Industrial park
DEGA-Irkutsk
About the company

Based in Fribourg, Switzerland DEGA Group is engaged in the development of innovative industrial and business parks, which are characterized by a holistic approach and decentralized infrastructure and utility supply.

The main philosophy of the company is to set new standards in the industrial park development sphere in Russia through a concept based on sustainability, bringing economic and environmental aspects in line with each other and offer the customer a comprehensive service package that enables it to concentrate on its core business. Our philosophy that an investment in Russia has to be predictable, transparent, and cost efficient!
DEGA in figures

- 11 years of experience
- 6 industrial parks across Russia
- 40 renowned residents
- €1.4 bln attracted direct investment
- 6500 jobs created
- 500,000 m² build-up area
Services
Development

- Development of stand-alone logistics, retail and industrial facilities
- Location studies
- Innovative surface design and development planning - greenfield / brownfield
Services
Power & heat solutions

- Planning and turnkey construction, procurement
- Build-Own -Operate (BOO) solutions
- Feasibility studies
- Industrial capacity 2-70 MW (EPC)

In this segment, we work exclusively with the German power company E.ON SA
Services
Construction

Project realization stages (10-14 months)

I
Pre-project
Project
Permissions

II
General construction
Design & engineering

III
Installation

IV
Project management and supervision
Permissions and commissioning

DEGA
GROUP
Services
Industrial parks

Concept

- Strategic customer mix
- Integration of social, commercial and recreational objects
- Road access / transport infrastructure

Decentralized infrastructure

- Efficient CHP for power / heat
- Private well / water distribution system
- Own feces and rain water purification and sewerage
- Own networks (underground) and paved roads
- Operating company
- Round-the-clock security for the entire park

Facility & Property Management

- Catering
- Exterior and interior cleaning
- HR Services
- Rental of office and meeting rooms
Our business model is developed to minimize major risks either for the operator, or for the investor in Industrial park:

**Development risks:**
Experience of Dega Group let it provide the investor with all the necessary construction documents in time.

**Business risks:**
Our system of vertical and horizontal integration helps the operators to reduce costs for logistics and waste utilization.

**Political risks:**
Industrial part construction by Dega is strongly supported by the government on Regional and Federal level, and is included in subsidy program.
Irkutsk
Irkutsk region
Economic and social sphere development of Irkutsk region:

Industrial Production Index for 9 months of FY 2016 - 106.4%.
Natural resources

Mineral resources

• Petroleum
• Gaz
• Coal
• Gold
• Ironstone
• Coal clay
• Magnesite

• Dry and glass-making sands
• Rock-salt
• Talc
• Gypsum
• Facing stone
• White mica

• Semiprecious stones
• Mineral construction materials

From 1347 explored fields just 24% of mineral resources are development now!
Top industries

Part in gross regional product, %

- Agriculture and forestry
- Metal industry
- Transport engineering
- Paper-pulp industry
- Chemical industry
- Food industry
- Petroleum refining
- Other
Irkutsk region

• is the most important transit hub between Europe and Asia
• the Baikal-Amur Mainline and the East Siberian Railway cross the region
• is close to the markets of China, Kazakhstan and Mongolia

Airports

• International Airport Irkutsk (IKT) International
• Airport Ust-Kut Domestic
• Lensib Bodaibinskoe Domestic
• Aerobratsk International
• Airport Kirensk Domestic

Ports

• Osetrovsky river port
• Svirsy river port

Main traffic arteries

• Hard-top roads - 35 km
• Railroads - 2506 km
• Water ways - 8047 km Navigation May-November

Logistics centers

• RZD Logistics
• Transport and logistics hub
Education and skills

- **40 higher education institutions**
  With more than 120,000 students
- **60 colleges**
  With 40,949 students
Foreign commerce

External turnover in FY 2016 - $417.3 million
Export to World Trade Organization - 84.4%.

Import in FY2016 - $762.0 million
Export

Main product categories:

• wood, pulp and paper
• metals and metal goods
• fuel and energy products
• machinery and equipment
• chemical products
• ores and iron concentrates

Import

Main product categories:

• chemical products
• machinery and equipment
• transport
• fuel and energy products
• metals and metal goods
• food and agro goods
• FMCG products
Governmental support

Financing

• Project financing

• Investment Fund of Irkutsk region budget assignments

• Irkutsk area government guarantees

• Budget investments for permanent facilities construction or for real estate purchase

• Subsidies for support and development of investment projects in manufacturing industry

• Subsidies for support and development of SMBs

• Creation of TPSED (territory of the priority social and economical development), with significant tax credits
Salary and local employment

Work force – **1 224 090** people.

Unemployment rate - **1,1%**.

In the first part of FY2016 **average salary** was **EUR 335**.

Average salary of the employers of **medium and enterprise businesses** was **EUR 536**.
Industrial park
DEGA-Irkutsk
Location

58 km to Irkutsk
90 km to the airport
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<th>General information</th>
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<tr>
<td><strong>Total area</strong></td>
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<tr>
<td><strong>Total floor space for rent/or sale</strong></td>
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<tr>
<td><strong>Main focus</strong></td>
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<tr>
<td><strong>Electricity</strong></td>
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<tr>
<td><strong>Heat supply</strong></td>
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<tr>
<td><strong>Number of jobs</strong></td>
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<tr>
<td><strong>Water Supply and Sewage</strong></td>
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<tr>
<td><strong>Labor force access</strong></td>
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<tr>
<td><strong>Governmental support</strong></td>
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<td><strong>Web-site</strong></td>
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ИНДУСТРИАЛЬНЫЙ ПАРК

Общая площадь: 24 Га
Окисляемая площадь строительства: 50 000 м2
Количество рабочих мест: 500
Основное назначение: инновационные технологии, деревообработка, машиностроение, легкая промышленность
Источник электроэнергии: 10 МВт
Источник тепла: собственная котельная на 2 Гкал
Водоснабжение и канализация: автономное
Объем трудовых ресурсов: 600 тыс. человек

Объекты 1 очереди
1. АЗС, ремонтный цех: 1000 м2
2. Модульный цех: 2901 м2
3. Термовозов: 1843 м2
4. Парковое депо: 1200 м2
5. Лаборатория: 1100 м2
6. РМЦ: 4200 м2
7. Инженерный отдел: 2000 м2
8. Свободная площадь: 800 м2
9. Свободная площадь: 800 м2

Объекты 2 очереди
6. Свободная площадь: 416 м2
7. Свободная площадь: 925 м2
8. Свободная площадь: 925 м2
10. Свободная площадь: 2359,5 м2
11. Свободная площадь: 203 м2
12. Свободная площадь: 288,75 м2
13. Свободная площадь: 246 м2
14. Свободная площадь: 94,25 м2
15. Свободная площадь: 2000 м2

Резиденты:
1. Центр молодежного инновационного творчества (ЦМИТ)
2. Коворкинг центр
3. Стартап школа
4. Компания по производству оконных систем
5. Управляющая компания «Усолье-Промтех»
6. Языковая школа
7. Медицинский колледж
8. Образовательный центр
**Location Benefits**

**Unique geographic location**

Irkutsk area is located in a big transport hub, connecting Europe and Far Eastern regions of Russia, Kazakhstan and the countries of Asian-Pacific Region.

**Resources**

- The lowest electricity rates in the country: **0,04-0,06$** for manufacturing companies

- Natural resources: from **1347** explored fields just **24%** of mineral resources are development now

- Cheap and high qualified work force

- Budget-friendly land plots with utilities
Location
Benefits

Market

- Consumer market capacity - 2 412 800 people
- A huge transport and logistics hub is located in this region, that provides the residents of industrial park Dega-Irkutsk with the access to Chinese and Mongolian markets

Enterprise businesses as the prospective clients

- Metals, chemical/petrochemical and aviation companies (RUSAL, Korshunovsky mining and concentration complex, Irkutskkabel, NPO “Irkut”, SUAL-PM, Angarskaya petrochemical company, Sayanskkhimplant and etc)

Goods and services needed: manufacturing equipment, electrical products, OEM software development.

Who can use their goods: construction/road building companies, chemical, timber and chemical, pharmaceutical companies, fertilizer producers.
Enterprise businesses as the prospective clients

- Wood processing companies (Cellulose pulp plant, Ust-Ilimsky timber processing complex, Ilimsibles and etc)

Goods and services needed: manufacturing equipment, production and service support of measuring equipment.

Who can use their goods: package producers, logistics companies, FMCG retailers, chemical producers.

- Food producers (Irkutsky refining plant, Belorechenskoe, meat-processing plant “Irkutsky” and etc)

Goods and services needed: raw materials, manufacturing equipment, production and service support of equipment, package, food chemistry, logistics services.

Who can use their goods: FMCG retailers.
Benefits of TPSED

Park is located in TPSED, a territory of the priority social and economical development.

Benefits for the residents of Dega-Irkutsk:

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<table>
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<tbody>
<tr>
<td>Profit tax</td>
<td>0% for first 5 years, 10% for the following 5 years</td>
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<tr>
<td>Insurance fees</td>
<td>7.6% instead of 30.2% for 10 years</td>
</tr>
<tr>
<td>Property tax</td>
<td>0% for 5 years</td>
</tr>
<tr>
<td>Land tax</td>
<td>0% for the first 5 fiscal periods</td>
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Clusters of Industrial park

Innovation technologies

Innovation technologies cluster includes development and deployment of IT technologies, start-ups, 3D-printing and prototyping.

Existing residents:
• Center of innovation youth works “TsMIT-Usoile”
• Engineering center “Politech-Irkut”
• Start-up school “Usolie-Promtech”
• Coworking center
• Regional agency of prospective projects microfinancing

Planned for allocation:
• 3D-printing and prototyping center
• Robotics center
• IT center
Clusters of Industrial park

Consumer goods and machine engineering

Consumer goods industry is prospective branch due to the import phaseout policy in Russia.

Existing residents:
• Vinyl window production

Planned for allocation:
• Textiles
• Trims
• Leathermaking
• Instrument engineering
• Electrical engineering
Woodworking

Irkutsk region is located in the forestal area, and woodworks is one of the most prospective branches of economy.

Planned for allocation:

- Raw material heating
- Wood coating
- Construction materials
- Waste processing
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