Industrial park
DEGA-Irkutsk
DEGA Development 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

12 years of experience
9 industrial parks across Russia
44 renowned residents
€ 1,9 bln attracted direct investment
6500 jobs created
500 000 m² build-up area
Our residents
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
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.
Economic and social sphere development of Irkutsk region:

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

- Furniture and related goods production: 145.4%
- Transport manufacturing: 165.8%
- Electrical equipment manufacturing: 113.6%
- Other equipment manufacturing: 149%
- Pulp and paper production: 105.7%
- Woodworking: 104.6%
- Textile and clothing manufacture: 107.1%
- Manufacturing: 102.4%
- Mining operation: 111.9%
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
- Woodworking
- Food industry
- Petroleum refining
- Other
**Transport infrastructure**

**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)
- Airport Ust-Kut Domestic
- Lensib Bodaibinskoe Domestic
- Aerobratsk International
- Airport Kirensk Domestic

**Ports**
- Osetrovsky river port
- Svirsky 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 FY 2016 - $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
58 km to Irkutsk
90 km to the airport
## General information

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<table>
<thead>
<tr>
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<tbody>
<tr>
<td>Total area</td>
<td>12 ha</td>
</tr>
<tr>
<td>Total floor space for rent/for sale</td>
<td>&gt; 50 000 m²</td>
</tr>
<tr>
<td>Main focus</td>
<td>Innovative technologies, prototyping, consumer goods industry, machinery and woodworking industry</td>
</tr>
<tr>
<td>Electricity</td>
<td>10 MW</td>
</tr>
<tr>
<td>Heat supply</td>
<td>Own 2 Gcal boiler station</td>
</tr>
<tr>
<td>Number of jobs</td>
<td>&gt; 500 people</td>
</tr>
<tr>
<td>Water Supply and Sewage</td>
<td>Autonomous systems</td>
</tr>
<tr>
<td>Labor force access</td>
<td>&gt; 600 000 people</td>
</tr>
<tr>
<td>Governmental support</td>
<td>Industrial park is receiving a status of TPSED (territory of the priority social and economical development)</td>
</tr>
<tr>
<td>Web-site</td>
<td><a href="http://parkirkutsk.com">http://parkirkutsk.com</a></td>
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</table>
Development Master plan

Residents
- Center of innovation youth works "TsMIT-Usole" 
- Coworking center 
- Start-up school 
- Vinyl window production 
- Property management company "Usole Promtech" 
Available area: 1250 m²

Phase 1 objects
1. Vacant space: 1000 m²
2. Vacant space: 2901 m²
3. Vacant space: 1843 m²

Phase 2 objects
4. Vacant space: 416 m²
5. Vacant space: 925 m²
6. Vacant space: 925 m²
7. Vacant space: 1998,5 m²
8. Vacant space: 2359,5 m²
9. Vacant space: 203 m²
10. Vacant space: 268,75 m²
11. Vacant space: 246 m²
12. Vacant space: 94,25 m²

Available plots
Logistics and storage zone
Security desk
Electrical substation
Boiler station
Utilities area
Railroad
Road
The boundaries of the park
**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, Sayanskikhimplast 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:**

<table>
<thead>
<tr>
<th>Tax Type</th>
<th>Details</th>
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<tbody>
<tr>
<td>Profit tax</td>
<td>0% for first 5 years, 10% for the following 5 years</td>
</tr>
<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>
</tr>
</tbody>
</table>
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-Usolie”
• 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
Clustering of the Industrial Park

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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