



Baltic Industrial Park





250 hectares



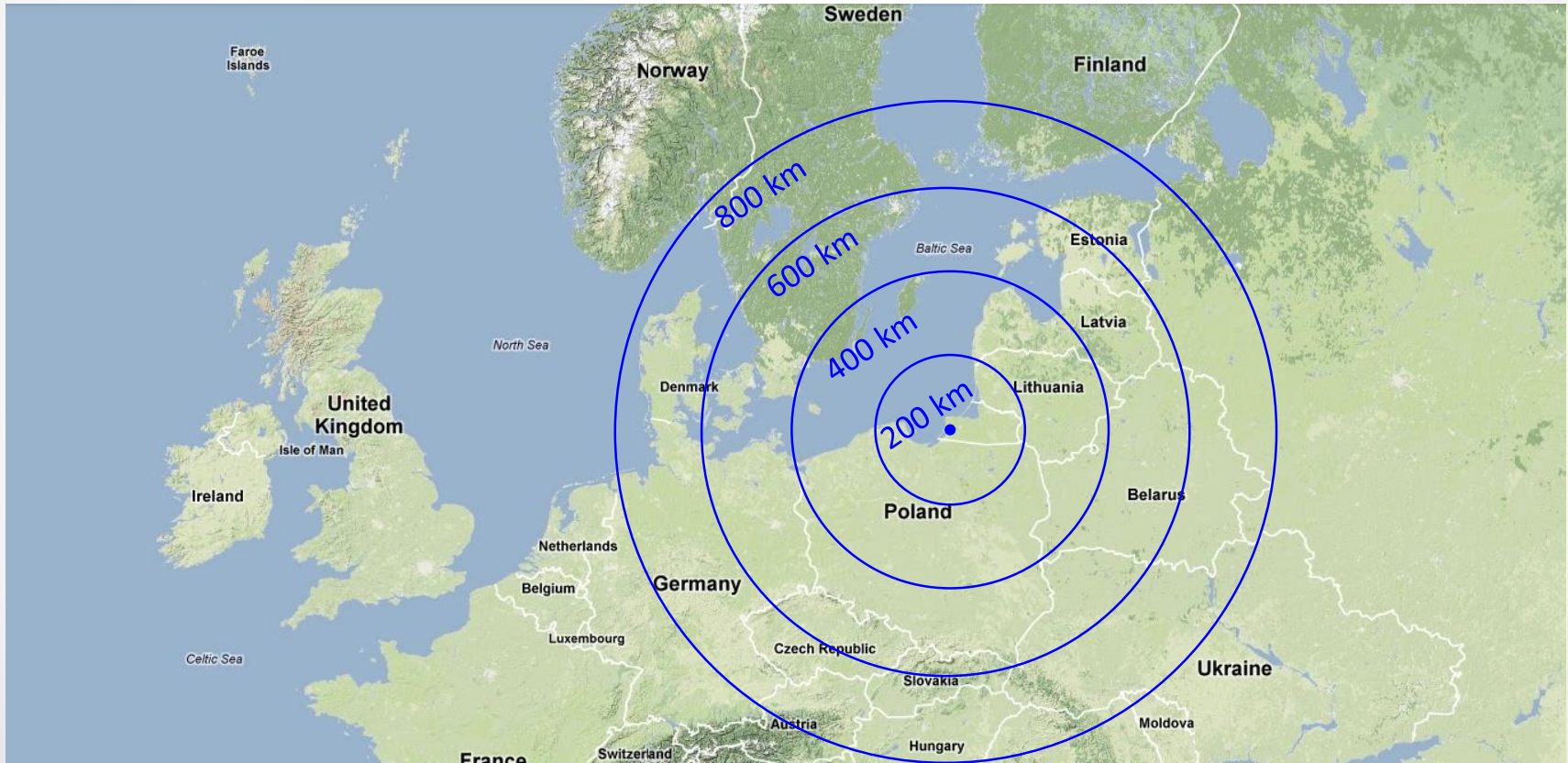
PROPOSAL to RESIDENTS



Baltic Industrial Park:

- offers plots of land to investors for industrial use
- guarantees connection to infrastructure facilities
- provides auxiliary services requested by investor

LOCATION



UTILITIES

INFRASTRUCTURE



- Transformer substation — 2 transformers 25 MVA each
- Boiler house — 3 steam boilers 12 tons of steam per hour each
- Natural gas supply system (Due in QQ I-II, 2014)
- Water intake and conditioning complex
- Waste water and dark-oil products treatment facilities
- Unloading rack and storage for dark-oil products
- Fire station



TRANSPORT INFRASTRUCTURE



- Brand-new highway from the airport — 30 km
- Network of in-park motor roads — 5,000 m
- Railway tracks connected to major railroads — 10,640 m
- Sea port terminal — project phase





SEA PORT TERMINAL PROJECT

- ❑ Moorage wall length — 900 m
- ❑ Terminal capacity — 340,000 TEU per year
- ❑ Ro-Ro berths — 150,000 cars per year
- ❑ Step-by-step launch — from 2016 to 2022



SERVICES OFFERED



- Land surveying
- Construction supervision
- Office and warehouse rentals
- Telecommunications
- Customs clearing agent
- Freight forwarding
- Personnel transfer
- Cargo transportation
- Security
- Medical support
- Catering
- Analytic laboratory
- Utilities - electricity, steam, gas, water
- Transshipment of goods

RESIDENTS



- ❑ ZAO Alco-Naphtha - production of polyethylene terephthalate (PET)
 - ❑ 220,000 tons of product per year (nameplate)
 - ❑ Biggest plant of the type in Russia and CIS



- ❑ OOO Trafalgar - production of concrete pavement
 - ❑ 5,000 slabs per year
 - ❑ Slabs are used for airport runways, roads, industrial pavements



ALCO-NAPHTHA



- ❑ The plant commissioned: 2011
- ❑ Production by year:
 - 2011 – 100 000 MT
 - 2012 – 132 000 MT
 - 2013 – 145 000 MT
- ❑ Critical raw material: MEG and PTA
- ❑ Product: bottle grade PET Eköpet
- ❑ Applications: packaging, filming
- ❑ Technology supplier: Uhde Inventa-Fischer
- ❑ The number of people employed: 250 people



Since 2011 the company's market share has grown to 26% from 15%.

However, the company's market share outlook is expected to fall down to 18% in 2014

Key Markets of ZAO Alco-Naphtha

Russia, The Customs Union	Europe	CIS	North and South Americas
<ul style="list-style-type: none"> • Operations on the high-margin market; • Established relationship with customers; • High potential of PET consumption growth; • Duty free trade 	<ul style="list-style-type: none"> • Use of OPR for lesser duties; • Low logistics costs; • High duties for Chinese producers 	<ul style="list-style-type: none"> • Shortage of internal capacities; • Tapping new markets; • Lengthy delivery time by Asian producers 	<ul style="list-style-type: none"> • Low logistics costs for ocean transport; • High duties for Chinese producers (22%); • Higher share of fast-reheat PET; • Possible duty free trade in the Special Economic Zone



SPECIAL ECONOMIC ZONE*

Upon entry in the register:



- First 6 years - No income or property tax
- Following 6 years - 50% of established tax rate
- No increase in total tax burden



- No customs duty on raw materials
- No VAT or customs duty on imported equipment

* Valid until 2031
Conditions apply



OTHER BENEFITS

- High migrant worker intake quotas
- Highly educated labour force
- Low wages
- Low deductions for labour compensation fund
- Cheaper utilities than in European Union



THANK YOU
FOR YOUR ATTENTION