The Penza region

Investment presentation
The Penza region is located in the European part of Russia
625 km to the South-East of Moscow

Area: 43,3 thousand sq.km.
Population of Penza: 507 thousand people
Population: 1376 thousand people
Labor resources: 859 thousand people
Climate: moderate continental
Key economic development of the Penza region

In the GRP structure the main part take industry – 28%, wholesale and retail trade – 16 %, agriculture – 10%, construction – 7%.
Industry: instrument-making industry and auto components

Industrial production

In 2012, were produced auto components at the amount of more than 50 million US dollars for home-produced cars and for car brands Renault и Nissan.

The Penza instrument cluster produces a wide range of products, almost of all segments of the instrument-making industry.
## Investment potential of the Penza region

### Foreign investments, thousand $

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreign investments receipts</td>
<td>24</td>
<td>45</td>
<td>54</td>
<td>34,5</td>
<td>18</td>
<td>46</td>
<td>92</td>
</tr>
<tr>
<td>direct</td>
<td>15</td>
<td>25</td>
<td>23</td>
<td>4</td>
<td>4</td>
<td>29</td>
<td>77</td>
</tr>
<tr>
<td>other</td>
<td>9</td>
<td>15</td>
<td>31</td>
<td>30</td>
<td>10</td>
<td>17</td>
<td>15</td>
</tr>
<tr>
<td>portfolio</td>
<td>-</td>
<td>5</td>
<td>-</td>
<td>0,5</td>
<td>4</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

### Investment attractiveness (according to Fitch Ratings)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit rating of the Penza region (2012r.)</td>
<td>BB</td>
</tr>
<tr>
<td>Long term ratings as per national scale (2012r.)</td>
<td>AA-</td>
</tr>
<tr>
<td>Estimate on ratings</td>
<td>stable</td>
</tr>
</tbody>
</table>
Investment attractiveness of the Penza region

- Favorable climate conditions
- Favorable geopolitical location
- Stable public-political situation
- Intelligent potential and human resources
- High level of business development
- Low investment risks
- Tax privileges and preferences
Investment potential of the Penza region

Tax privileges on regional taxes:

- Profit tax (reduced from 20 to 16%);
- Property tax (reduced to 0%);
- Transport tax (reduced to 0%).

Preferences:

- Compensation of Central Bank rate of Russia on credits attracted and leasing;
- Patronage Certificate of the Penza Region’s Governor;
- Assistance in infrastructure support provision.
Infrastructure support of investment projects

On the territory are being created:

- Agro-industrial park «Serdobsky» 420 hectares
- Industrial park «Otvel» 137 hectares
- Industrial park «Industrial union» 6 hectares

Regional operator of priority investment projects
The level of risk in the Penza region

Distribution of particular types of risk in comparison with the average countrywise:*

*according to the data of Expert RA
### Social indicators of the Penza region

<table>
<thead>
<tr>
<th>Education</th>
<th>Sport achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>- 7 institutions of primary vocational education;</td>
<td>- 3737 sport facilities;</td>
</tr>
<tr>
<td>- 27 institutions of secondary vocational education;</td>
<td>- 25 Olympic champions;</td>
</tr>
<tr>
<td>- 18 institutions of higher vocational education.</td>
<td>- 39 World champions;</td>
</tr>
<tr>
<td></td>
<td>- 42 European champions;</td>
</tr>
<tr>
<td></td>
<td>- 407 thousand people systematically go in for sports.</td>
</tr>
<tr>
<td></td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td><strong>Support of young families</strong></td>
<td><strong>Healthcare service</strong></td>
</tr>
<tr>
<td>- 9, 7 million of US dollars were given for provision of housing to young</td>
<td>- 57 medical and preventive treatment facilities;</td>
</tr>
<tr>
<td>families in 2012;</td>
<td>- 5 thousand of doctors;</td>
</tr>
<tr>
<td>- 546 families received support.</td>
<td>- 13 thousand medical workers of middle ranking.</td>
</tr>
</tbody>
</table>
Investment potential of the Penza region

46 enterprises with foreign investment capital work in the Penza region:

- **TrigonArgi** (Denmark, dairy livestock breeding)
- **TechnocellDecorGmbH** (Germany, paper production – basis for facing materials)
- **Wärtsilä** (Finland, diesel production)
- **Sucden** (France, sugar production)
- **Olam International** (Singapore, dairy livestock breeding)
- **Çalkan Group** (Turkey, meat processing)
- **Grain Company** (Sweden)

**TREIGmbH** (Germany, production of controllers)
Thank you for attention!

Government of the Penza region
75, Moskovskaya str., Penza, Russia, 440025
phone/fax: +7 (8412) 593131
e-mail: info@mipenza.ru
www.penza.ru

Penza Region Development Corporation
36a, Kuraeva Str., Penza, Russia, 440600
phone/fax: +7 (8412)680837
e-mail: info@krpo.ru
www.krpo.ru