

Unofficial translation

Dear Sirs!

For the purpose of further cooperation between Krasnodar Region and the Republic of Turkey Kuban business community expressed the interest in:

- studying the demand for hard-wooded broadleaved wood species (lumber of beech wood, oak-tree, ash tree, alder, lime tree) to be exported from Krasnodar Region to Turkey for furniture manufacturers (the list of potential partners -- furniture manufacturers is attached);

- joint implementation of an investment project in Krasnodar Region -- a full-cycle wood processing cluster for added-value wood conversion, including:

- creation of a specialized transportation and logistics centre of board lumber for timber procurers and wood processing companies of Krasnodar Region
- creation of house building, furniture producing (cabinet furniture, upholstered furniture, kitchen, office and exclusive furniture) enterprises
- creation of enterprises on manufacture of equipment for kitchens and shop fixtures and equipment

- creation of a joint investment and construction company on the basis of a Kuban enterprise, accredited at leading state electronic trading platforms for implementation of such projects, such as reconstruction of the city centre of Krasnodar, construction of economy class residential districts, performance of bank protection and hydraulic construction works, construction of marines and berthing infrastructure, roads by way of participation in tenders, auctions, as well as on terms of public-private partnership;

- attracting of Turkish investment companies in projects on creation of the cluster that includes such facilities as composite fixtures manufacturing enterprises, paint-and-lacquer coating, dry construction mixtures, gypsum cardboards and aeroconcrete for the needs of the construction sector of Krasnodar Region;

- creation of an investment and designing office for coordination and modification of joint investment projects, organization of meetings and negotiations with Turkish companies, which expressed their interest to certain partnership proposals, received from Kuban companies;

- creation of an industrial park that includes an export-import transportation and logistics centre with a class A low temperature terminal, designed for storage of chilled and frozen products, processing, pre-packing and packing of various foodstuffs (vegetables, fruits, fish, meat, spices, tea) in the customs area of Kavkaz or Novorossiysk seaports (Krasnodar Region, the Russian Federation);

- in organization of wholesale supplies of construction materials, furniture, wallpaper and sanitary ware to Krasnodar Region.

**Proposals of Kuban business communities on development of relationship
with business communities of the Republic of Turkey**

~~To consider the issue of organization of supplies of lumber of hard-wooded
broadleaved wood species (Caucasian beech wood, oak-tree, ash tree), furniture
board to Turkish furniture producers as follows:~~

1. Istikbal
2. Bellona
3. Yatas
4. TepeMobilya
5. Kilim
6. IpekMobilya
7. DogtasMobilya
8. Kalebek
9. Alfemo
10. Idas
11. Konfor
12. Cilek
13. Koleksiyon
14. Seray
15. Gendakor
16. UyumYatak
17. Sefa
18. Teksis

as well as to invite Turkish companies concerned to joint implementation of an investment project - a wood processing cluster in Krasnodar Region in order to unite timber procurers and wood processing companies of Krasnodar Region and for organization of a full-cycle added-value wood conversion, house building and furniture production;

To consider the opportunity of joint creation of an industrial park in the customer area of Kavkaz or Novorossiysk seaports (Krasnodar Region, the Russian Federation), which comprises an export-import transportation and logistics centre with a class "A" low temperature terminal, designed for storage of chilled and frozen products, processing, pre-packing and packing of various foodstuffs,

To consider the proposal about creation of a joint construction enterprise on the basis of a Kuban enterprise for joint participation in implementation of project on reconstruction of the city centre of Krasnodar, construction of economy class

residential districts, marines and berthing infrastructure, among them also on terms of public-private partnership; creation of a construction cluster attracting investment and construction Turkish companies, that includes such projects as composite fixtures manufacturing enterprises, concrete, paint-and-lacquer coating, autoclave-cured aeroconcrete, dry construction mixtures and gypsum cardboards;

To invite interested Turkish companies for the creation of Kuban-Turkish investment and designing office for coordination and modification of joint investment projects, organization of meetings and negotiations with Turkish companies, which expressed their interest to certain partnership proposals, received from Kuban companies.

Companies of Krasnodar Region, interested in cooperation with Turkish partners (authors of the proposals):

1. LLC Kubanlespromkombinat – creation of a wood processing cluster and a specialized transportation and logistics centre in the customs area of Kavkaz or Novorossiysk seaports. The company is interested in the organization of supplies of sawn timber, furniture board, lumber of hard-wooded broadleaved wood species (Caucasian beech wood, oak-tree, ash tree) on the long-term basis
2. LLC Kubanspetsstroy – creation of a highly competitive joint venture (LLC Kubanspetsstroy is included as investor or a client-developer) for implementation of the projects on reconstruction of the city centre of Krasnodar, construction of economy class residential districts in Krasnodar and Krasnodar Region.

**List of Turkish companies that represent the interest for Kuban organizations
as partners for cooperation**

1. Manufacturers of furniture from massive of valuable species of hardwood (Caucasian beech, oak, ash tree, lime tree, alder, elm, silver fir), as well as importers of lumber for discussion of long-term cooperation on centralized supply of raw materials (potential contract holders)

1. Istikbal
2. Bellona
3. Yatas
4. Tepe Mobilya
5. Kilim
6. Ipek Mobilya
7. Dogtas Mobilya
8. Kelebek
9. Alfemo
10. Idas
11. Konfor
12. Cilek
13. Koleksiyon
14. Seray
15. Gendekor
16. Uyum Yatak
17. Sefa
18. Taksis
19. Ferimpex Trading
20. Yilmazlar Grup»

And other companies, which expressed their interest in the purchase of lumber

2. Construction and investment companies, which may be interested in creation of a joint venture on the basis of Kuban enterprise with a trademark, experience in construction and accredited at the main state electronic platforms for participation in the construction tenders.

1. Sirya
2. Uzunlar Insaat Sanayi ve Ticaret A.S.
3. Yilmazlar Grup
4. Kolibri

5. Izmir Yasayan Sehir
6. Akins
7. ARZUOGLU
8. Atakons Construction
9. Elite Group
10. KFG-Invest
11. Multivilla
12. Turkey Home Sales
13. Yilmazlar Grup
14. ETU CONSTRUCTION
15. Onat Gyps

And other companies, which expressed their interest in creation of a joint venture on the basis of Kuban enterprise.

1. Equipment manufacturers, a turn-key plant construction

1. Erisim Makina, VARLIK MAKINA – manufacturers of equipment for factories and mini production lines for dry building mixes

2. Manufacturer of production lines of composite armature production

3. Manufacture of economy class lacquer and varnish production lines

- Betek Boya ve Kimya,
- Bayer,
- Dyo Boya Fabrikalari
- Marshall Boya ve Vernik AkzoNobel
- Polisan Boya, Dow Chemical
- AkzoNobel Kamipol
- Kansai Paint,
- Clariant Chemicals
- ÇBS Holding

And other companies, which expressed their interest in creation of an enterprise for the manufacture of economy class composite armature, dry building mixes, paints and coating in Krasnodar Region