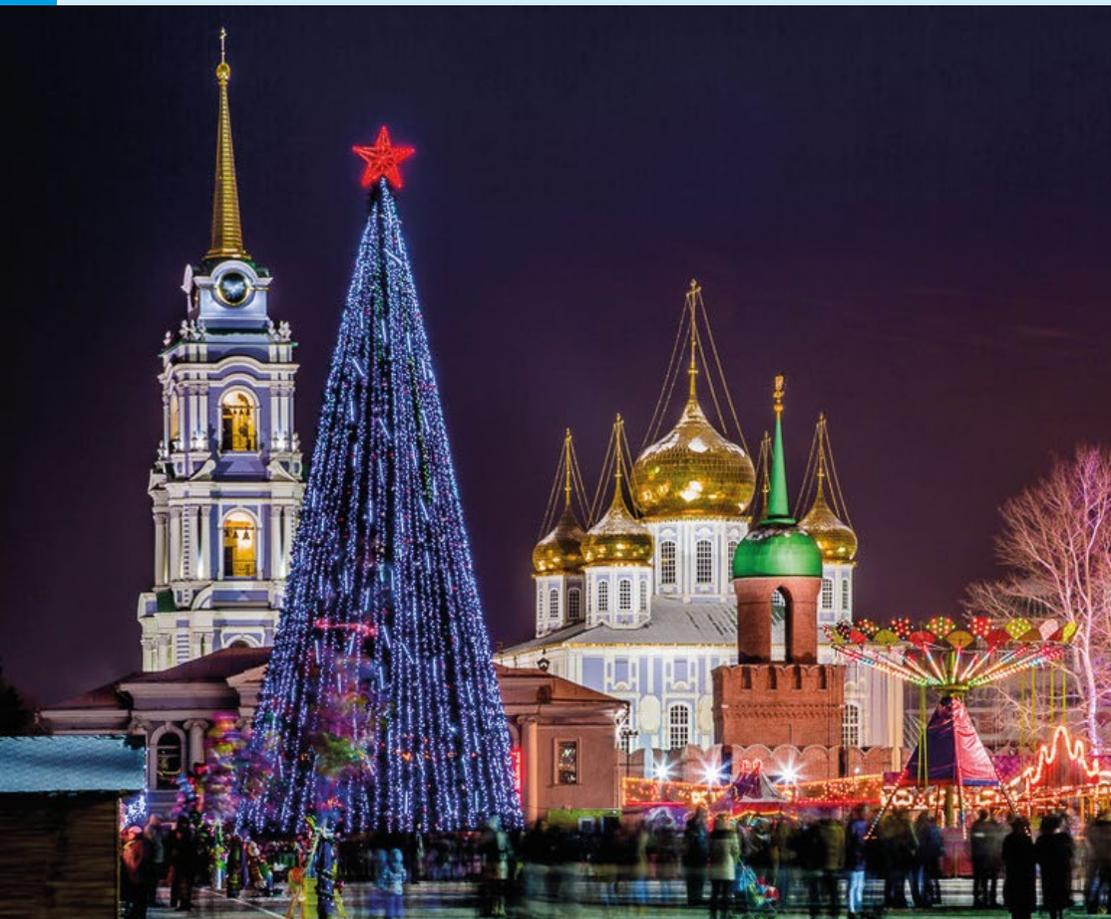


REGION FOR BUSINESS

4th
place | in rating
of investment
attractiveness
of Russian
regions





Alexey Dyumin: "2016 was a successful year for Tula region"

The governor of Tula Region Alexey Dyumin summed up the results of **2016** and outlined the tasks for **2017**.

« The growth of the index of industrial production amounted to almost **9%**. In the first **9** months, the volume of investments in fixed capital exceeded

60 billion rubles, and by the investment climate region took the **4th** place in Russia. Together with the citizens of the



Alexey Dyumin,
Governor of Tula
region

region, we have developed a program of social and economic development until **2021** and began to implement it. 2017 for the region should be a time of the start of a number of large-scale projects. Among them - the connection of two federal highways **M-2** and **M-4** on the territory of the region and the start of construction of the Tula eastern bypass with a

bridge across the river Upa. In the health sector, we plan to begin construction of two new buildings of the regional children's hospital. Solving the question of inclusion in the federal targeted investment program of construction of the regional perinatal center. There are more works scheduled to restore the bed of the river Upa in Tula and a set of measures on elimination of accumulated environmental damage. Also in **2017** we will begin to implement a regional standard for the provision of housing and communal services, which will significantly improve their quality. We are beginning to bring to a new level the training system for industry – this is the vector of development of education in our industrial region. We are optimistic about the future and I am sure all of the goals and objectives for **2017** will be achieved. »



Tula Region Development Corporation - a "one-stop-shop" for investors

The main activities of the Corporation - to attract investments in Tula region; to support the investment projects at all stages of their implementation - from selecting the land plot to the start of production; performance of the functions of the management company of the industrial park and the special economic zone "Uzlovaya". The results of the Corporation in **2016** were described by the general director Oleg Lipatov.



Oleg Lipatov,
Director General
of "Tula Region
Development Corporation"

« In **2016**, with the participation of the Development Corporation the region's investment potential was demonstrated in two major international markets – Petersburg Economic and Sochi Investment Forums. As part of these activities the Government of Tula Region signed **21** agreements worth more than **90** billion rubles. We are talking about new investment projects in the chemical, paper, and food industries, agricultural industry and housing construction. In April 2016 a special economic zone of industrial type "Uzlovaya" was created in Tula region. There were also the first residents - the company "AgroGrib" which will build a greenhouse complex for year-round cultivation of mushrooms, the company "Engelspetstrubmash", which is engaged in the production of flexible tubing, manufacturers of tin cans and aerosol "Arnest" and municipal machinery "RG-Techno". The goal of the Corporation - to provide residents with the necessary infrastructure. In the industrial park "Uzlovaya" was launched the substation with capacity of 100 MW, built a temporary road to the land plot of the anchor resident - "HMMR" (a subsidiary of the Chinese automaker Great Wall Motor Limited Company), construction site was provided with water, temporary and permanent power supply, a water reservoir is under construction. Today, in the industrial park there are three residents: in addition to automobile plant, the enterprise for the production of household chemical goods (investor - the group "Quality"), and a plant for the production of valves (investor - "NanoPolimerArm"). We plan that in 2017 and 2018 the residents of the industrial park will become four more companies.»

The largest companies of Tula presented their results of 2016

What was the outgoing year for Tula enterprises, investment projects have already been implemented and what are the goals for next year?



Boris Sokol,
President of the
"Shchekinoazot" company

we are building two plants: sulfuric acid with capacity of **200** thousand tons per year and install the compaction of ammonium sulfate.

This year, together with the German company "Petro Carbo Chem" we started the active phase of construction of the production of dimethyl ether of perfume quality. After methanol and ammonia complex we plan to start building the third installation for the production of methanol with capacity of **500** thousand tons per year, which launch will make "Shchekinoazot" the largest producer in the country.

THIS YEAR, TOGETHER WITH THE GERMAN COMPANY "PETRO CARBO CHEM" WE STARTED THE ACTIVE PHASE OF CONSTRUCTION OF THE PRODUCTION OF DIMETHYL ETHER OF PERFUME QUALITY.

Later in the queue - set of large-scale ammonia and urea. The project will achieve its ambitious goal: become the best producers of chemical products in the Russian Federation. >>>

<<< For "Shchekinoazot" this year became the next stage of an ambitious strategic program of development with investments in the years **2005-2018** of more than **882** million dollars.

Today we continue to build a combined complex of methanol and ammonia, its launch is scheduled for **2018**. We carry a reconstruction of caprolactam production; for the CIS countries we reached a record low value ratio of the main raw material consumption - benzene.

With the participation of the Chinese partners on the platform "Shchekinoazot"



Oleg Klein,
CEO "Cargill"

Budget": park named after I.A. Bunin, Concert complex "Chemist" and Medical center "Okyabrsky", rural club in the village Lobanovo, the road in the village Streltsy.

"CARGILL" EFREMOV CHEMISTRY AND TECHNOLOGY COLLEGE OPENED NEW SPECIALTY - "STORAGE AND PROCESSING OF GRAIN"

<<< In **2016**, the company "Cargill" continued active developing in Yefremov. This November was implemented a major environmental project - the construction of biological treatment facilities worth about **900** million rubles.

At the International Economic forum in St. Petersburg was signed an investment agreement with the Governor of Tula region A. Dyumin worth **1.8** billion rubles. Also it was signed an agreement of intent on attraction of a new investor- "PromBit" on the industrial site in Efremov. Together with the city administration was implemented a number of major social projects within the program "People's Projects

In Tula region there **3** operating shops of the dealer network Purina®. The company paid special attention to the development of dual education. Supported by "Cargill" Efremov chemistry and technology college opened new specialty - "storage And processing of grain."

Involvement in social projects of the company allows students of the Efremov professional school to be useful for society during production practices.

In **2017**, the production site of "Cargill" in Tula region will receive further development, including formation of biotechnological cluster. >>>



Artem Lebedev,
director of the SCA
factory in Sovetsk

boxes of Zewa brand. We have increased the number of jobs to **450**. Despite the economic downturn, we have not changed our plans in the field of social partnership. Last year we helped Sovetsk and partially repaired water treatment plant.

DESPITE THE ECONOMIC DOWNTURN, WE HAVE NOT CHANGED OUR PLANS IN THE FIELD OF SOCIAL PARTNERSHIP

This year with the support of the Shchekino district administration we are working to solve the problem of fresh water supply to residents, it is a reconstruction of the water intake. >>>

<<< **2016** was a successful year for SCA factory in Sovetsk. All that we planned in **2010** for the design of the second stage of production, we are fully implemented. We have launched innovative new products, such as toilet paper Zewa Just1 and four-layer toilet paper Zewa Ultra Soft. We started this year, local production of tissue



Junxue Zhang,
CEO of "HMMR"

July **2017** will start the delivery and installation of plant process equipment. In parallel with the construction works the employee training process is going at the car factories of Chinese Great Wall Group.

UNTIL THE END OF NEXT YEAR WILL BE CARRIED OUT 50% OF THE ROADS, INTERNAL NETWORKS, BUILDINGS FINISHING. FROM THE JULY 2017 WILL START THE DELIVERY AND INSTALLATION OF PLANT PROCESS EQUIPMENT.

<<< The Great Wall Motor Company Limited in **2016** by its subsidiary "Haval Motor Manufacturing Rus" (OOO "HMMR") has continued to build car plant in the industrial park "Uzlovaya". At the initial stage of construction on site were carried out works on a vertical layout. After that, works began on the arrangement of the pile field for future workshops and facilities. At the beginning of **2017** is planned the transition to general construction works, including inner networks. Until the end of next year will be carried out **50%** of the roads, internal networks, buildings finishing. From the

A series of three-month internships are being passed by the future leaders of the assembly production services of internal and external logistics, personnel management department. In the coming year, a hire of professionals will continue. >>>



Andrei Shestakov,
top manager
of the Tula branch
of Sberbank of Russia №8604

« This year marks **175** years of the Savings Bank. Today the Tula branch of Sberbank is one of the largest and most well-known Tula region's credit institutions, and in some segments of the financial work occupies a leading position.

IT IS IMPORTANT FOR US TO PROVIDE THE FINANCING OF ENTERPRISES OF THE MILITARY-INDUSTRIAL COMPLEX, WHERE THE SAVINGS BANK HOLDS A LEADING POSITION IN TULA REGION

Among the projects funded by the Savings Bank during the last five years - the

construction of the methanol plant of "Shchekinoazot", modernization of blast furnace production of "KMZ", the establishment of production for growing and processing turkey meat by "Krasnobor", creation of a modern class warehouse complex "A" in "Technopark Tula", creation of a complex for the production of non-metallic materials of "Vostochnie Berniki". It is important for us to provide the financing of enterprises of the military-industrial complex, where the Savings Bank holds a leading position in Tula region.

We pay serious attention to developing relations with the Tula region Development Corporation and the development of financing schemes of anchor residents of the industrial park and the special economic zone "Uzlovaya". »



Maria Yelokhova,
general director of "Park Tula" (
"DEGA-Tula" Industrial Park)

acquired **2** hectares of land on which in **2017** will begin construction of a paint manufacturing plant.

UNTIL THE END OF 2017 WE PLAN TO CONCLUDE A DEAL TO SELL ABOUT 20 HECTARES FOR THE LOCATION OF PRODUCTIONS AND WAREHOUSES.

« 2016 was productive in terms of meetings with investors; negotiations, signed and prepared for signing agreements with the residents. Business, especially Europe, showing an increased interest in «DEGA-Tula» pharmaceutical and chemical clusters park. So, our first resident was the Russian-German company. The company

The investments attracted in the region on the basis of this project, as we estimate are at least **5** million euros. Manufacture of varnishes and thermoset powder coatings will be launched in **2018**. Until the end of **2017** we plan to conclude a deal to sell about **20** hectares for the location of productions and warehouses. »



TULA REGION DEVELOPMENT CORPORATION AND "PATRIOT" GROUP CONTINUE TO IMPLEMENT THE PROJECT FOR THE CONSTRUCTION OF A RESIDENTIAL DISTRICT IN THE SOUTH-WEST OF TULA

Tula region Development Corporation " and the group of companies "Patriot" have signed an agreement to lease the land area of **86** hectares near the village of Lower Kitaevka in the city of Tula. There, company-developer plans to build about **800** thousand sq. meters of housing in the framework of the new joint project. Currently, the urban documentation is being adjusted, Patriot" plans to go to the site in the **1st** quarter of **2018**.

IN TULA WAS DISCUSSED THE IMPLEMENTATION OF INVESTMENT PROJECT BASED ON THE "OCTAVA" PLANT

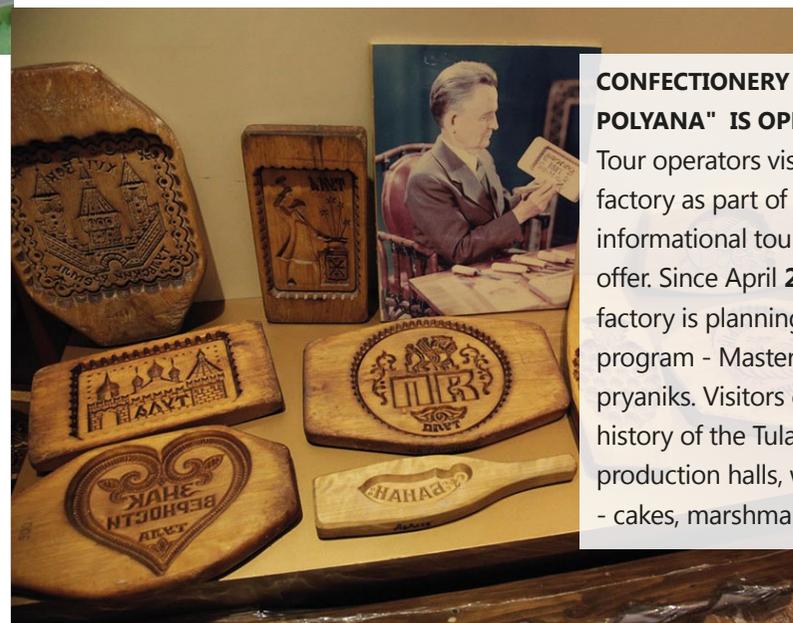
The governor of Tula Region Alexey Dyumin had a meeting with representatives of the "Rostec" Group, "VSMPO-AVISMA Corporation", "Russian Electronics" and "Octava". It is about building a creative industrial cluster in the creation of which will participate the listed companies and the government of Tula region.

Currently was conducted an overhaul of one of the "Octava's" building floors, carried out construction expertise of one of the buildings of the object. In **2017**, it is planned to launch the first stage of key projects, such as the Graduate School of Engineering, Machine Tool Museum, "Kvantorium", "Octava 2.0», Co-working and public spaces. In **2018** - the launch of the second phase of the project.



CONFECTIONERY FACTORY "YASNAYA POLYANA" IS OPENED FOR THE TOURISTS

Tour operators visited Tula confectionery factory as part of promotional and informational tour to explore new tourist offer. Since April **2017** the confectionery factory is planning to launch a new tourist program - Master-class on making Tula pryaniks. Visitors can also learn about the history of the Tula pryanik and visit the production halls, which serves sweet treats - cakes, marshmallows and jellies.





Merry Christmas and Happy New Year!

*During the Holiday Season more than ever,
our thoughts turn gratefully to those
who have made our progress possible.*

And in this spirit we say, simply but sincerely:

*Thank You and Best Wishes for the Holiday Season and a
Happy New Year.*

*May Year 2017 bring you all the joy and happiness,
high achievements, great victories,
financial and personal prosperity!*

Merry Christmas and Happy New Year!

