ULYANOVSK REGION
CONNECTING BUSINESS AND INNOVATIONS
**Transport accessibility**

- **2 INTERNATIONAL AIRPORTS**
  - Moscow (SVO) - Ulyanovsk (1h 15m)
    - 3 flights everyday
  - Moscow (VKO) - Ulyanovsk
    - 6 flights everyday

- **2 RIVER PORTS, INCLUDING CARGO PORT “RIVER-SEA” TYPE**

- **RAILWAY UNIT CONNECTING EUROPE AND ASIA**
  - 6 flights everyday

---

**Developed industrial base**

- **R - 1000 km.** 44 million inhabitants
  - 38% of effective demand of the Russian Federation
  - 193 thousand industrial enterprises

- **R - 500 km.** 22 million inhabitants
  - 26% of effective demand of the Russian Federation
  - 47 thousand industrial enterprises

---

**UNIQUE LOCATION OF THE REGION AT THE CROSSING OF LOGISTIC ROUTES**

- **1,26 min people population of the region**
- **343 BLN RUB GRP**
### Key Indicators of the Region

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRP of the Ulyanovsk Region 2005-2017</td>
<td>428%</td>
</tr>
<tr>
<td>The Share of High-Tech Products in GRP 2017</td>
<td>29% (22% - national average)</td>
</tr>
<tr>
<td>Industrial Output 2005-2017</td>
<td>392%</td>
</tr>
<tr>
<td>The Volume of Investments in Fixed Assets 2005-2017</td>
<td>21 BLN USD</td>
</tr>
<tr>
<td>Investment Volume Growth Rate 2005-2017</td>
<td>711%</td>
</tr>
</tbody>
</table>

### Ratings

- **Doing Business:** 1st place in terms of Doing Business
- **The Information Society Institute:** 1st place in terms of Openness of the Government
- **Joint Study by KPMG and RSPP:** 1st place
- **National Rating:** 10th place investment climate
- **Innovation Regions Rating:** 8th in terms of Innovation (+8)
**HUMAN CAPITAL ASSETS**

The Ulyanovsk region is among:

**TOP 5** in terms of **Science and technology in GRP**

**TOP 10** in the terms of **innovations development in the region**

**17** universities

**39 000** students

**2 000** foreign students

In education institutions work

**250** PhD

**1 400** Doctors

**€350**

regional average salary level

**EDUCATIONAL OPPORTUNITIES**

- International Competence Center WORLDSKILLS
- Collective work space “Boiling Point”
- Children technology Park “Quantorium”
- "точка кипения"
- TECHNICAL COLLEGE
- UNIVERSITY CAMPUS
- UNIVERSITY INCUBATOR
- INTERREGIONAL COMPETENCE CENTER
Transport accessibility
2 international airports

Housing
Comfortable apartments,
High-ranked hotels

Leisure
One of the oldest Drama Theaters in Russia. Philharmonic, Concert Hall, Cinema, Parks and Shopping Malls

Education
Institutions of Higher Education, private schools and technology park for children
115 implemented investment projects

10 bln dollars total investment
The project is supported by the federal government. Possible to initiate changes in legislation for the needs of the industry.

2018 – first 35 MW wind park commissioned in Russia. Start of construction of the second phase with the capacity of 50 MW.

Localization of production of components for wind turbines.

First Special Investment Contract in alternative energy signed in February 2018.
MAIN AIMS:

- Creation of comfortable ecosystem for scientific research.
- Provision of continuous line of development and implementation of the latest technologies up to the stage of production and generation of demand.
- Search for customers for innovative products
- Organization of export deliveries for consumers around the world
A consortium of companies has been formed in order to launch the process of localizing production of components for wind turbines.

February 2016
Vestas signed the First Special Investment Contract in alternative energy

VESTAS SPIC

234 new jobs
1,4 BLN RUB investment
TRAINING OF PERSONNEL FOR WIND ENERGY SPHERE

WIND POWER ENGINEERING DEPARTMENT IN ULYANOVSK STATE TECHNICAL UNIVERSITY

- Theoretical and practical bases for the production of blades for wind turbines
- Training for a new energy generation industry

VESTAS TRAINING CENTER ON THE BASIS OF ULNANOTECH

- Training of production processes
- Minimization of errors that occur before the launch of the blade plant that is under construction
ECOSYSTEM FOR SCIENTIFIC RESEARCH

- Unique innovation ecosystem
- Scientific process integration into real economy
- Center of attraction of scientist from all over the world

NANOCENTER focuses on:
- Alternative energy
- Biotech and molecular genetics
- Integrated electronics
- Thin films coatings
- Composite materials

>110 projects approved
200 new high-tech jobs
THE DEVELOPMENT OF RENEWABLE ENERGY

- R&D in the field of renewable energy
- Project management and organization of production processes
- Wind monitoring
- Creation of Alternative energy cluster in Ulyanovsk region
- Close cooperation with regional and federal executive bodies for the formation of the regulatory framework stimulating the development of renewable energy resource markets on the territory of Russian Federation, including isolated areas
- Participation in working groups of EnergyNet – National Energy Initiative program
- Participation in the sessions of Energy committee council of the State Duma of Russian Federation
- New projects arrangements for technology keepers, customers and investors in the field of components production localization in Russian Federation
OFFERS FOR THE FUTURE PROJECTS:

- The localization of the autocomponents manufacturing
- The establishment of the autocomponents suppliers park
- The establishment of auto assembly production
- The establishment of the training centers and centers of competence
- Export of autocomponents

Ulyanovsk Region is in the center of Automotive Industry in Russia
1.2 mln cars produced in Russia in 2017

Ulyanovsk Region is in the center of Automotive Industry in Russia
UAZ has renovated the assembling. The second assembling line of trucks was put into operation.

The new UAZ PROFI was manufactured.

The mass production of the first UAZ PROFI hybrid car is being developed.

41 252 cars sold in 2018
In 2017 the company expanded its product line in Russian market.

In 2017 an agreement of intent to set up buses manufacturing on the territory of the Ulyanovsk region.

May 26, 2018 – Special Investment contract signed with Ulyanovsk region.
Joint project of ISUZU corporation subsidiary in Russia and SIMAZ LLC for the assembly of city buses of M3 category on the platform of ISUZU NQR-90L-K. The three party memorandum was signed in 2017 between the Government of the Ulyanovsk region, ISUZU Corporation and SIMAZ LLC on the creation of the joint company in the territory of the Ulyanovsk region.

250 city buses estimated annual bus production plan
SNOWMOBILES AND ATV’S PRODUCTION IN ULYANOVSK

“Tehno-Kompakt+” LLC
snowmobile production since 2011
AVIATION CLUSTER

OFFERS FOR THE FUTURE PROJECTS:

- The establishment of the Aircraft Service Centers
- Building of the new types of the aircrafts
- The establishment of the customization centers
- New sites for aircraft components production
- The establishment of new paint shops
- The development and building of unmanned aerial vehicles

44 companies

collective turnover of the aviation cluster participants

$5,2 BLN

17 000 people - employment level in aviation cluster
Aviastar JV is an aircraft building plant in Ulyanovsk, part of the Joint Aircraft building Corporation.

Specification:
- **IL-76MD-90A** – cargo aircraft
- **Tu-204** – civil branch of aircraft
- **An-124 "Ruslan"** – cargo aircraft service and modernization
- **Sukhoi Superjet 100** – customization, interior mounting and body painting
UAV COMPETENCE CENTER

- UAV design
- UAV production
- UAV fleet for rent
- Flight data processing
- UAV sales
- Aftersales service

ULYANOVSK REGION

UAV PRODUCTION AND NEW PRINCIPLES OF USE DEVELOPMENT
UAV COMPETENCE CENTER

ULYANOVS region

- Design and production of batteries and power units
- Design of autonomous UAV for the delivery of goods
- Design of UAV for agricultural sector
- Design and production of mobile and stationary flight control stations
- Construction of testing grounds and centers
- Students training on the basis of World Skills competence center in Ulyanovsk

UAV PERSPECTIVE MARKET SEGMENTS
MACHINE TOOL BUILDING CLUSTER

OFFERS FOR THE FUTURE PROJECTS:

- The machine tool equipment production localization

- The development and manufacturing of **equipment** for the automotive production and aviation

- The machine tools components manufacturing

- The assembly facility

DMG MORI

Plant Capacity – **1200 tools per year**, including machine tools for aviation, space and automotive production industries

The first Special Investment Contract signed in the sphere of machine tool building in Russia with **DMG MORI**
FOOD CLUSTER

ULYANOVSK REGION

22 ha
Total area

6–8
Greenfield sites

- Developed engineering infrastructure
- Developed logistic infrastructure
- Public transport
- Cooperation with local companies
AGRICULTURAL CLUSTER

1,3 mln Ha
Cultivated area

135 thousand Ha
farm areas

320 agricultural enterprises
in the region

OFFERS FOR THE FUTURE PROJECTS

- The construction and development of breeding complex
- Fruits and Vegetables cultivation
- Poultry farming
- The greenhouses construction
- Agricultural Machinery
- Grain export

60% of the lands agricultural area
PROJECT IMPLEMENTATION OPTIONS

1. GREENFIELD
   - GETTING LAND AND CONSTRUCTION
   - OF ITS OWN PREMISES

2. BROWNFIELD
   - RENT OF STANDARD PREMISES

3. BUILT-TO-SUIT
   - CONSTRUCTION OF INDUSTRIAL BUILDINGS
   - SPECIALY FOR THE CUSTOMER
Financial scheme approval by the client (rent/leasing/purchase)

Design approval by the client

Construction process control by the client

Penalties for the missed construction deadlines

Available for any location in the region

INDUSTRIAL PREMISES

CONSTRUCTION MANAGEMENT

RENT WITH OPPORTUNITY FOR FURTHER REPURCHASE
LOCALIZATION OPTIONS

1. Special Economic Zone “ULYANOVSK”
2. Industrial Park “ZAVOLZHYE”
3. Territory of advanced social and economic development “DIMITROVGRAD”
4. Any other location in the region

THE REGION ASSISTS IN PROJECT IMPLEMENTATION

- Search for business partners
- Assisting in holding negotiations
- Search for suppliers and potential markets
- Establishment of a joint venture
INVESTMENT SITES «GREENFIELD», «BROWNFIELD»

- ULYANOVSK
  - Airport «ULYANOVSK-TSENTRALNY»
  - Airport «ULYANOVSK-VOSTOCHNY»
  - Greenfield sites: «GREENFIELD», «BROWNFIELD»

ULYANOVSK
- Territory of Advanced Social and Economic Development
- River Port «ULYANOVSK»
- River Port «ULYANOVSK»

- Special Economic Zone
- Brownfield Greenfield

- INDUSTRIAL PARK «ZAVOLZHYE»

TAX INCENTIVES AVAILABLE IN THE REGION
- Corporate profit tax: 15.5% for 15 years
- Property Tax: 0% for 10 years, 1.1% from 11 to 15 years
- Transport Tax: 0% for 10 years
- Land Tax: 0% for 8 years
- Insurance payments: 30%

TAX INCENTIVES FOR SEZ «ULYSANOFSK»
- Corporate profit tax: 2% for 10 years, 15.5% for the following years
- Property Tax: 0% for 15 years
- Transport Tax: 0% for 10 years
- Land Tax: 0% for 10 years
- Insurance payments: 30%

The importation of goods, equipment, construction materials to the territory of SEZ is not subject to VAT, excise duties, and customs duties.

TAX INCENTIVES FOR TASED “DIMITROVGRAD”
- Corporate profit tax: 0% for 5 years, 10% from 6 to 10 years
- Property Tax: 0% for 10 years
- Transport Tax: 0% for 5 years
- Land Tax: 0% for 10 years
- Insurance payments: 7.6% for 10 years

TAX INCENTIVES FOR ANY LOCATION IN THE REGION
- Corporate profit tax: 0% for 5 years
- Property Tax: 0% for 10 years
- Transport Tax: 0% for 5 years
- Land Tax: 0% for 10 years
- Insurance payments: 0% for 8 years

DIMITROVGRAD
- Territory of Advanced Social and Economic Development
- Brownfield Greenfield

35 MWt
8 MWt
SPECIAL ECONOMIC ZONE
THE ONLY SEZ OF AIRPORT TYPE IN RUSSIA

462 Ha
TOTAL AREA

22
RESIDENTS

READY ENGINEERING INFRASTRUCTURE

FREE CONNECTION OF COMMUNICATIONS

PROJECT IMPLEMENTATION «CUSTOMIZATION CENTER OF SUKHOI SUPERJET 100»
### SEZ «ULYANOVSK»

- Unlimited storage period
- Free goods processing
- Defective goods disposal

### Construction materials and equipment

- **VAT:** 0%
- **Duties:** 0%
- **Excise duties:** 0%

### Components and repair parts

- **VAT:** 0%
- **Duties:** 0%
- **Excise duties:** 0%

### GOODS OUT

- Duties and vat paid for the final product or foreign components in it
- Import of goods to RF by parts
- Post-payment of duties and VAT

### FREE CUSTOMS ZONE REGIME
### SPECIAL ECONOMIC ZONE “ULYANOVS”

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Rate</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income tax</td>
<td>2%</td>
<td>for 10 years</td>
</tr>
<tr>
<td></td>
<td>15.5%</td>
<td>FOR ALL SEZ TIME EXISTENCE</td>
</tr>
<tr>
<td>Property tax</td>
<td>0%</td>
<td>for 15 years</td>
</tr>
<tr>
<td>Land tax</td>
<td>0%</td>
<td></td>
</tr>
<tr>
<td>Transport tax</td>
<td>0%</td>
<td>for 10 years</td>
</tr>
<tr>
<td>VAT</td>
<td>0%</td>
<td>FOR SERVICES IN SEZ</td>
</tr>
<tr>
<td></td>
<td>0%</td>
<td>for 10 years</td>
</tr>
</tbody>
</table>
BUSINESS DEVELOPMENT ALONGSIDE SUCCESSFULLY IMPLEMENTED PROJECTS

**INDUSTRIAL PARK “ZAVOLZHYE”**

**DMG MORI**
- Put into operation: 2015
- Volume of investments: 4.5 BLN RUB
- Jobs created: 120

**BRIDGESTONE**
- Put into operation: 2016
- Volume of investments: 13.5 BLN RUB
- Jobs created: 600

**TOTAL AREA**
- **706 Ha**
- **30 Residents**

**THE TERRITORY OF THE INDUSTRIAL DEVELOPMENT**
- **2000 Ha**

**RATING OF INVESTMENT ATTRACTIVENESS OF INDUSTRIAL PARKS AND SEZ**
- **AA** Top rating
- **4 Position in general rating**
- **1 Position by indicator “Location”**
INDUSTRIAL PARK “ZAVOLZHYE”

READY ENGINEERING INFRASTRUCTURE

- Roads
- Electricity
- Gas supply
- Water supply

RESIDENTS

- EFES
- BRIDGESTONE
- DMG MORI
- MARS
INVESTMENT SITES «GREENFIELD»: AERIAL VIEW
### Measures of State Support

#### Specially Significant Investment Project Status

<table>
<thead>
<tr>
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<td></td>
<td>1.1%</td>
<td>from 11 to 15 years</td>
</tr>
</tbody>
</table>
TARENTORY OF ADVANCED SOCIAL AND ECONOMIC DEVELOPMENT

116 000 population

- State scientific center – Research Institute of Atomic Reactors
- Federal hi-tech medical radiology center
- Industrial park “DIP Master”

TAX INCENTIVES FOR RESIDENTS
Unique opportunities for business

INVESTMENT SITES
«GREENFIELD» AND «BROWNFIELD»
INDUSTRIAL PARK «DIP-MASTER»

BROWNFIELD
Dimitrovgrad, pr-t Avtostroiteley, 78/10

HEATED SPACE
Availability of office, warehouse, production premises

Unique tax regime for residents
7.6% - insurance premiums
0% - income tax

Low cost of resources
$0.06/kW * hour - electricity Supply

OFFICE AND INDUSTRIAL SPACE
150 000 m²

RENT
$1,78/m² incl. VAT
warehouse and production facility space
FREE PLANNING OF INDUSTRIAL PREMISES
Distance to Ulyanovsk: 90 km
Distance to Samara: 150 km

Ready infrastructure:
- Roads: P-178 Ulyanovsk-Dimitrovgrad-Samara
- Railway: located on the territory of Dipmaster
- Electricity: 20MW
- Gas: 100 m³/h
- Water supply: 100 m³/h

Ceiling height: 7-10 m
Frame crane capacity: 2-20 t
Floor loading: 5 t
MEASURES OF STATE SUPPORT

TERRITORY OF ADVANCED SOCIAL AND ECONOMIC DEVELOPMENT “DIMITROVGRAD”

- **Income tax:**
  - 0% for 5 years
  - 10% from 6 to 10 years

- **Property tax:**
  - 0% for 10 years

- **Land tax:**
  - 0% for 10 years

- **Transport tax:**
  - 0% for 5 years

- **Insurance premiums:**
  - 7.6% for 10 years
  - 30% - standard rate
EXPORT POTENTIAL OF THE ULYANOVSK REGION

$1.5 BLN

FOREIGN TRADE TURNOVER OF THE ULYANOVSK REGION IN 2018

GROWTH BY COMPARISON WITH 2017

20%

COUNTRIES WORLDWIDE - EXPORT DESTINATIONS

102

SHARE OF NON-RAW PRODUCT, NON-ENERGY EXPORTS

95.5%

COMPANIES EXPORT ABROAD

128

TOP-10 EXPORTERS

NIIR
Scientific developments in the field of nuclear medicine

Volga Dnepr
Export of aircraft components

ULYANOVSKNEFTEGAZ
Production of petroleum products

СПК
Export of grain

Manufacture of wood products

Export of auto components

Manufacture of bridge and road fences

Production of petroleum products

Production of auto components
The instrument for Support and development of Russian industry, provided by Federal Act No.488 of 31.12.2014 “On industry policy in the Russian Federation”

**SPIC** - an agreement between an industrial investor and the state (or the region), which sets forth:

- the obligations of the investor to create (or modernize) industrial production facilities and set up production within the timeframe stipulated by the contract;
- the obligation of the state to provide stable tax conditions and provision of incentives

**The advantages of SPIC**

- **"MADE IN RUSSIA" STATUS**
- **EXPEDITED AND SIMPLIFIED PROCEDURE OF OBTAINING THE "MADE IN RUSSIA" STATUS**
- **TAXES**
- **NON-DETERIORATION OF TAX CONDITIONS OPPORTUNITY TO REDUCE THE RATES OF REGIONAL AND MUNICIPAL TAXES**
- **THE ACCESS TO THE STATE CONTRACTS**
- **OPPORTUNITY TO RECEIVE THE SINGLE PRODUCT SUPPLIER STATUS FOR PRODUCTS MANUFACTURERS UNDER THE SPIC PARTICIPATION IN STATE PURCHASE CONTRACTS ON A NON-COMPETITIVE BASIS**
- **THE ACCESS TO THE STATE CONTRACTS**
- **OPPORTUNITY TO RECEIVE THE SINGLE PRODUCT SUPPLIER STATUS FOR PRODUCTS MANUFACTURERS UNDER THE SPIC PARTICIPATION IN STATE PURCHASE CONTRACTS ON A NON-COMPETITIVE BASIS**

**EXPERIENCE**

- **MACHINE TOOLS**
  - 31 May 2016
  - **DMG MORI**
- **ALTERNATIVE ENERGY**
  - 20 December 2017
  - **Vestas**
- **AUTOMOTIVE**
  - 26 May 2018
  - **ISUZU**

**SPECIAL INVESTMENT CONTRACT**

**CONDITIONS**

**750 MLN rubles**

The minimum amount of the investments for SPIC

**Period of validity**

Time for the project to become operationally profitable + 5 years, but not more than 10 years
GOVERNOR

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WELCOME TO ULYANOVSK REGION