



Investment project Agro-industrial complex «Serdobsky», The city of Serdobsk

1. Total information.

Item	Description
Type of plot	Plots of agricultural and industrial designation
Total area (m ²)	416 ha
Plot location	2 km north of Serdobsk, Serdobsky district, Penza region, Russian Federation
Use of plot	Marked off plots for placing of objects of agricultural designation and industries based on agricultural products
Contact information	OJSC «Penza Region Development Corporation», tel.: +7(8412) 68 08 37 e-mail: info@krpo.ru website: www.krpo.ru
Favorable conditions of realization of the investment project	<ul style="list-style-type: none">❖ priority role in satisfying the requirements of the population with agricultural products;❖ availability of «green» investment plots for the implementation of the project with the possibility of purchase of ownership;❖ land - mainly chernozem, taking into account the quality of land it is one of the best districts of the region, soil bonitet is estimated at 88 points;❖ the territory, allotted for the project, has smooth relief: the plot belongs to the subdistrict II-B (for construction), located in the zone of moderate-continental climate, moderately cold winter and warm summer;❖ all points of connection to engineering communications (water, gas, electricity) are in the close proximity of the place of project realization;❖ availability of the necessary labor resources and ability to minimize the costs of labor: the number of population in Serdobsk district as of 01.01.2012 - 54337, 32118 of them are able to work and about 6,000 are unemployed, the average salary of employees for the year 2012 in the Penza region amounted to 14 604 rubles, in the Federal Volga District - 15 753 rubles, in Russia - 21 354 rubles;❖ availability of transport and engineering infrastructure: 2 km to the motorway Rtishchevo - Serdobsk, 0.5 km to the railway station;❖ project support on the part of the Government of Penza Region: preferential taxation for investors, implementing of the priority projects on the territory of the region.

2. Transport and engineering infrastructure.

2.1. Transport infrastructure.

Item	Characteristics
Highway(motor) service	<p>Regional roads connect 2 roads of national importance, in the North Moscow - Samara, in the South Tambov – Rtishchevo - Saratov.</p> <p>The nearest highway Rtishchevo - Serdobsk - Penza is at a distance of 2 km from the plot. Distance from the road of highway type is 1 km.</p> <p>Access roads - asphalt road (Serdobsk - Kamenka).</p>
Plot distance from the big cities	<p>Penza - 110 km ; Moscow - 560 km ; Tambov – 190 km ; Saratov– 150 km ; Rtishchevo – 49 km .</p>
Railway service	<p>The Federal railway line «Kuibyshev Railways» is in 0.5 km from the plot, the nearest railway station is Serdobsk is in 2 km from the plot (intermediate station class II). Access roads of the industrial enterprises, urban storage buildings and base complex are placed to it.</p>
Air traffic service	<p>The nearest airport is located in Penza at a distance of 110 km from the plot</p>
Waterway service	<p>The nearest port is located in Saratov at a distance of 150 km from the plot</p>
Information security	<p>Technical security system and video surveillance are not available; the nearest fire station is located at a distance of 2 km and police station at a distance of 1 km from the plot.</p>

2.2. Engineering infrastructure.

Electrical power supply	<p>On the plot is being built own substation for plot needs with the capacity of 50 MW. Technical specifications for technical connection of 21 MW 2 category of reliability are obtained.</p>
Gas supply	<p>The gas pipeline of high pressure runs parallel to the plot. There is technical possibility to connect and retrieve limits for gas.</p>
Water supply	<p>It is planned to drill 3 wells with a total capacity of 120 cubic meters/hour and the construction of the intrasite water supply. Design and estimate documentation for construction of objects is ready.</p>
Sewerage	<p>Design and estimate documentation on the sewerage network is ready and technical specifications for connection are obtained.</p>
Heating supply	<p>It is assumed to construct the own boiler-houses to the needs of concrete companies.</p>
Communication	<p>There is a mobile communication of standard GSM 900/1800 operators: Beeline, MegaFon, SMARTS GSM, MTS.</p>

3. Additional information.

General characteristics and features of the region

Agro-industrial Park will be located on a land plot with the total area of 416 ha. Landmark (visual cue) is the city of Serdobsk of Serdobsk district in the Penza region. The land plot is located at a distance of 2 km from the landmark (visual cue) in the direction of the North.

Serdobsky district is situated in the South-Western part of the region occupies an area of 169 508 hectares and the district borders with Saratov region on the South.



Pic.1 Map of the Penza region

Plowed land on the quality of the soil are allocated as follows: chernozem- 85%, clay and loamy soils - 4 1/2%, sandy loam 4 1/2%, sandy and stony soils 2%, solonetzic soil- 4%. In General, the soil of the area is very good and fertile; It is one of the best districts of the region as per quality of the land.

Serdobsk is located in the area of economic influence (transport, trade, production and educational communication) of large cities: Penza, Saratov, and Tolyatti. Through the city passes the South-Eastern railway with the railway station. Proximity to major cities, convenient transport and geographical position allow the use of communication, cooperation and ensure the sale of finished products.

Through the territory of the district pass rivers which belong to the basin of the river Don. These rivers having water resources fully covered the demand of water supply for industrial and household needs of the population.

The climate is temperate continental. Winters are usually cold, often with little snow, the coldest month is January. In early December, the snow cover is installed, and destroyed it in the last decade of March. The height of the snow cover varies from 26 to 32.6 cm, which is the lowest indicator in the Penza region. The numbers of days with snow cover - 130-135 days. At this time the soil has been frozen pretty deep. The average duration of frost free period is equal to 145-155 days.

Summers are hot, with rare exception dry. Annual precipitation - 482 mm, in the winter it falls mainly as snow. Moisture deficit in the warm period of the year

comes up to the smallest quantities. In July, precipitation amount to 100 mm.

In Serdobsk district are dominated by the Southern, South-Eastern and South-Western winds.

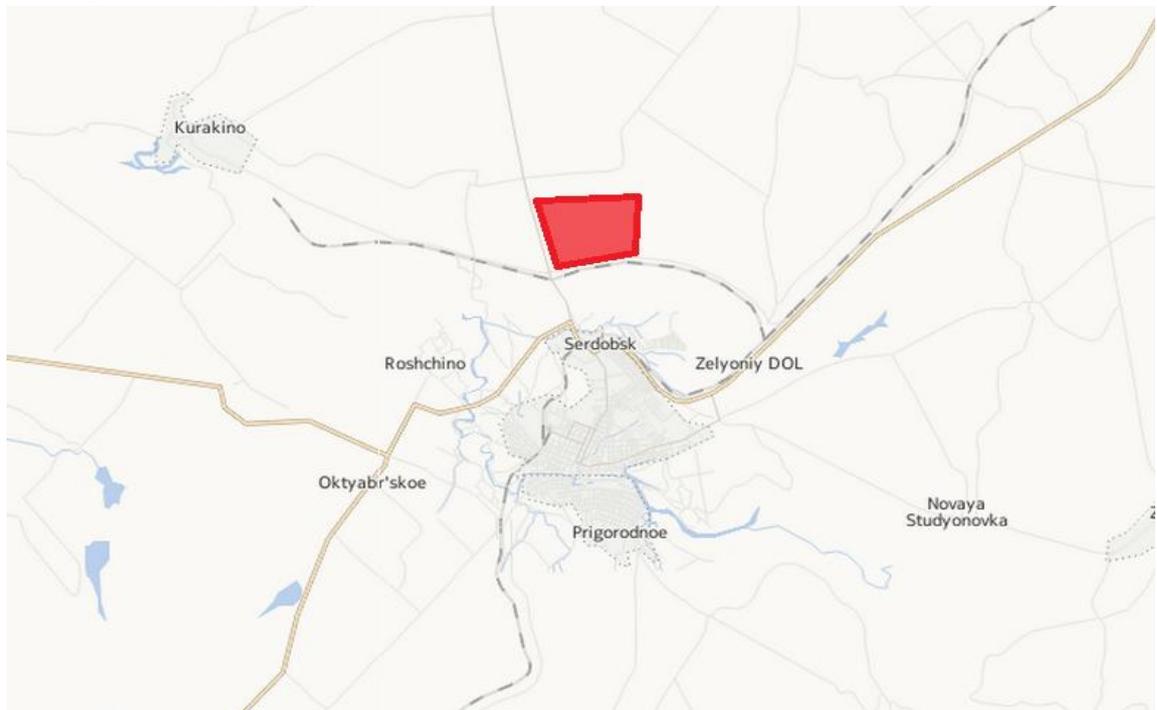
The climate is favorable for gardening (horticulture) and vegetable-growing.

Specialization of agriculture – growing of grain-oil crops , cattle breeding.

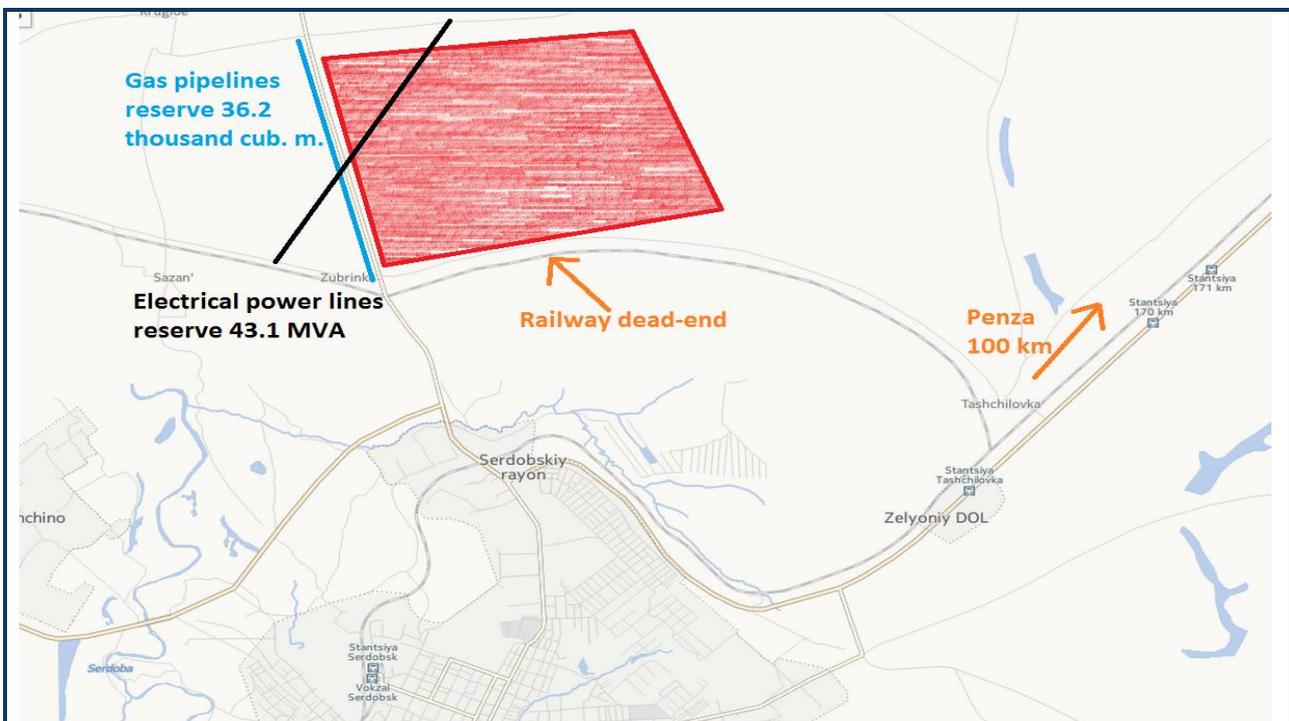
Transport accessibility of Serdobsk and conditions of work in the Agro-industrial complex will attract highly qualified personnel both from Penza and Saratov region.

The basic prerequisites of creation and successful functioning of the agro-industrial Park in Serdobsk district are the following:

- favorable geographical position of the region;
- investment attractiveness of the region;
- high rate of growth of industrial and agricultural production;
- high level of infrastructure development;
- high quality of labor resources.



Pic.2 Plan of Park location



Pic.3 Schematic plan of Agro-industrial Park surrounding

The list of possible types of production for location in the Agro-industrial Park:

1. Constructin of greenhouse complex;
2. Construction of sugar beet plant;
3. Construction of poultry;
4. Construction of maltose plant;
5. Construction of grain complex;
6. Construction of vegetable storage building;
7. Workshop on vegetable processing;
8. Vegetable packaging workshop;
9. Farm for 600 heads;
10. Workshop on production of meat products of high quality;
11. Workshop on meat and poultry processing;
12. Organization of production for bottling of natural mineral water and soft drinks.

Park is of interest to:

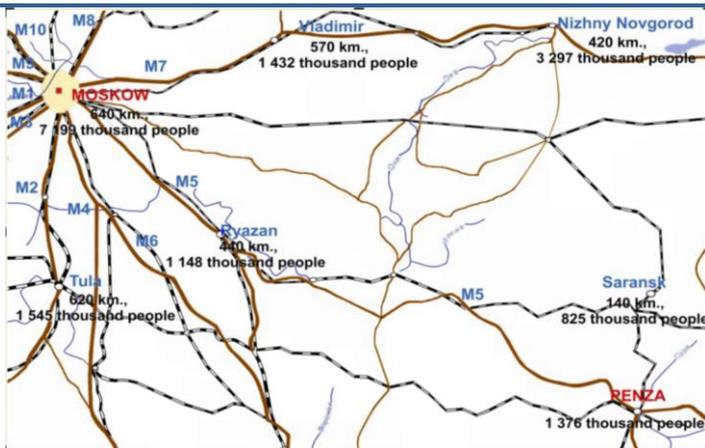
- companies, creating new production;
- companies, interested in moving of the existing production in regions with more favorable competitive conditions ;
- foreign companies, planning to start production in Russia.

Privileges and preferences granted to the residents:

It is carried out the development of preferences for residents of the Park at the legislative level



Penza Region



Penza Region is situated in the European part of Russia, 625 km to the south-east of Moscow.

Total area: 43,3 thousand square kilometers.

Region's center: Penza (population is 520 thousand people)

Region's population: 1376 thousand people.

Manpower resources: 859 thousand people.

Language: Russian.

Time zone: Greenwich Time +04:00 (Moscow time).

Climate: moderate continental, annual precipitation ranges from 550 to 650 mm.

Relief: flat country

Structure of agricultural lands: 3% - flood lands, 20% - grey wood soils, 68% - chernozem soils, 9% - other soils.

The main indicators of economic development of Penza region:

The average annual growth of GRP for the period from 2000 to 2010 is 105 %. It's higher than Russian rate (104,0%).

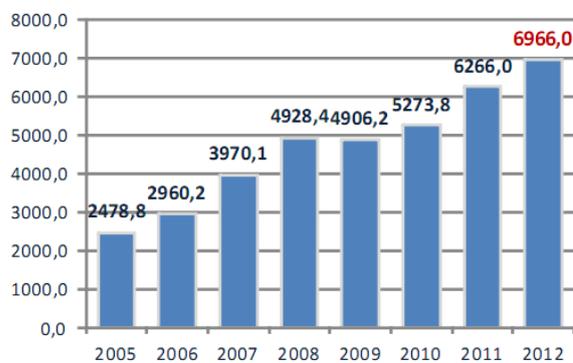
In the GRP structure main part takes industry - 28% (including machinery - 34%, food industry - 33%), 16 % - domestic trade, 9,5% - agriculture, 7% - construction.

According to **industrial production index** Penza Region takes the 1st place in the Volga Federal district on the results of 2012. It was 117% compared to the average index of 105%.

Agricultural products of all types of farms was 1274,8 mln. \$ in current prices in 2012.

Penza Region takes the 2nd place in the Volga Federal District in **housing construction** - on the average 741 thousand square meters in 2012.

Penza Region, Gross Regional Product, mln. \$



In 2012 the gross regional product was 6966,0 mln. \$, which is by 11,2% higher than in 2011.

The active investment policy is priority task of Penza Government

For the Penza region economic and social development used more than 2481,5 mln. \$ investments in fixed capital.

Investments in fixed capital from all financing sources, mln. \$



Investment potential

Tax privileges on regional taxes:

- Profit tax (reduced from 20% to 16%);
- Property and transport taxes (reduced up to 0%).

Preferences provided to investors:

- Compensation of rate of the Central Bank of Russia on the credits and leasing;
- Patronage Certificate of the Penza Region's Governor;
- Construction of the part of engineering infrastructure at the expense of the regional budget.

Intellectual and innovation potential

In Penza Region there are:

- 36 business-incubators with total area 32,36 thousand m²;
- 21 scientific research institutes;
- 2 industrial parks in the sphere of high technology and medicine.

It's created:

- 2 business incubators;
- 2 industrial parks and 1 agro-industrial park;
- High Technology Park.

OJSC «Penza Region Development Corporation»

- is a regional operator of the priority investment projects of the Government of the Penza region and the industrial parks of the region, including investors search;
- carries out the selection of perspective land plots, industrial buildings ready for operation and industrial buildings and facilities for transmission to potential investors;
- establishes joint ventures, including joint ventures with foreign capital;
- provides legal, linguistic and visa support

Companies with foreign capital: TreiGmbh LLC (Germany, controller production), Technocell Dekor Gmbh (Germany, the paper- base for decorative facing materials), Sucden (France, sugar production), Wartsila (Finland, diesel production), RavArgoPro (Czech Republic, crop production, dairy farming), Agsen (Turkey, crop production), Ecole (Turkey, meat processing), Russian dairy company LLC (Olam - Singapore, dairy farming), Grain Company LLC (Sweden, crop), SOGUT RUS LLC (Turkey, road construction).