Construction and infrastructure in Russia

Vladimir Kazakov
Market Research Director, SCHNEIDER GROUP
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Agenda

- Executive Summary
- Construction: Role in the Economy
- Residential Real Estate
- Commercial Real Estate
- Construction Equipment Fleet
- Geographic Coverage of the Sector
- SWOT Analysis
- Regulation and State Involvement
- Industry Players – Top 20
- Investment Projects
- Our Services
- Appendix – Details of Selected Projects

This report is an overview of the construction industry in Russia rather than an exhaustive report. We would be happy to provide a more detailed report on a specific subject.
Executive summary

“The industry is struggling as a result of the current crisis but the reduction has not been as bad as 2009”

- Construction is the 7th largest sector of the economy, employing 5-6 million people.
- Residential construction, core of the sector, saw a 34% decline in mortgages on 2014 (2009: -77%) due to falling disposable incomes.
- At the same time, a record 85.3 million sqm of new residential real estate was built.
- The government continues to subsidize the 12% p.a. interest rate on mortgages for individuals.
- Commercial real estate lease rates have stabilized, while office space and warehouse segments are expected to contract in Moscow (5% and 31%, respectively).
- Major construction projects are in progress – they have not been put on hold.
- Foreign companies still have a chance to participate in the FIFA 2018 World Cup and infrastructure construction projects.
- Basic construction materials (e.g. cement and bricks) are largely localized.
- Finishing materials, sanitary equipment, electric/wiring equipment are mostly imported.
- Construction equipment fleet requires upgrade: 40%-50% of equipment is obsolescent. This represents a market opportunity for international manufacturers.
- The government is modernizing legislation: 231 new construction standards were developed. More than half of them will become EEU legislation.
Construction: Role in the economy

7th largest sector

6% is the sector’s contribution to the economy

5-6 million people are employed in the sector

8% of total working population

218,000 companies work in the sector

98% of players are small and medium companies

85 m sqm of residential real estate was built in 2015 – an all time record

90% of total investment is represented by residential construction

Share in gross value added in 2015

- Real estate, leasing and professional services: 17%
- Wholesale trading and retail; repair services: 16%
- Manufacturing: 14%
- Minerals extraction: 10%
- Public administration and defence; social insurance: 8%
- Transportation and communications: 7%
- Construction: 6%
- Agriculture and forestry: 5%
- Financial services: 4%
- Other: 13%

Source: Federal State Statistics Service (Rosstat)
Residential real estate

“Supply up – demand down”

“Growing trend: building more budget housing”

- In 2015, mortgages were down 34% in Rouble terms compared to 2014
- This drop was not as severe as in 2009 when the decline was twice as significant (77%)
- 85.3 million sqm of new residential real estate was completed – an all time record for Russia!
- This is 1.4% more than in 2014, and exceeded expectations by 12%
- 76.2 million sqm of new flats will be built in 2016 while new building permits were issued to build 112 m sqm of new flats
- 45% of new flats were budget class – growing trend to build more housing of this category
- The government will continue to subsidize the 12% p.a. rate until 2017 – 1/3 of all loans
Commercial real estate

- Sales in office space and warehouse segments are expected to **contract** in Moscow (5% and 31%, respectively)
- Lease **rates tend to be denominated in Roubles** – a major change from 2015 gaining momentum in 2016 and beyond. They are not expected to change
- Currency volatility drives two different behaviours: **tenants want** to sign **long-term leases** in Roubles while **owners want to limit terms to 3-5 years**
- Reduction in new space and flat/growing acquisition will result in a reduction of available space, which may push **rates up**
- Information for 2015 represents expert estimates based on actual transactions while numbers for 2016 represent a forecast
- **Decreasing supply protects the market from further devaluation**

**“Lease contracts re-negotiated into Roubles”**

**“Declining supply”**

<table>
<thead>
<tr>
<th></th>
<th>Office space</th>
<th>Warehouses</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2015</td>
<td>2016F</td>
</tr>
<tr>
<td>Bought/leased space, 000’s sqm</td>
<td>1,050</td>
<td>1,000</td>
</tr>
<tr>
<td>Lease rate, RUR/sqm/year (net of VAT and opex)</td>
<td>14,600-25,000*</td>
<td>3,500-4,500*</td>
</tr>
<tr>
<td>Commissioned space, 000’s sqm</td>
<td>700</td>
<td>400</td>
</tr>
</tbody>
</table>

* No change in rates is expected.

Sources: Knight Frank, JLL
## Construction equipment fleet

**54,500**

construction equipment units in use

<table>
<thead>
<tr>
<th>Equipment Type</th>
<th>Share of Fleet, %</th>
<th>Foreign Produced, %</th>
<th>Obsolescent Equipment, %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earthmoving equipment</td>
<td>58</td>
<td>49</td>
<td>42</td>
</tr>
<tr>
<td>Cranes</td>
<td>26</td>
<td>31</td>
<td>40</td>
</tr>
<tr>
<td>Tractors</td>
<td>16</td>
<td>36</td>
<td>51</td>
</tr>
</tbody>
</table>

“Dependence on foreign produced equipment and the degree of overall park obsolescence represent a significant market opportunity for international manufacturers.”

Source: Rosstat
Geographic coverage of the sector

“New projects are planned in the eastern part of the country”

- RUR 5.9 tn was total construction expenditure in 2015
- Three Federal Districts – Centre, Volga and North West – account for almost 60% of expenditure
- Siberia and Crimea will increase their share as the Sila Sibiri (Power of Siberia) pipeline and Kerch Strait bridge projects progress towards completion

Source: Rosstat
## SWOT Analysis
### Construction industry

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th><strong>Weaknesses</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Cheap energy</td>
<td>- State involvement</td>
</tr>
<tr>
<td>- Resources</td>
<td>- Equipment requires modernization (old or no local equivalent of foreign equipment)</td>
</tr>
<tr>
<td>- Large market</td>
<td>- Know-how</td>
</tr>
<tr>
<td>- Significant demand</td>
<td>- Bureaucracy</td>
</tr>
<tr>
<td></td>
<td>- Corruption</td>
</tr>
<tr>
<td></td>
<td>- Difficult to obtain construction permits (Ease of doing business rank 119)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Opportunities</strong></th>
<th><strong>Threats</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Large areas</td>
<td>- Devaluation of the rouble</td>
</tr>
<tr>
<td>- Know How through localization</td>
<td>- Bankruptcy of construction companies</td>
</tr>
<tr>
<td>- Special Economic Zones, Industrial Parks</td>
<td>- Competitors from Asia (China, Japan, Korea)</td>
</tr>
<tr>
<td>- Localization law (import substitution order № 2068 from 16.10.2014)</td>
<td></td>
</tr>
<tr>
<td>- Modernization needed</td>
<td></td>
</tr>
</tbody>
</table>
Regulation and state involvement (1)

“Reforms and harmonization of regulations under way”

- Legal framework is complex but is undergoing change
- Main laws are Civil Engineering Code and Technical Regulations (both national and Customs Union):
  - Safety of buildings and structures
  - Fire safety
  - Safety of lifts
- Government is streamlining technical rules and budgeting norms – this will be finished in 2017-2018
- In 2015, the Ministry of Construction developed 231 construction standards. More than half of them will become EEU legislation
- Work is underway to harmonize with Eurocodes (European standards specifying how structural design should be conducted within the EU). Nation-specific appendices were designed
Regulation and state involvement (2)

“This industry is self-governed”

- Government requires compliance with certain national standards and rules of construction (by decree)
- Compliance with other rules is voluntary
- The industry has been self-governed since 2010
- Self-governing professional organizations (SRO) are authorized by the government to grant permissions to companies to carry out the following activities in Russia:
  - Engineering surveys
  - Design
  - Building
  - Reconstruction
  - Overhauls
- About 500 such SROs operate today
Industry players – Top 20

“The sector is mostly privately owned”

<table>
<thead>
<tr>
<th></th>
<th>Company</th>
<th>Revenue in 2014, RUR bn</th>
<th>Specialization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stroygazmontazh</td>
<td>225</td>
<td>Oil and gas industry</td>
</tr>
<tr>
<td>2</td>
<td>Mostotrest Stroitelstvo</td>
<td>151</td>
<td>Roads and bridges</td>
</tr>
<tr>
<td>3</td>
<td>Tashir</td>
<td>134</td>
<td>Commercial and residential real estate</td>
</tr>
<tr>
<td>4</td>
<td>Stroygazconsulting</td>
<td>109</td>
<td>Pipelines and roads</td>
</tr>
<tr>
<td>5</td>
<td>Stroytransgaz</td>
<td>103</td>
<td>Oil, gas and electric power industry</td>
</tr>
<tr>
<td>6</td>
<td>LSR Construction Group</td>
<td>92</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>7</td>
<td>Mosinzhproekt</td>
<td>84</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>8</td>
<td>Spetsstroyengineering</td>
<td>72</td>
<td>Defence and government</td>
</tr>
<tr>
<td>9</td>
<td>FSK Lider</td>
<td>62</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>10</td>
<td>Morton</td>
<td>61</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>11</td>
<td>PIKstroitelstvo</td>
<td>61</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>12</td>
<td>Globalstroy-Engineering</td>
<td>60</td>
<td>Oil and gas industry</td>
</tr>
<tr>
<td>13</td>
<td>Etalon</td>
<td>51</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>14</td>
<td>SU-155</td>
<td>50</td>
<td>Residential and industrial real estate</td>
</tr>
<tr>
<td>15</td>
<td>Velesstroy</td>
<td>50</td>
<td>Oil, gas and electric power, infrastructure</td>
</tr>
<tr>
<td>16</td>
<td>MIC Group</td>
<td>46</td>
<td>Residential real estate</td>
</tr>
<tr>
<td>17</td>
<td>Renaissance Construction</td>
<td>46</td>
<td>Commercial real estate</td>
</tr>
<tr>
<td>18</td>
<td>Transengineering</td>
<td>46</td>
<td>Roads, oil and gas, other industries</td>
</tr>
<tr>
<td>19</td>
<td>Graviton</td>
<td>44</td>
<td>Infrastructure</td>
</tr>
<tr>
<td>20</td>
<td>SK MOST Group</td>
<td>44</td>
<td>Bridges and tunnels</td>
</tr>
</tbody>
</table>

Sources: Forbes Russia and RBC
Investment projects (1)

- FIFA 2018 World Cup projects
- Top 40 industrial and infrastructure projects
- Localization projects
Investment projects (2)
FIFA 2018 World Cup

- Total investment: RUB 663 bn
- Organization committee Russia 2018 under Ministry of Sports
- 3 categories of infrastructure:
  - Sports (stadiums, training camps, sports schools, sport halls)
  - Transportation (airports, streets, bridges, railway terminals)
  - Hospitality (hotels, healthcare, facilities)
- Construction sites in 44 cities:
  - 11 cities hosting games + 33 other cities
Investment projects (3)

FIFA 2018 World Cup – Stadiums

- Main construction companies – all Russian:
  - Crocus International
  - Stroytransgaz
  - Mosinzhproject
  - Sinara Development
  - Inzhtransstroy - SPb
  - Sport engineering (FGUP Sport-In)
  - Intersportstroy

- Foreign companies involved:
  - SPORTFIVE (Germany; consulting)
  - GMP International GmbH (Germany; architecture)
  - AECOM (USA; Management support service)
  - IMG (USA; Management support service)
  - Hilti (Liechtenstein; anchors)
Investment projects (4)
Allocation of Top 40 by region

“The Far Eastern district leads by total value, number of projects and number of sectors”

<table>
<thead>
<tr>
<th>Federal district</th>
<th>Qty</th>
<th>Industrial sector</th>
<th>Total investments, RUR bn</th>
<th>Average investments, RUR bn</th>
<th>Investment size range, RUR bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far East</td>
<td>8</td>
<td>Pipelines, LNG, industrial manufacturing, power generation, mining, refineries, railways</td>
<td>2 845</td>
<td>356</td>
<td>60 - 770</td>
</tr>
<tr>
<td>Central</td>
<td>7</td>
<td>Aviation, railways, highways, metals, refineries</td>
<td>2 738</td>
<td>391</td>
<td>42 - 1 400</td>
</tr>
<tr>
<td>Southern</td>
<td>3</td>
<td>Pipelines, mining, refineries</td>
<td>1 324</td>
<td>441</td>
<td>48 - 1 190</td>
</tr>
<tr>
<td>Urals</td>
<td>8</td>
<td>Pipelines, infrastructure, power generation, metals, LNG, refineries</td>
<td>1 148</td>
<td>143</td>
<td>40 - 680</td>
</tr>
<tr>
<td>North West</td>
<td>4</td>
<td>Infrastructure, agriculture, refineries</td>
<td>922</td>
<td>231</td>
<td>50 - 630</td>
</tr>
<tr>
<td>Siberian</td>
<td>5</td>
<td>Aviation, railways, refineries, metals</td>
<td>600</td>
<td>120</td>
<td>68 - 164</td>
</tr>
<tr>
<td>Volga</td>
<td>3</td>
<td>Chemicals, mining</td>
<td>412</td>
<td>137</td>
<td>54 - 290</td>
</tr>
<tr>
<td>Crimean</td>
<td>1</td>
<td>Infrastructure</td>
<td>247</td>
<td>247</td>
<td>247</td>
</tr>
<tr>
<td>North Caucasian</td>
<td>1</td>
<td>Chemicals</td>
<td>140</td>
<td>140</td>
<td>140</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>40</strong></td>
<td></td>
<td><strong>10 376</strong></td>
<td><strong>2 206</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Top 40 investment projects, RA Expert
Projects in defense and nuclear power generation are excluded.
Investment projects (5)
Top 40 industrial and infrastructure projects

Investment by industry in 2014-2018, RUR 10 376 bn

“Pipelines, LNG, roads and infrastructure account for 72% of total value of projects”

“Insufficient investment in Aviation and Industrial Manufacturing”
Investment projects (6)
Top 40 industrial and infrastructure projects – Examples

- Railways
  - High speed rail link Moscow – Kazan

- Aviation
  - Sheremetyevo Airport
  - Domodedovo Airport
  - Zhukovsky Airport

- Liquefied Natural Gas
  - Yamal LNG

- Pipelines
  - Sila Sibiri (Power of Siberia)

- Refineries
  - Kirishi-2 Oil Refinery

- Power generation
  - Kankunskaya HEPP
Investment projects (7)
Localisations, 2015 – 2019

“Localisation continues despite the crisis”

- 14 production sites were launched in the middle of the crisis
- Germany leads by number and size of investments
- Another 14 sites are active construction in progress

2015 | 2016 | 2017 | 2018 | 2019

German | American | Chinese | Swiss | German | American | Chinese | Swiss | German | American | Chinese | Swiss

15 | 6 | 3 | 3 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1
Our industry-specific services (1)

- **Market research/business partner search**, incl.
  - Sub-contractors, law firms, insurance providers
  - Support in obtaining SRO membership and permits

- **Company registration**, incl.
  - Legal and business address

- **Tax and legal services**, incl.
  - Intercompany agreement or internal debit notes to PE
  - Tax advice for managers (short- und mid-term stay) in Russia, annual tax returns
  - Tax and legal due diligence
  - Transfer pricing

- **Interim management**, incl.
  - General Director, head of branch or representative office
  - Risk management
Our industry-specific services (2)

- **Import services**, incl.
  - Customs handling and consultation
  - Consultation regarding appropriate customs value
  - Certification
  - Coordination with the logistics provider, DDP-services

- **Accounting outsourcing**, incl.
  - Financial accounting with focus on rules for mid- and long-term projects (IAS 11 and PBU 2)
  - Transformation and reporting according to IFRS/US GAAP/HGB
  - Payroll accounting with special knowledge about shift work, regional coefficients and corporate compensations
  - Tax accounting with special rules for mid- and long-term projects

- **IT services**, incl.
  - System Admin set up and permanent help desk
  - ERP systems implementation
Appendix – Details of selected projects
High speed rail link
Moscow – Kazan

- Planned investment RUR 1.0-1.2 trillion
- Design completion: 2016
- Construction completion: 2020
- Key features of the project:
  - Track length: 770 km
  - Travel time: 3 hours 30 minutes
  - Maximum speed: up to 400 km/h
  - Rail gauge: 1,520 mm
- Main construction company:
  - JSC High-Speed Rail Lines
    - Mosgiprotrans, Nizhegorodgrazhdanniiproject, China Railway Eryuan Engineering Group Co. Ltd, China Railway Group Limited (“CREC”), PGUPS, VNIIZhT (design)
    - SYSTRA (France; electrification)
    - Vossloh AG and AO BET (rail fastening systems)
Sheremetyevo Airport

- Significant extension to be completed by FIFA Cup 2018
- Investment by 2018: USD 630 million
- New domestic Terminal B, annual capacity of 15 million passengers
- Two connecting tunnels under runways, 2,100 m long
- Additional (third) runway to be built, 3,200 m long (red oval on map)

Main construction companies:
- TPS AVIA Holding LTD (RU; Private company)
- Renaissance Construction (Turkey; Terminal B)
- Transstroymekhanisatsiya (RU; Runway 3)
- Master plan: Scott Wilson Group (UK; part of AECOM)
- ADPI (France; architectural and functional concept)
Domodedovo Airport

- Domodedovo Terminal II
  - Launched construction of the second segment of the passenger terminal: 2014
  - Expected completion: December 2016
- Investment of RUR 27 billion
- Airport’s area to be doubled to 500,000 sqm
- An additional 100 check-in desks and 40 self-service kiosks
- A380 will be able to land
- Considering another runway
- Main construction company:
  - SIGNY GROUP RUSSIA (ZAO) - Russo-Swedish JV
Zhukovsky Airport (1)

- Fourth international airport in Moscow
- Investment of over USD 360 million
- Airport will include 2 passenger terminals and 1 cargo terminal
- Construction of Terminal 1 was completed in May 2016
- Target airport capacity of 12 million passengers per year
- Management company:
  - RAMPORT AERO, JSC
Zhukovsky Airport (2)

- Management company:
  • Ramport Aero – JV between TVK Rossia (RU; subsidiary of Rostec) and Avia Solutions Group (LT)

- Design companies:
  • OOO Stroypodryad (RU)
  • Vilniaus Architekturos Studija (LT)

- Main suppliers of equipment:
  • Wekey Group (RU; distributor of baggage handling systems from Rapissan, Motion 06, Kusch, Evans and Safran)
Yamal LNG (1)

- Located on the Yamal Peninsula, above the Arctic Circle
- Utilizes the resources of the South Tambey Field
- Investment over RUR 680 billion
- Operated by JSC Yamal LNG, a joint-venture of NOVATEK (60%), TOTAL (20%) and CNPC (20%)
- The project includes:
  - Natural gas production (used ARKTIKA Drilling Rigs)
  - Construction of the Yamal LNG Plant
  - Liquefied gas storage
  - Construction of Port Sabetta
  - LNG shipping
  - Construction of power generation facility
Yamal LNG Plant

- LNG Plant will be built in three phases which will be commissioned in 2017, 2018 and 2019
- Main construction companies:
  - Technip (France; engineering, procurement and construction)
  - JGC Corporation and Chiyoda (Japan; engineering, procurement and construction)
  - Offshore Oil Engineering Company (China; core modules)
  - Olen Betong AS (Russian sub of Norwegian company; concrete structures)
  - ArcelorMittal (UK; steel structures)
- Main suppliers of equipment:
  - Offshore Oil Engineering (China; equipment for liquefaction of natural gas)
  - GE (USA; main compressor equipment)
  - Air Products (USA; cryogenic heat exchangers)
- Technology of natural gas purification:
  - BASF (Germany) - BASF-OASE
Yamal LNG (3)

- **Construction of Port Sabetta**
  - Federal Agency ROSMORPORT
    - Mezhregiontruboprovodstroy JSC
    - ThyssenKrupp (Germany; steel structures; ASF anchor bolts)
  - Expected completion: 2017

- **LNG shipping**
  - Building an icebreaker
    - United Shipbuilding Corporation
      - Vyborg Shipyard
    - Atomflot
  - Building LNG tankers
    - Teekay (Canada)
    - DSME (Korea)
    - Mitsui OSK Lines (Japan)

- **Construction of power plant**
  - Main construction Company: Technopromexport
    - Siemens (Germany)
“Power of Siberia” pipeline

- Pipeline bringing natural gas from Chayanda field (Yakutia) and Kovykta field (Irkutsk Region) to Vladivostok and China
- Investment over RUR 0.8-1.0 trillion
- Operated by Gazprom
- Construction will begin in 2016
- Expected to be operational by 2019
- Main construction companies:
  - Stroytransgaz
  - Stroygazmontazh
  - Sakhatransneftegas
Kirishi-2 Oil Refinery

- Based in Kirishi, Leningrad oblast – annual hydrocarbon crude processing capacity of 4 million tons
- Investment over RUR 170 billion
- Project led by United Business Group
  - Processing depth of 98%
  - Construction of a station for gas liquefaction
  - LNG shipping
- Construction to be started in 2017
Kankunskaya HEPP

- Based in Aldan, South Yakutia
  - Planned capacity of 1,000 MW
  - Average output of 4.87 billion kWh
- Investment over RUR 52 billion
- Investor: RusHydro
- Planned to be fully functional by 2024
Localizations, 2015 – 2019 (1)

- **BOSCH**
  - Factory for EPS and ABS Systems in Samara, opened in 2015, investment: EUR 26 million

- **CLAAS**
  - Harvester factory in Krasnodar, opened in 2015, investment: EUR 120 million

- **Volkswagen**
  - Engine plant in Kaluga, opened in 2015, investment: EUR 250 million

- **DMG MORI**
  - Machine building plant in Ulyanovsk, opened in 2015, investment: EUR 70 million

- **GEA**
  - Refrigerator and compressor production plant in Klimovsk (Moscow Region), opened in 2015, investment: not disclosed

- **NATIONAL OILWELL VARCO**
  - Drilling rigs production plant in Volgorechensk (Kostroma Region), opened in 2015, investment: RUR 4 billion

- **NeoPhotonics**
  - Production of photonic integrated circuits for telecommunications equipment in Moscow, opened in 2015, investment: USD 30 million
Localizations, 2015 – 2019 (2)

Lacquer coating production plant in Ulyanovsk, opened in 2015, investment: RUR 1 billion

Pharma plant in Kaluga, opened in 2015, investment: USD 100 million

Pharma plant in St. Petersburg, opened in 2015, investment: RUR 4.5 billion

Polycarboxylic ethers production plant in Lobnya (Moscow Region), opened in 2015, investment: RUR 200 million

Ceiling boards production plant in Tatarstan, opened in 2015, investment: RUR 3.4 billion

Pellet plant in Irkutsk, opened in 2015, investment of RUR 600 million

Auto components production plant in Togliatti (Samara Region), opened in 2015, investment: RUR 750 million
Polymer-cement coatings production plant in Moscow region, opened in 2016, investment: USD 10 million

Construction dry mix production plant in Samara, opened in 2016, investment: RUR 550 million

Auto components production plant in Togliatti (Samara Region), opened in 2016, investment: RUR 313 million

Plastic containers production plant in Ulyanovsk, opened in 2016, investment: EUR 15 million

Auto components production plant in Kstovo (Nizhny Novgorod Region), opened in 2016, investment: EUR 6.5 million

Industrial gases production plant in Rostov, opened in 2016, investment: RUR 1.1 billion

High-tech feed additives production plant in Lakinsk (Vladimir Region), opened in 2016, investment: RUR 358 million

Refrigerator production plant in Naberezhnye Chelny (Tatarstan), opened in 2016, investment: RUR 3.2 billion
Localizations, 2015 – 2019 (4)

- Agricultural machinery production plant in Lipetsk, opens in 2017, investment: EUR 6.5 million
- Agricultural machinery production plant in Lipetsk, opens in 2017, investment: not disclosed
- Agricultural machinery production plant in Samara, opens in 2017, investment: EUR 2.5 million
- Acquisition of dairy food production plant in Voronezh, approved in 2016, investment: not disclosed
- Gypsum factory in Chapaevsk (Samara Region), opens in 2017, investment: RUR 1.25 billion
- Car factory near Tula, opens in 2017, investment: USD 520 million
- Car factory near Lipetsk, opens in 2017, investment: USD 30 million
<table>
<thead>
<tr>
<th>Company</th>
<th>Description</th>
<th>Region</th>
<th>Opening Year</th>
<th>Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mars</td>
<td>Pet food production plant in Aksay (Rostov Region), opens in 2017</td>
<td>Rostov Region</td>
<td>2017</td>
<td>RUR 4 billion</td>
</tr>
<tr>
<td>Backaldrin</td>
<td>Bakery ingredients manufacturing plant in Stupino (Moscow Region), opens in 2017</td>
<td>Moscow Region</td>
<td>2017</td>
<td>RUR 300 million</td>
</tr>
<tr>
<td>Kemin</td>
<td>Cattle food production plant in Lipetsk, opens in 2017-2018</td>
<td>Lipetsk</td>
<td>2017-2018</td>
<td>RUR 1.28 billion</td>
</tr>
<tr>
<td>Schlumberger</td>
<td>Electric centrifugal pumps components production plant in Lipetsk</td>
<td>Lipetsk</td>
<td>2018</td>
<td>RUR 3.8 billion</td>
</tr>
<tr>
<td>ABB</td>
<td>Cable distribution cabinets production plant in Lipetsk</td>
<td>Lipetsk</td>
<td>2018</td>
<td>RUR 1.5 billion</td>
</tr>
</tbody>
</table>
Vladimir Kazakov
Market Research Director
KazakovVS@schneider-group.com