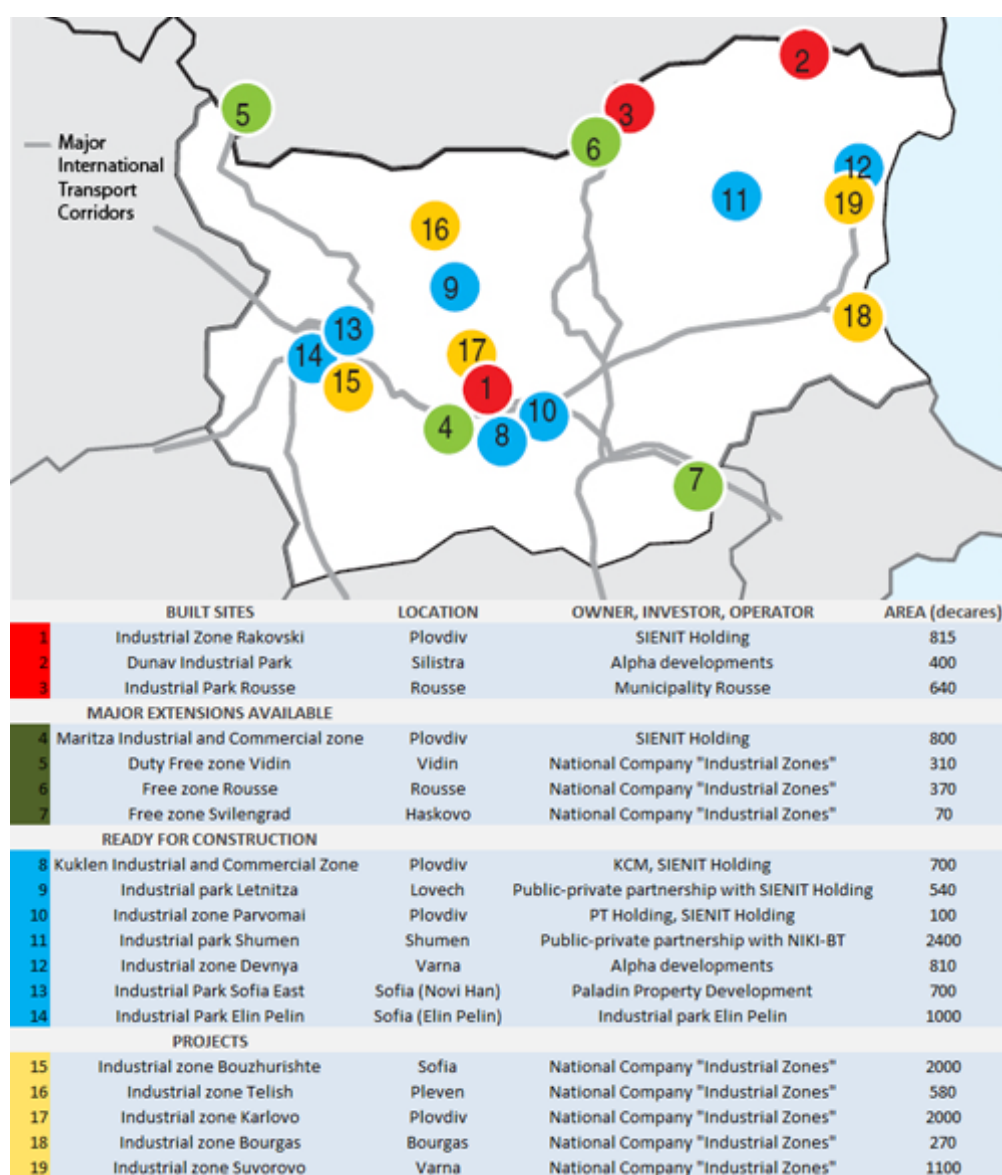


BULGARIAN INDUSTRIAL ZONES

Industrial Zones development is an important factor for attracting new production enterprises. The Bulgarian state is stimulating Green field investments.

The Bulgarian state is trying to help attracting of new investors through a system of incentives formulated mainly in the Encouragement of Investment Act and Corporate Income Tax Law.

Here is a map of Bulgaria with Industrial Zones in construction, in a project state or already built.

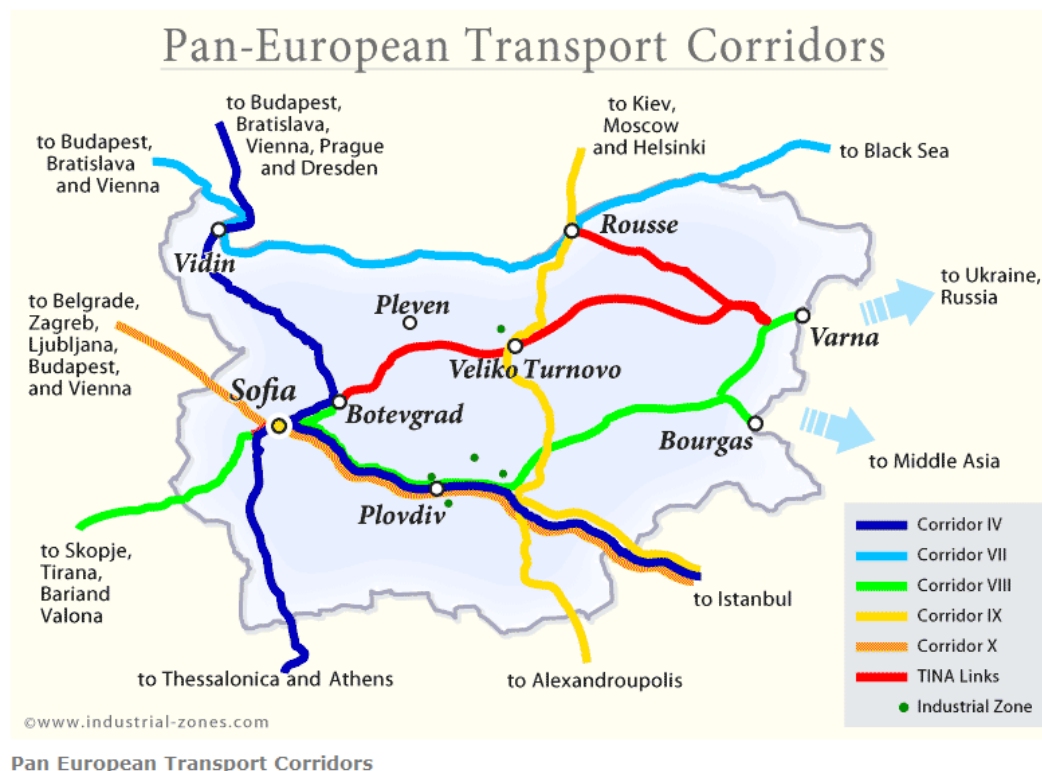


The experience of the Central and East Europe approve convincingly that the industrial zones are centers for foreign and local production enterprises development and bring to a catalytic effect for attracting investments and local economies development

Current supply of industrial property is mostly coming from privatized properties, which were constructed in the late forties and beginning of the fifties. The existing structures therefore are of little or no value. The supply of contemporary warehouse space is very limited. Most of the structures are stand alone or small-scale projects and are usually owner occupied. Rakovski Industrial Zone for example is the first green field development of such scale, which offers tailored to particular needs space for rent and sale.

The tendency towards consolidation, i.e. development of large-scale projects, rather than stand-alone facilities is valid for the industrial real estate sector as well. Industrial parks are actually the oldest cluster developments dating back from the 17 hundreds. Industrial parks are located either at ports /sea or river/, close to airports if they rely mainly on air-freight, on railroad terminals and/or on main transportation corridors. It is crucial for an industrial development to be located on the crossroads of strategic locations next to major transportation arteries so that the supply and distribution is obstacle free.

Due to the strategic location of Bulgaria, 5 out of the 10 Trans-European Corridors pass through the country. And 3 out of these five pass in close proximity to Rakovski Industrial Zone – the first industrial cluster in Bulgaria, facilitating the movement of goods all around Europe.



Kuklen Industrial and Commercial Zone

The purpose of the **Kuklen Industrial and Commercial Zone** is to create conditions for investors so they can organize their production, storage and commercial activities in one place and in the fastest way.

Through concentration of the activities in one place the Zone provides an opportunity to reduce the products prime cost as well as to expand and increase the overall efficiency of operation.

The Zone stimulates the investors by providing them with an opportunity to work in the most favorable material, administrative and infrastructure conditions.

The Zone lies 10 km SE of the city of **Plovdiv**, by the Road II-86 which passes through the towns of Plovdiv, Assenovgrad, Smolyan and Rhudozem. According to the administrative layout of the Republic of Bulgaria, The Industrial Zone belongs to the area of the Thrace and Strandzha geographical region, Upper Thracian sub-region, Plovdiv Region, in the center of South Central Region.

The closeness of the Zone to Plovdiv provides fast and easy access to this strategic for our country industrial, commercial, scientific, cultural and communication center.

Rakovski Industrial Zone

The first industrial zone in Bulgaria offering attractive conditions for establishing production, warehousing and logistic.

Industrial Zone Characteristics

- Terrain of 815 000 square meters in the village of Stryama, Municipality of Rakovski
- Connection to electricity network of 20 kV
- Water supply
- Gas supply
- Optical communications
- Sewage
- Asphalt road access
- Distance to Trakia motorway (Sofia – Istanbul) – 8 km
- Distance to the city of Plovdiv (second biggest city in Bulgaria) – 14 km
- Distance to the capital, the city of Sofia – 140 km
- Region with tax incentives according to Art. 61/f of the Corporate Income Tax Act – 100% exemption of corporate income tax for all companies and partnerships involved in manufacturing in regions with high unemployment.

Services provided to Investors in the Zone

- Providing land, fit for industrial construction
- Issued necessary initial permits for construction and works
- Design and construction of industrial production facilities in accordance with investor's specifications
- Rapid implementation term
- Construction of industrial production facilities upon leasing scheme with bank financing
- Providing production buildings for renting or purchasing
- Other schemes proposed by investors
- Skilled labor resources
- Administrative services

Maritsa Industrial and Commercial Zone

Terrain: Maritsa Industrial Zone consists of **three sectors** with the total area of 1 950 000 m².

Transport infrastructure and connections:

The Zone as a whole has an excellent transport access;

Located next to the "Trakia" motorway;

Direct connection to the International motorways crossing the country and making connections to Western Europe, Russia, Asia, Adriatic, Aegean and Black Sea. Direct connection to Pan European Transport Corridor IV, VIII and X, as well as an easy connection with Corridor IX;

Distance to the city center – 6 km.;

Distance to freight and passenger Railway Terminal – 1.5 km.;

City Railway Line will soon reach the Second sector of the Zone with its last station.

Customs Terminal within the Zone - *serves all investors in the Zone.*

Water Supply: *Drinking and industrial.*

Electricity supply: *20 kV.*

Telephony and Data connections: *Standard; Bulgarian Telecommunications Company.*

Distance to nearest:

Police station – 3km.;

Fire station – 4 km.;

Hospital – 5 km.

Distance to nearest surface water: *Maritsa River – 4 km.*

Maritsa Industrial and Commercial Zone consists of three sectors, in different stage of development:

Investors and companies in the Zone:

LIEBHERR-HOLDING GmbH

SOCOTAB LLC
 LINDE AG
 FERRERO
 SCHNEIDER ELECTRIC
 MERCEDES BENZ
 BOSCH GROUP
 VEDISPED CUSTOMS TERMINAL

Services provided to Investors in the Zone

- Providing land, fit for industrial construction
- Issued necessary initial permits for construction and works
- Design and construction of industrial production facilities in accordance with investor's specifications
- Rapid implementation term
- Construction of industrial production facilities upon leasing scheme with bank financing
- Providing production buildings for renting or purchasing
- Other schemes proposed by investors
- Skilled labor resources
- Administrative services

Parvomai Industrial Zone

Transport Connections and Communications

- The flat structure of the Plovdiv valley allows the development of a sophisticated road network. Across the region's territory, there are 59 km of the Trakia Motorway; first class roads are 129 km long, second-class roads – 227 km, and third class roads – 652 km. The remaining 1000 km roads are municipal;
- The International First Class Road E 80 – Belgrade-Sofia-Plovdiv-Istanbul - runs close to the Parvomai Industrial Zone as well as the Asenovgrad - Chirpan Third Class Road.
- Well provided Railway transport network in the Municipality and in the Zone; The Western Europe - Istanbul Railroad passes close the Parvomai Industrial Zone.
- Close to the city passes the Trakia Motorway, which connects the Zone with the capital Sofia;
- 55 km SW of the Zone is situated the International Plovdiv Airport - the biggest cargo airport in the Balkans from where all big air carriers can transport passengers and goods.

Industrial Zone Characteristics

- Terrain of 1 000 000 m² in the village of Karadzhalovo, Municipality of Parvomai.
- Water supply – Drinking and Industrial.
- Gas supply.
- Electricity supply.

- Asphalt road access.
- Railway Terminals, which serve the particular industrial projects in the zone.
- Cargo Railway Terminal in the Zone.
- Distance to the Trakia Motorway – 8 km.
- Distance to the capital, the city of Sofia – 192 km.
- Distance to the city of Plovdiv (the second biggest city in Bulgaria) – 52 km.

Services provided to Investors in the Zone

- Land with changed status ready for industrial construction;
- Administrative services and short realization period;
- Complete professional services and consultations to the investors in relation to the way and opportunities for realization of a particular project;
- Issue of all necessary initial construction permits and final approval documents;
- Construction of industrial buildings in accordance with investor's specifications;
- Design and construction of industrial buildings to rent, lease or purchase;
- Railway services in the zone;
- All other feasible investors' suggestions.

Letnitsa Industrial Park

The "Letnitsa Industrial Park" project is a Public-Private Partnership (PPP) initiative. The park provides attractive conditions for building factories, logistic warehouses and other service facilities.

The project is supported by the local municipality, the Invest Bulgaria Agency (IBA), Bulgarian Industrial Association and the Bulgarian Chamber of Trade and Commerce. "Letnitsa Industrial Park" Ltd. is the company managing the park and providing full service for the investors.

Industrial Park Characteristics

- Region with tax incentives – 0% corporate tax in the sphere of production enterprises.
- Situated in Letnitsa Municipality, Lovech Region.
- Surface: 541 000 m. sq. (possibility to expand the site).
- Electricity supply – 20 kV.
- Water supply.
- Sewerage.
- Optic cable.
- Gas supply.
- Bordering on road.
- Bordering on railway.
- 10 km. from the newly built highway.
- Proximity to:
 - Sofia – 180 km.

- Lovech – 30 km.
- Pleven – 40 km.
- Gabrovo – 70 km.
- Veliko Tarnovo – 80 km.
- River Port Svishtov – 55 km.
- Airport – 5 km.

Letnitsa Industrial Park (IPL) provides multifaceted consultancy services to prospective investors, in compliance with their requirements, working in close co-operation with local municipalities. It develops, organizes and manages projects related to establishment of enterprises in areas of high unemployment.

IPL has a devoted team of reliable and experienced partners incorporating architects, engineers, contractors, shipping agents, and a network of respectable consultants in the managerial, financial, tax and legal spheres.

IPL represents a unique bridge between the stakeholders, the business partners and local municipalities. The team strives to comply with the requirements of its clients and meet all their different expectations adequately. IPL develops a strategy of acquiring in-depth knowledge of the target goals, interests and concerns of all parties involved in a particular project. Thus, being aware of the existing business environment and its potential, IPL is in the capacity to provide suitable, streamlined pragmatic solutions and suggest management practices to the mutual benefit of both investors and local authorities.

IPL has established reliable contacts with the administration of several important ministries and agencies functional in different economic and industrial sectors. IPL is also trying to build partnerships with international investment bodies and trade and industrial chambers.

Sources:

www.industrial-zones.com

www.capital.bg