESS DEVELOPMENT



Development of industrial cooperation

Creation of new production plants

Release of new products

Creation of new jobs



Creation and development of clusters

Implementation of joint projects

Reduction of production costs

Improvement of competitiveness of manufactured products



Export support

Increase in the number of exporters

Increase in export volume

Expansion of export nomenclature



Provision of personnel

Provision of qualified personnel for industry

TAX BENEFITS

Reduction of tax



Up to **13.5%**
(regional part)
corporate income tax



Up to **0%**
corporate
property tax

Minimum volume of investments



300 million RUB
for several districts
– from 50 million RUB

BENEFITS ARE GRANTED:

FROM **3** TO **6** YEARS
(up to 8 years for
automotive manufacturers)

SPECIAL INVESTMENT CONTRACT

Reduction of tax



Up to **5%**
(regional part)

Up to **0%**
(federal part)
corporate income tax



Up to **0%**
corporate
property tax

Volume of investments



50
billion RUB

BENEFITS ARE GRANTED:

UP TO **10** YEARS
(for corporate income tax
up to 2025)

INDUSTRIAL PARKS

LENINGRAD REGION HAS:



28

industrial parks,
including:

10 operating

14 under construction

4 planned

Greenfield sites:
without buildings and facilities

Brownfield sites:
with buildings and facilities



Over 300

investment sites which differ
in terms of available
engineering infrastructure



3 state-owned
industrial parks
(Pikalevo, Tosno,
Nanopark Gatchina)



25 private
industrial parks
in different districts
of Leningrad region

Information about industrial parks is included in the integrated regional information system
Investment Development of Leningrad Region (map.lenoblinvest.ru)

TERRITORY OF ADVANCED SOCIAL AND ECONOMIC DEVELOPMENT PIKALEVO

Territory of advanced development Pikalevo was established on **16 March 2018** for 10 years



20.2
thousand people
population



282 km
distance
to Saint Petersburg



38.9
thousand rubles
average salary



27 km
distance to the regional
center

INDUSTRY SPECIALIZATION



aluminum industry



chemical industry



cement industry



agricultural industry
and other

BENEFITS FOR THE RESIDENTS



Corporate property tax

0% first five years

1.1% next five years



Payments to extrabudgetary funds

Reduction from **30.2%** to **7.6%**



Corporate income tax Regional part

5% first five years

10% next five years

Federal part

0% first five years



Land value tax

0% ten years

COMMERCIAL SEAPORT OF UST-LUGA

DYNAMICS OF CARGO TURNOVER OF THE SEAPORT OF UST-LUGA, MILLION TONNES



TERRITORY OF PROSPECTIVE DEVELOPMENT NEAR THE SEAPORT OF UST-LUGA



4,927 ha
total area



4,843 ha
available area

Specialization: chemical industry, oil and gas processing



61 km
to the regional center
(town of Kingisepp)



131 km
to Saint Petersburg



151 km
to Pulkovo Airport

FACTORS OF SUCCESSFUL INVESTMENTS IN LENINGRAD REGION



Favourable geographical location

Borders with Saint Petersburg – the second largest city in Russia, with the European Union (Finland, Estonia), only 600 km away from Moscow – the largest city in Russia



Second largest consumer market in Russia with high purchasing power

Population of Leningrad region together with Saint Petersburg – 7.2 million people



Low transportation costs

The second largest transport and logistics hub in Russia located at the intersection of a Pan-European transport corridor and International North-South Transport Corridor; multimodality of transportations including marine transportations via the largest port in the Baltic Sea – Ust-Luga



Access to skilled labour force

due to developed labour market (labour force of the region – 1 million people)



Low implementation costs for investment projects

due to efficient measures of government support



SUCCESS STORIES



ARISTON

Production of water heating and heating equipment



JOTUN PAINTS

Production of paints and coatings



LORENZ SNACK-WORLD

Production of snacks



HENKEL

Production of cleaners and detergents, cosmetics and personal hygiene products



NOKIAN TYRES

Production of car tires



JACOBS DOUWE EGBERTS RUS

Production of coffee and tea



TIKKURILA

Production of paints and varnishes

FordSollers

A joint venture between Ford Motor Company & Sollers

FORD MOTOR COMPANY

Automobile manufacturer



CATERPILLAR

Production of mining trucks and excavators



SIBUR PORTENERGO

Production and export of liquefied petroleum gas



ROCKWOOL

Production of stone wool insulation



SIEMENS GAS TURBINE TECHNOLOGIES

Production and maintenance of gas turbines

THANK YOU FOR YOUR ATTENTION!

Front Office for Investor Relations
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