



Municipal Industrial Park Plzen Borska pole

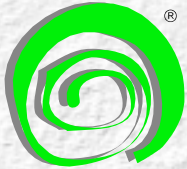


SUCCESSFUL DEVELOPMENT PLAN

Experience and mistakes

June 2005

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Project Managers**



Be ready, you will be successful - chance or good plan?

- analysis of city development and future needs
- SWOT analysis and city development strategy - project „Pilsen Progress“, 1993
 - our consultants/advisors from the Netherlands and USA

Weaknesses and Threats for the city:

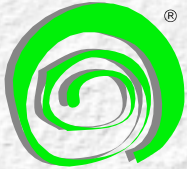
- one-side-oriented economical base of the city - rapid increase of unemployment
- more than half of labour force employed in industry, almost 40 % in one company (Skoda)
- several large employers, lack of small and medium size enterprises



Strengths and Opportunities of the city:

- location, interest of potential investors, skilled and qualified labor force; easy solution: industrial park - available land, courage, political support

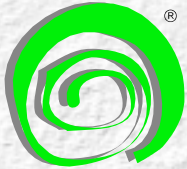




History of the Municipal Industrial Park Plzen Borska pole

- **1990** - former helicopter airfield released by Czech Army
- **1991 - 1994** - negotiations about property transfer
- **1994 - 1995** - feasibility and infrastructure service studies
- **1995** - new Master Plan approved, site designed for light industry (previous master plan designed the site as a reserve of largest Czech enterprise - Skoda)
- **1996** - Panasonic decided to invest, infrastructure construction started





History of the Municipal Industrial Park Plzen Borska pole

- **1999** - state subsidy (0.7 million EUR) granted to support industrial zones development
- **2000** - development of location westwards to municipal industrial park started, state subsidy (1.9 million EUR) granted





Our investors

Panasonic AVC Network Czech

Panasonic TV sets production
in operation 1997
other phases under construction or
preparation



Carrefour Ceska republika

Regional shopping and
service centre
in operation since 1999



Vltava-Labe-Press

Periodicals printing
in operation since 1999





Our investors

Schneider - masokombinat Plzen

Meat delicacies production
in operation since 1999



Porsche Inter Auto CZ

Centre for motorists (sales and services)
(Porsche, VW, Skoda, Seat, Audi)
in operation since 2000



Seele CZ

Production of stainless and noble steels
elements for engineering constructions

in operation since 2000





Our investors

Precision Castparts CZ

Forgings and casts machining for
aircraft and energy industry
in operation since 2001



Daiho (Czech)

Plastic components production
(also for Panasonic TV sets)
in operation since 2001



Intersoft Holding

Development and design of HW
and SW, production of low voltage
switchboards and automatization
parts
in operation since 2001





Our investors

BIC Plzen

Business incubator and Science
and Technology Park

in operation since 1997



Brzdy Baumrukr

Repairs of two-track vehicles,
spare parts sales

in operation since 1999



Fridanair

Assembly, sales and service of A/C
and refrigerator systems

in operation since 1999





Our investors

Driessen Czech

Train and aircraft interiors
production
in operation since 2002



Orion Telescopic Cameracrane

Telescopic cameracranes for
movie and TV industry production
in operation since 2002



Yazaki Wiring Technologies Czech

Assembly of ignition
harness for car industry
in operation since 2002





Our investors

Makro

Entrepreneur wholesales centre
in operation since 2002



AIG/Lincoln CZ

Office space for rent
project in step of preparation
and searching of the tenants



Hofmeister

Mechanical engineering tools production
in operation since 2003



MDS Engineering

Precise engineering products,
machines, tools and parts production
in operation since 2002





Our investors

Izopol Dvorak

Packages from polystyrene foam
production

in operation since 2003



Hofmann CZ

Shapes and plastic prototypes
production

in operation since 2003



Alfmeier CZ

Components for car industry
production

in operation since 2003





Our investors

Viza Auto CZ

Stool-frames
for car industry production
in operation since 2004



Koyo Steering Systems Czech

Steering components for car
industry production
in operation since 2004



Fuji Koyo Czech

Steering components
for car industry production
in operation since 2004





Our investors

Izos

Double glazing unit production
in operation since 2004



Jan Spilar, Ryby - drubez

Cold poultry carving, packing
and weighting
in operation since 2004



M - Kavis

Dry goods purchase, storing and sales
in preparation



Our investors

Pro Truck autoprislusenstvi

Wholesale with spare parts
in operation since 2005

KK Varia

Assembly and sales of swimming pools
and accessories
in preparation

Velkoobchod Barta Pavel

Wholesale with beverages
in preparation



Our investors

Value Engineering Services

Research, development and testing centre
in operation since 2005



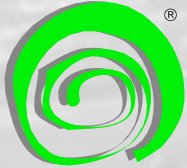
Kozeluha - Cesky truhlar

Wooden interior parts production
under construction



Sekolab

Drinking and waste water analyses
under construction



Our investors

Atan - Marek Javorsky

Production, modifications and revisions of interior furniture
in preparation

Stavpran

Civil engineering company HQ, production background
in preparation

ZAT Easy Control Systems

Design and projects of operating and monitoring systems
in preparation

Pavel Vit

Assembly and service of wrapping machines for food
processing industry, vacuum wrapping
in preparation



Our investors

Mercedes-Benz Engineering

Technological centre with experimental
and development work-shop
in operation since 2004



Astric

Company HQ, storage and discount
sale
under construction

Daikin Industries Czech Republic

A/C plant for buildings
production
in operation since 2004





Our investors

Typos, tiskarske zavody

Printing-works

in operation since 2004



Redimax

Diamond-cutter tools production
and renovation, services and sales
of small building mechanization

in operation since 2003

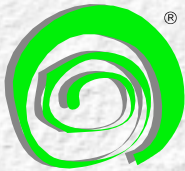


Welstam

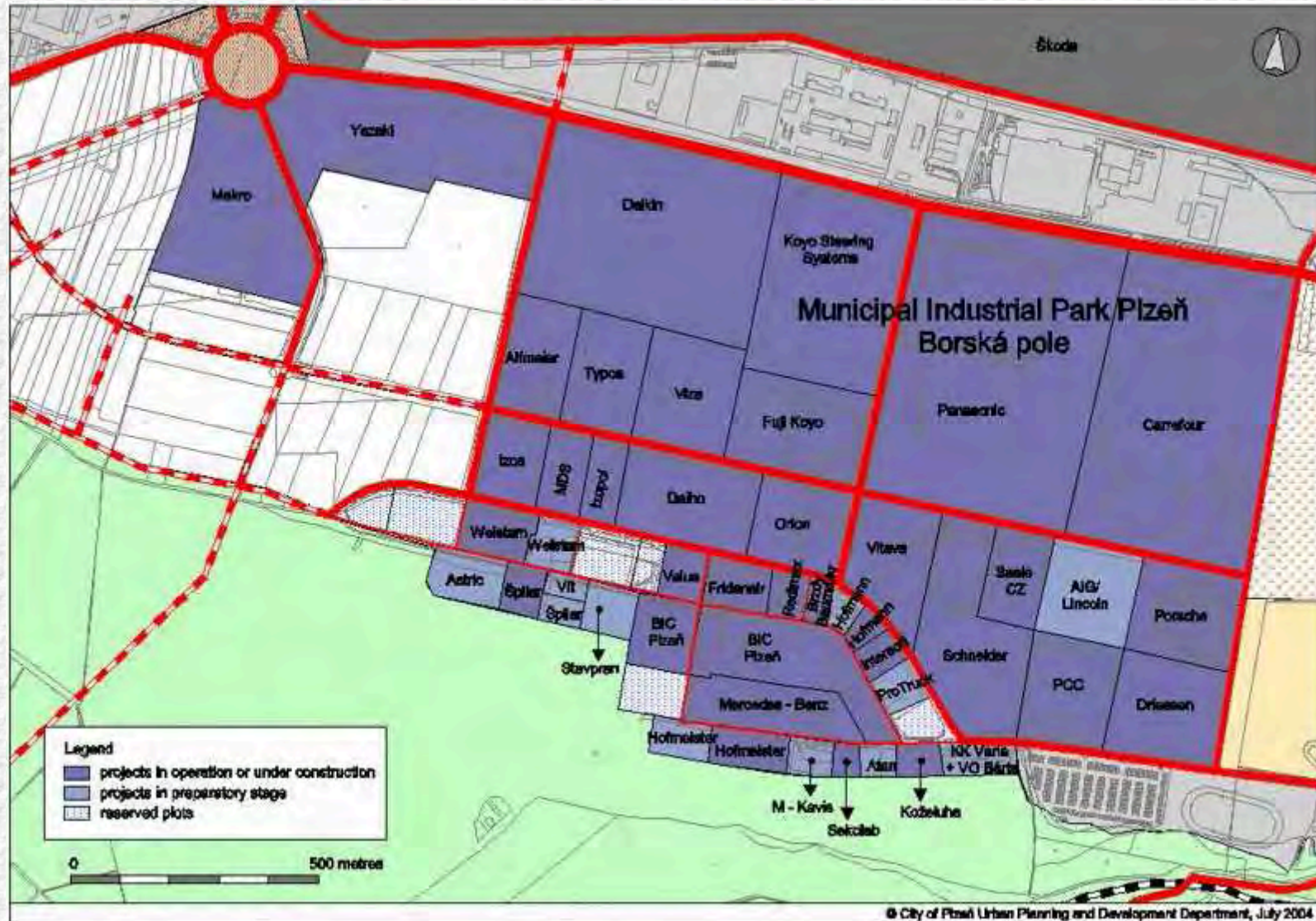
Building materials sales

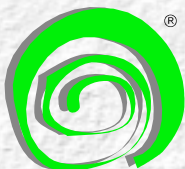
in operation since 2003





Municipal Industrial Park Plzeň Borska pole





Investments and their effects

Investors of infrastructure:

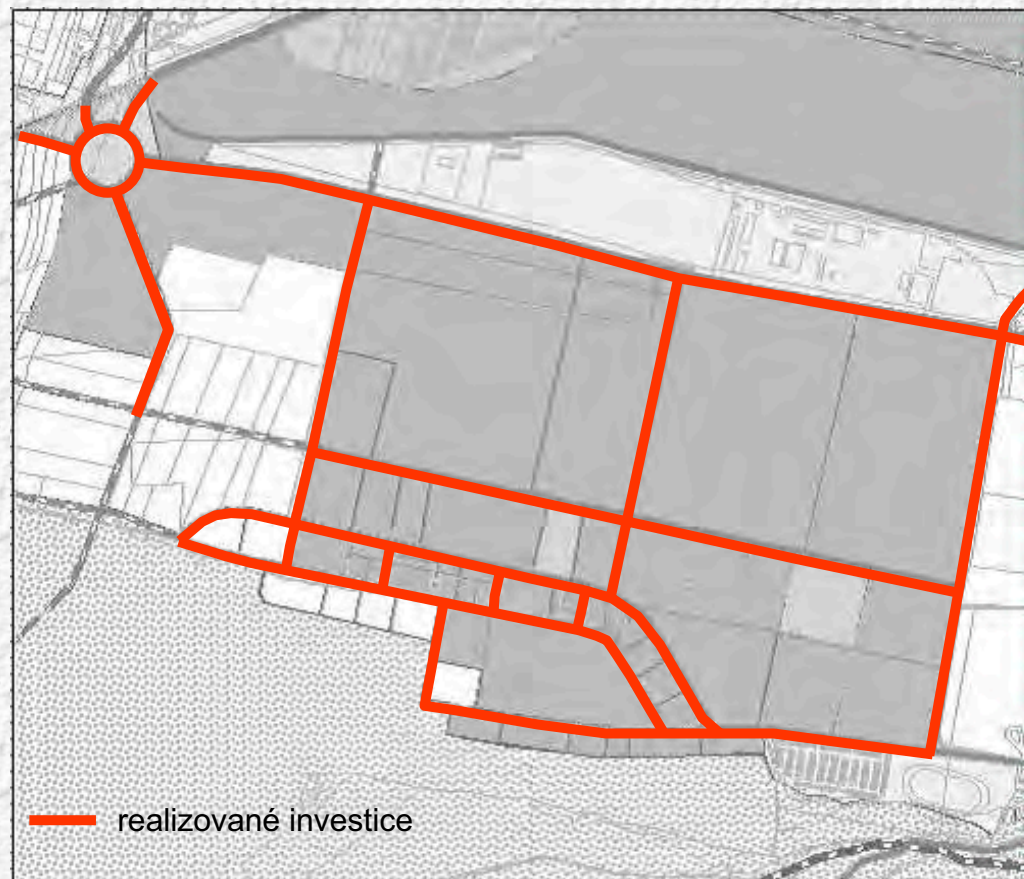
- City of Plzen 17 milion EUR
- infrastructure providers 2 milion EUR
- Czech state 3 milion EUR
- total 22 milion EUR

Effects as of the end of 2004:

- jobs created 7,850
- private investments 320 milion EUR

Available land:

- sold out or reserved



Estimated total effect at the end of the project:

- jobs created 11,000
- private investments 400 milion EUR



Conditions of the Industrial Zone realization - our experience

Generally:

- **Be ready**

- **Be flexible and helpful**

- **Be active**

- **Be correct**



Conditions of the Industrial Zone realization - our experience

Be ready:

- Approved plan of functional use of the locality
- Cleared up property relations
- Clearly determined business plan
- Investment plan for roads and technical infrastructure construction (technical solution and construction phases)
- Necessary construction permits
- Financial plan of the project (public and private sources)
- Legal support
- Clearly determined rules for the negotiations with investors
- Professional contact team



Conditions of the Industrial Zone realization - our experience

Be flexible and helpful:

Ability to operative solution of investor requests:

- Technical requests - project modification
- Social needs
- Requests for leisure time spending
- Other special requests



Conditions of the Industrial Zone realization - our experience

Be active:

Marketing documents and procedures:

- CzechInvest - best marketing channel
- Other marketing channels
- Don't be lazy - negotiate, communicate
- Low percentage rate of success



Expectations of the realization of the Industrial Zone - our experience

Be correct:

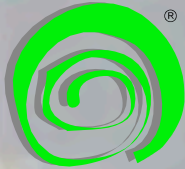
- Keep your promises and commitments
- Be discreet
- Be able to admit mistakes - both sides spend time, energy, money
- Contract is contract, but mutual human understanding has its weight



Our mistakes and losses - first of all NEMAK was our test

Principles for Investor Localization aren't omnipotent medicament:

- Look-out to list of requested and permitted activities
- EIA study for the whole site or for individual projects
- Investor needn't always perfectly manage his project
- Don't depreciate business environment of the city, region, state ...
- Don't depreciate public activities
- Decision-making processes within the municipality are very often very complicated, little a transparent and investor doesn't have time to wait
- Politicians need open their heart to media



Contacts

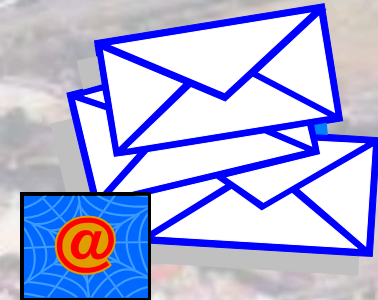
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