

THE LUBELSKIE VOIVODESHIP

is the third-largest (25,150 km2) and eighth-most -populated (2.15 million)¹ voivodeship in Poland. Its investment attractiveness is mainly the outcome of its:

- favourable geographical situation
- climatic and soil conditions
- rapidly growing economy
- research capacities

In terms of its administrative division, the Voivodeship consists of:

- 24 districts (poviats) (20 so-called "country" districts, and 4 cities with district powers – Lublin, Biała Podlaska, Chełm, and Zamość)
- 213 communes (gminas) 20 municipal, 22 municipal-rural, and 171 rural communes.

The Voivodeship's capital and at the same time the largest city in Eastern Poland is Lublin (341,700 inhabitants), which serves the function of the administrative, economic, and cultural centre of the region. The city's greatest strength is its academic potential. Its schools of higher education teach over 79,000 students each year².

The major urban centres in the Lublin Region are:

- Lublin (area 147.5 km2) population 341,700
- Zamość (area 30.3 km2) population 65,055
- Chełm (area 35.3 km2) population 64,855
- Biała Podlaska (area 49.4 km2) population 57,4713.



THE LUBELSKIE VOIVODESHIP IS ONE OF THE MOST DYNAMICALLY DEVELOPING REGIONS IN EASTERN POLAND.

GEOGRAPHICAL SITUATION

Thanks to the neighbouring Belarus and Ukraine, the Voivodeship is a natural link between the economies of Western and Eastern Europe, at the same time demarcating the European Union border. By being situated near the border, the Lublin Region can merit the name of Poland's window on the east of Europe.

The favourable geographical situation, convenient infrastructure of border crossings, modernised main roads, and dynamic economic cooperation with partners from across the eastern border, are the main strengths of this investment-friendly region.

The area of the Lubelskie Voivodeship is characterised by exceptional natural values such as clean air and waters, many rich natural areas, remarkable landscapes, and the diversified physical features of the land.

Other attractive features of the region are: the broad range of investment areas, the systems of incentives and local investment allowances, and the authorities' openness towards investors.



The Central Statistical Office of Poland (GUS), as of 31.12.2014 Higher education in the academic year 2014/2015, Statistical

Office in Lublin, May 2015

The Central Statistical Office of Poland (GUS), as of 31.12.2014



THE TRANSPORT INFRASTRUCTURE

The Lubelskie Voivodeship is situated in south-eastern Poland. In the north, its neighbours are the Mazowieckie and Podlaskie Voivodeships, in the west the Świetokrzyskie Voivodeship, and in the south the Podkarpackie Voivodeship. It is strategically situated close to Warsaw and along transit routes from Berlin to Russia, Belarus, and Ukraine. On the territory of the Voivodeship, there are 8 international border checkpoints (one of which is at Lublin Airport).

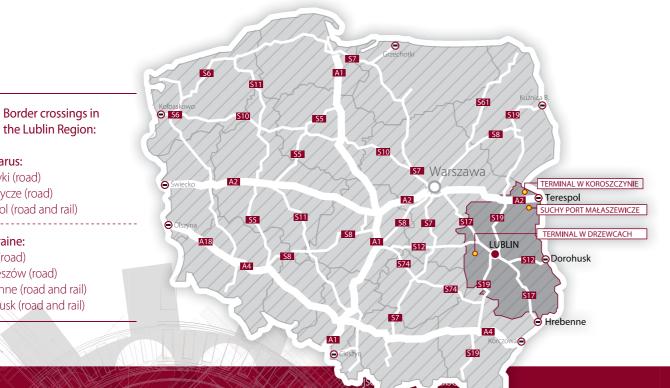
ROAD AND RAIL NETWORKS

One of the values of the Lublin Region is the proximity of transcontinental routes – the Voivodeship has the shortest road and rail routes going through Berlin and Warsaw to Minsk in Belarus, Moscow in Russia, and Kiev and Odessa in Ukraine.

National roads Nos. 12, 17, 19, and 2 (E30) run through the Voivodeship's territory.

- National road No.12 (Warsaw Lublin Chełm Dorohusk) is a convenient access road to the border crossing with Ukraine in Dorohusk. It is a transit route classified as an express road and a European TEN-T road.
- National road No. 17 (Warsaw Hrebenne) leads to the border crossing with Ukraine in Hrebenne. It is an express road which is part of Via Intermare: the
- National road No. 19 (Białystok Rzeszów) is an access road to the border crossings with Belarus in Terespol, Sławatycze, and Kukuryki.
- National road No. 2 (E30) (Berlin Warsaw Moscow) is an international road. The future A2 motorway will have a route similar to this road. Both roads are part of the 2nd Pan-European West-East transport corridor, which connects Berlin and

Lublin has direct railway links with almost all the country's regions, and a journey to Warsaw lasts not much over 2 hours.



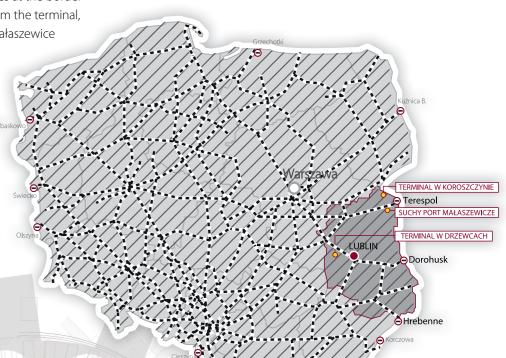
THE MOST IMPORTANT RAILWAYS IN THISVOIVODESHIP:

- Line No. 7: along the route: East Warsaw Otwock Deblin – Lublin – Chełm – Dorohusk (the country's border with Ukraine)
- Line No. 2: Central Warsaw Siedlce Łuków Biała Podlaska – Małaszewicze – Terespol (the country's border with Belarus)

The Voivodeship has the most modern car terminal for border clearance (phytosanitary and veterinary controls) in Koroszczyn. The close proximity (5 km) and connection with a special customs road with the border crossing in Kukuryki ensure high checkpoint flow rates at the border with Belarus. A dozen or so kilometres from the terminal, there is an inland transhipment port in Małaszewice (occupying an area of over 166 ha), well-known in the country and abroad, which operates as a centre for the transhipment of cargo from broadto standard-gauge rolling stock. The task of the Customs-Free Zone in Małaszewice is to facilitate international commodity trade and the handling

of transit cargos with eastern markets. The Broad-Gauge Metallurgical and Sulphur Line (LHS) No. 65 connecting Upper Silesia with the Ukrainian and Russian railway systems is of great importance for the flow of raw materials.

The opening of the Lublin Container Terminal in Drzewce near Nałęczów by LTK-Intermodal in February 2015 is another facilitation in the railway transport system, as it is designed to accelerate the transport of cargo containers coming to Poland by sea. Containers from ships are transshipped to trains going to the Lubelskie Voivodeship. The convenient location of the terminal in the vicinity of express road S17 Warsaw-Hrebenne facilitates the further transport of cargo. The terminal occupies 25,000 m2 of the operations area and has one track with a length of 600 metres.



with Belarus:

with Ukraine:

1. Zosin (road)

1. Kukuryki (road)

2. Sławatycze (road)

2. Hrubieszów (road)

3. Hrebenne (road and rail) 4. Dorohusk (road and rail)

3. Terespol (road and rail)

AIRLINE COMMUNICATIONS

NATURAL RESOURCES

A breakthrough investment in the Lublin Region was the building of Lublin Airport in Świdnik, which has brought tremendous opportunities for the growth of tourism and the economy. The airport is contributeing to the development of many industries in the region, e.g. the aircraft industry (including the largest aircraft company, AgustaWestland PZL-Świdnik S.A.), and trade, as well as shipping, tourist, hotel, and transport services. This investment is intensifying scholarly and cultural exchange.

The presence of the airport in Świdnik and the small distances to the airtports in Rzeszów (Rzeszów-Jasionka – 160 km) and Warsaw (Warsaw-Okecie – 170 km), which can serve passengers with target destinations in the Lubelskie Voivodeship, have made the Voivodeship the leader in terms of air accessibility in the whole macroregion of Eastern Poland⁴.

Lublin Airport was opened at the end of 2012. At present it serves plane connections to Belgium, UK, Ireland, Germany, Sweden, and Norway (as of 6.11.2015). Passenger traffic in 2014 amounted to 190,000 persons and is estimated to reach the level of 220,000 passengers at the end of 2015.





An unquestionable strength of the Lublin Region is insolation, the highest in Poland, which is conducive to the broadly understood agricultural production and the generation of solar energy.

The Voivodeship has deposits of four energy resources:

- hard coal
- · brown coal
- crude oil
- natural gas



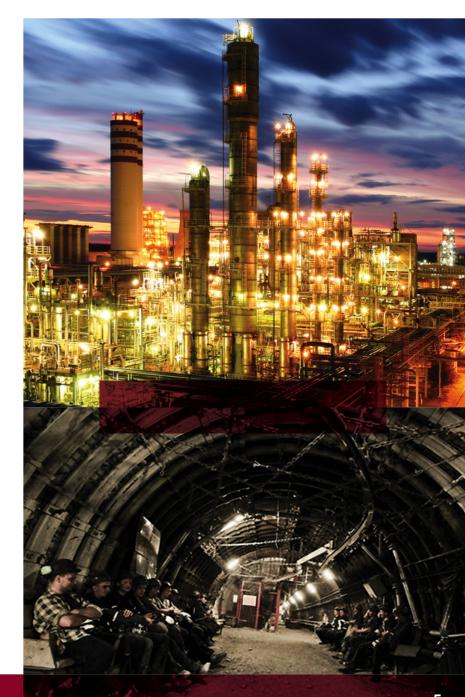
Hard coal, mined at KWK Bogdanka, s the main natural reserve of the Lublin Region.

After Upper Silesia, the Lubelskie Voivodeship is the country's second major coal field.

There are also small deposits of crude oil, natural gas, marl, and limestone, whereas common minerals are natural aggregates, loamy raw materials, loess clay, loam, carbonate resources, and peat, among others.

Thanks to its geographical situation and favourable geographical and natural conditions, the Lublin Region demonstrates high potential in terms of producing bio--fuels and developing green energy (e.g. the said high insolation). With each year, the region increases its share of renewable energy resources in the overall energy production. In 2012-2013 it recorded the highest increase in this respect among all voivodeships in Poland.

5, 6 Source: "Fact sheet 'LW Bogdanka





The economy of the Lubelskie Voivodeship is mainly characterised by dynamic growth and favourable changes in the structure of economic entities or business environment institutions, and in terms of innovation. The systematic growth is confirmed by the highest increase in GDP per capita among other voivodeships in Eastern Poland - 103% in 2013.

KEY INDUSTRIES

The Voivodeship owes its dynamic economic growth to, among other things, investments in the region's key industries with large development potential.

They include:

- the machine industry
- the automotive industry
- the aircraft industry
- BPO and IT
- the furniture industry (with a clear development tendency, especially in terms of export)
- · the food industry (directed at investment in the development of food processing technologies and biotechnology in the food sector)

These industries have a very strong potential based on the presence of research institutes and numerous entities from the above-mentioned sectors.

The region's considerable growth potential can also be seen across industries identified in the Regional Innovation Strategy as intelligent specialisations, which include:

- the bio-economy
- medicine and health
- low-emission power generation
- IT and automatics

THE IT INFRASTRUCTURE

The Voivodeship has a broadband IT infrastructure (erected within the project entitled "The Broadband Network of Eastern Poland"), the aim of which is to fight digital exclusion by increasing Internet access for inhabitants, public institutions, and enterprises. In terms of the length of the network, this is the largest broadband project in Eastern Poland and second--largest in the country as a whole.

The IT infrastructure will largely contribute to boosting the region's attractiveness for BPO and IT investments and will accelerate the social and economic development of Eastern Poland in compliance with the principle of sustainable development.



of households in the region have Internet access, thanks to the broadband network with a length of more than 2,908 km

FOREIGN CAPITAL

The presence of foreign capital in the Lubelskie Voivodeship is continuously increasing. Most entities with foreign capital invest in wholesale and retail trade, car repair, and food processing. The region is dominated by Dutch capital; however, the largest investments in recent years have been made with German and French capital. In 2014 Lublin was one of the top 10 Eastern European cities in the category: "the strategy of gaining foreign investors"7.

The strengths of the Lubelskie Voivodeship are: qualified staff, significant academic capital, and research facilities. The Voivodeship's capital, Lublin, is the largest and most dynamically growing academic centre on the eastern side of the Vistula river, and it plays the role of an important centre offering high quality university education on the map of Poland.

In the academic year 2014/2015, the 18 schools of higher education (8 State-run and 10 private institutions) based in the Lubelskie Voivodeship taught 79,000 students (one of the highest levels in Poland).

The main academic centre is Lublin, which, in the academic year 2014/2015, had 9 institutions of higher education with 88% of the overall number of students in the Voivodeship.

These institutions include:

- Maria Curie-Skłodowska University
- John Paul II Catholic University of Lublin
- University of Life Sciences in Lublin
- · Medical University of Lublin (one of nine in the country)
- Lublin University of Technology

In the Voivodeship, there are many Ph.D. students

- in this respect, the Lublin Region occupies fourth place in Poland (14.4 Ph.D. students per 10,000 people). Moreover, the share of foreign students in the overall number of students is growing with each year - at present the region, with its share of 6.7% in 2014/2015, takes first position among all Polish voivodeships.



The percentage structure of foreign capital in the Lubelskie Voivodeship per country of origin⁸

-o 32% Luxembourg O 0 13%

United States 0—0 11%

Italy 0-0 8%

Germany 0-0 5% Cyprus 0-0 3%

Local Data Bank of the Central Statistical Office of Poland (BDL GUS), as of 2013





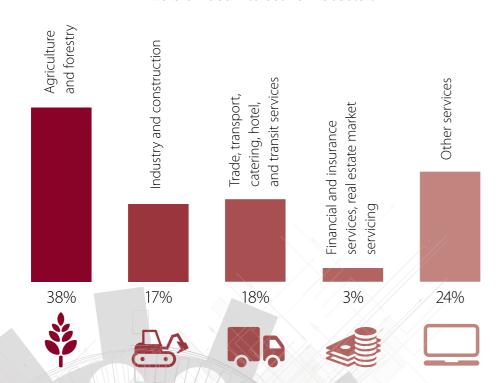
In the Lubelskie Voivodeship in 2013, 799,820 people, which was over 37% of the total population, were employed*. The main source of income for more than 38% of the employed workforce was agriculture. The second-largest employing sector was the broadly understood trade, followed by transport, catering, hotel, and transit services. Other important sectors were industry and construction, which employed over 17% of the employed population.

On average, employment in 2013 ran at the level of 387,700 people**. Employment in the enterprise sectors

amounted to 179,300 people and increased to the level of 179,900 in 2014. The biggest number of the employed (36.2%) in the enterprise sector was recorded in the processing industry.

Highly qualified staff and relatively competitive employment costs work to the Voivodeship's advantage. The stability of employment in the Lubelskie Voivodeship, understood as low staff turnover within one position, is also a favourable factor in the eyes of foreign investors.

The employed workforce in the Lubelskie Voivodeship in 2013 divided into economic sectors



In the Lubelskie Voivodeship, there are 6 business incubators, a dozen or so research and development centres, and

Science and technology parks:

- Lublin Science and Technology Park
- Science and Technology Park in Puławy,
- South-Eastern Science and Technology Park in Zamość

Industrial parks:

- Regional Industry Park in Świdnik
 established at the area of PZL Świdnik
- Industrial Park in Puławy established by the City of Puławy and Zakłady Azotowe "Puławy" S.A., partially the area of the subzone of "Starachowice" S.A. SEZ

TARGI LUBLIN

Thanks to its strategic geographical situation, the neighbourhood of the large Ukrainian and Belarusian markets, and the dynamically growing economy of Eastern Poland, the Targi Lublin fair exhibition centre is the perfect place for networking and is significantly contributing to the development of a range of sectors of the local economy





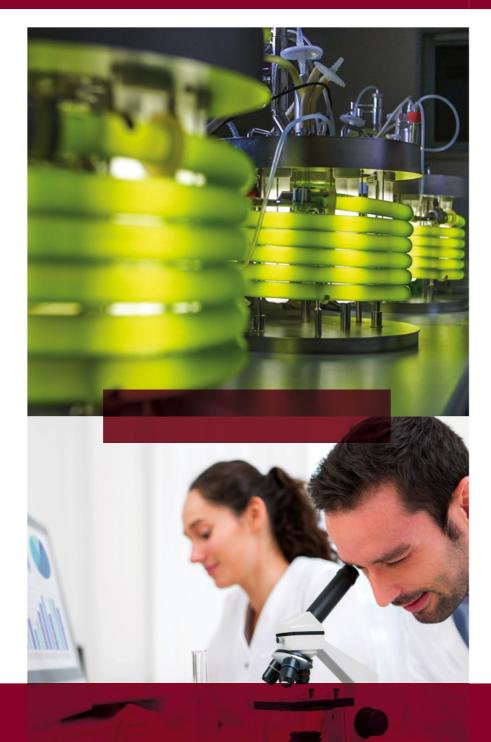
COOPERATION

R&D, INNOVATION

The region relies on the increase of innovativeness, the intensification of research and development activity, and cooperation within clusters. The number of innovative enterprises and the outlay on innovation-led activity are increasing with each year, thanks to the development of business environment institutions and the activities of research and development specialised units (105 units operate on the territory of the Voivodeship).

INDUSTRIAL & SCIENCE AND TECHNOLOGY PARKS

These are places which bring together investors who can receive both tax allowances and technical and administrative assistance. They are set up in order to promote the regional economy and to support entrepreneurship and innovation. Such parks offer technical infrastructure and consulting services in terms of forming and developing enterprises, the transfer of technology, and the commercialisation of research results. They constitute a platform for cooperation between the worlds of science and business. They also house business incubators and contribute to the creation of new jobs.



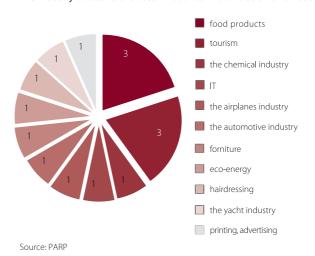
Institutions of higher education in Lublin cooperate with Polish and foreign universities and research and development centres, in order for their research to serve industrial needs and to be directly applied in the local and national economies. These efforts are also manifested in the institutions' cooperation with entrepreneurs.

This cooperation often takes place through science and technology parks or business environment institutions. Research institutes more and more often join the networks of business cooperation, thereby facilitating the transfer of technology.

CLUSTER INITIATIVES

On the territory of the Voivodeship, there are many clusters, some of which bring together innovative entrepreneurs from industries of key importance for the Voivodeship such as ecological food production, renewable energy sources, ICT, and bio-energy.

The industry structure of cluster initiatives in the Lubelskie Voivodeship



SELECTED CLUSTERS IN THE LUBLIN REGION:

- Waste Management and Recycling Cluster
- Organic Food Valley
- Lublin Eco-Energy Cluster
- Lublin Road Construction Cluster
- ICT Eastern Cluster
- Eco-Innovation Cluster
- Eastern Metalworking Cluster
- Lublin Wood Regional Cluster in Lublin
- Eastern Innovation Cluster
- Klaster-group.pl
- Cluster of Lublin Medicine
- Lublin ICT Cluster
- Lublin Clusters
- Lublin Cluster of Business Environment Institutions
- Lublin Land of Mechatronics





LUBELSKIE VOIVODESHIP FRIENDLY TO INVESTORS

TAX ALLOWANCES AND INCENTIVES

Special Economic Zones are designated areas of Poland in which investors can conduct business activity on preferential terms.

On the territory of the Lubelskie Voivodeship, there are 3 Special Economic Zones (SEZs):

- "Starachowice" SEZ
- Euro-Park Mielec SEZ
- Tarnobrzeg Europark WISŁOSAN SEZ

including 14 sub-zones of special economic zones (SSEZs):

• One within "Starachowice" SEZ.

1. Puławy 106,71 ha

• Seven within the Tarnobrzeg Europark WISŁOSAN SEZ

2. Łuków	40,49 ha
3. Tomaszów Lubelski	10,56 ha
4. Janów Lubelski	18,51 ha
5. Kraśnik	23,48 ha
6. Horodło	5,30, ha
7. Ryki	4,46 ha
8. Radom – the Poniatowa commune	7,7 ha

within Euro Dark Miolog CE7

Six within Euro-Park Milelec SEZ	
9. Radzyń Podlaski	1,75 ha
10. Rejowiec Fabryczny	27,10 ha
11. Lubartów	19,78 ha
12. Lublin	118,08 ha
13. Chełm	6,22 ha
14 Zamość	43.00 ha

the area of the Lublin

Euro-Park Mielec SEZ



Enterpreneurs who implement investments within special economic zones are exempt from income tax on account of the investment expenditures incurred or two-year employment costs related to new employees.

The amount of exemption depends on the size of the enterprise:

- 70% for micro- and small enterprises
- 60% for medium-sized enterprises
- 50% for large enterprises

This is the highest level of support in Poland (in effect in four voivodeships of Eastern Poland).

The incentives offered by SEZs:

- State aid in the form of income tax allowances and exemptions
- the infrastructure necessary for industry
- the accessibility of attractive development areas
- administrative assistance on legal issues

Conditions of aid within SEZs:

- having conducted economic activity for at least 5 years
- · retaining the ownership of assets connected with investment expenditures for 5 years (3 years in the case of small and medium-sized enterprises).

The conditions for joining SEZs:

- the minimum amount of investment is EUR 100,000
- the creation of new jobs (the minimum number is defined based on the unemployment rate in a given

Moreover, the vast majority of communes in this Voivodeship offers real estate tax reductions for enterprises interested in making investments on their territories. Another strength of the Lubelskie Region is competitive land prices.

When examining applications for permission to conduct business in economic zones, authorities pay a lot of attention to the number of the jobs created and the contribution to the industrialisation of the innovativess of a given economic sector (the best chances for such permission lie with enterprises from top priority sectors).







EU FUNDS

The Lublin Region will receive 2.23 billion euro within the next 7 years under the Regional Operational Programme of the Lubelskie Voivodeship (for 2014-2020).

Support will be granted to areas of key importance to the development of the Lubelskie Voivodeship*:

- entrepreneurship,
- research and innovation,
- the renewable power industry,
- environment,
- the labour market,
- education,
- welfare,
- transport,
- culture,
- healthcare.

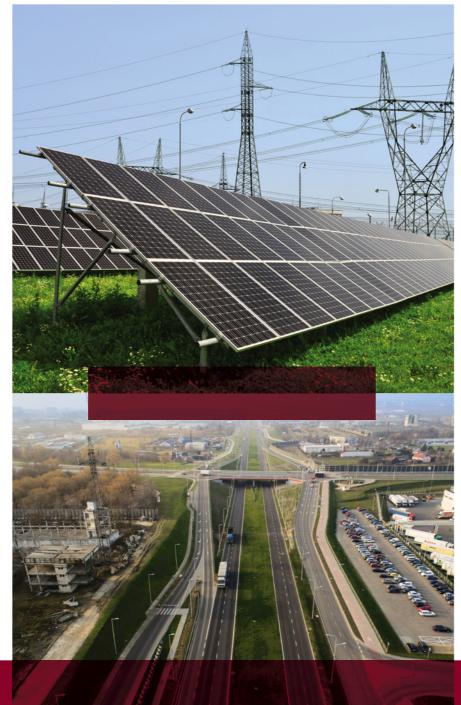
*more on www.rpo.lubelskie.pl

SERVICES FOR BUSINESS

The professional servicing of entrepreneurs interested in making investments on the territory of the Lubelskie Voivodeship has been entrusted to a series of entities formed for this purpose. The most important entities are at the Marshal's Office of the Lubelskie Voivodeship:

- Investor Assistance Centre (COI)
- Investor and Exporter Assistance Centre (COIE) Contact details for COI and COIE are available at the end of this

In terms of broadly understood investment management, apart from activities at the Voivodeship level, enterpreneurs can also count on the support of municipal and commune authorities.



The natural and scenic values of the Lubelskie Voivodeship, not infrequently unique in the whole of Europe, make this region one of the most interesting places in Poland. There are a number of areas where the living world and landscapes have retained their natural character.

Leisure and relaxation in close contact with nature are provided by hundreds of agritourism farms specialised in: manufacturing traditional products, regional cuisine, horse-riding schools, fisheries, canoeing trips or bicycle races.

Over 350 km of the so-called "GreenVelo Eastern Bicycle Trail" runs through the Lubelskie Voivodeship. This is the longest bicycle route in Poland, measuring 1,980 km in total. Along the trail, there are numerous recreational spots, rooms for rent, catering points, and biker service centres.

Apart from the rich natural resources, the Lubelskie Voivodeship features a number of spots and monuments connected with various cultures and religions. The most important one is Zamość – the perfect Renaissance city from the UNESCO World Heritage List – and the Holy Trinity Chapel at the Lublin Castle – a world-class monument, a combination of Gothic architecture with Russian and Byzantine paintings.

The Lubelskie Voivodeship can be proud of its numerous unique natural areas such as:

- 2 national parks: Polesie National Park, Roztocze National Park
- 17 landscape parks
- 17 protected nature areas
- 87 nature reserves
- 67 intimate lakes (Łęczyńsko-Włodawskie Lakeland)



Enterpreneurs may receive funds for:

- Research and development activity in the amount of: 90 million euro
- of: 291 million euro





The Lublin Region is a place where there is always something going on – festivals, fairs, bazaars, culinary and other cultural events – the resource is rich and versatile.

SELECTED CULTURAL EVENTS:

- The Carnaval Sztuk-Mistrzów festival in Lublin
- The Different Sounds Art'n'Music Festival
- The European Taste Festival
- East of Culture in Lublin
- The Lublin Landart Festival
- Arab Horse Days in Janów Podlaski
- The Festival of Three Cultures in Włodawa
- The "Two Riversides" Film and Art Festival in Kazimierz Dolny
- The Theatrical Summer in Zamość
- The Polesie Summer with Folklore
- European Days of Neighbourly Relations

The Marshal's Office of the Lubelskie Voivodeship

Department of Economy and International Cooperation

Section for Trade and Investment Promotion www.biznes.lubelskie.pl

Investor Assistance Centre (COI)
phone: +48 81 537 16 11
email: coi@lubelskie.pl, www.biznes.lubelskie.pl
Investor and Exporter Assistance Centre (COIE)
phone: +48 81 537 16 21 or 15
email: coie@lubelskie.pl, www.lubelskie.trade.gov.pl/en

