

The Perfect Partner for Your Food Business

FOODPOLIS

KOREAN NATIONAL FOOD CLUSTER



Were you waiting for the opportunities?
Are you looking for new ways of doing food business in Asia?
Do you want to be a success in the Asian food market?

**“Catch your dream here,
Korean National Food Cluster, FOODPOLIS”**



Business Overview

● Location

Iksan, Jeollabuk-do, Korea

- Southwest part of Korean peninsular
- Adjacent to places that contain a variety of agricultural produce
- A city of tourism with historical and cultural heritage

● Construction Period

2012~2015

- Creating a R&D-oriented industrial complex - 2,320,000m² (232ha)
- Constructing a residential complex - 1,260,000m² (126ha)

● Scale

Total project budget : USD 480 million (for industrial complex)

Size of land : 3,580,000m² (358ha)

● Organizer

Ministry for Food, Agriculture, Forestry and Fisheries /
Jeollabuk-do Provincial Government / Iksan City Government

● Enforcement

Korea Land and Housing Corporation

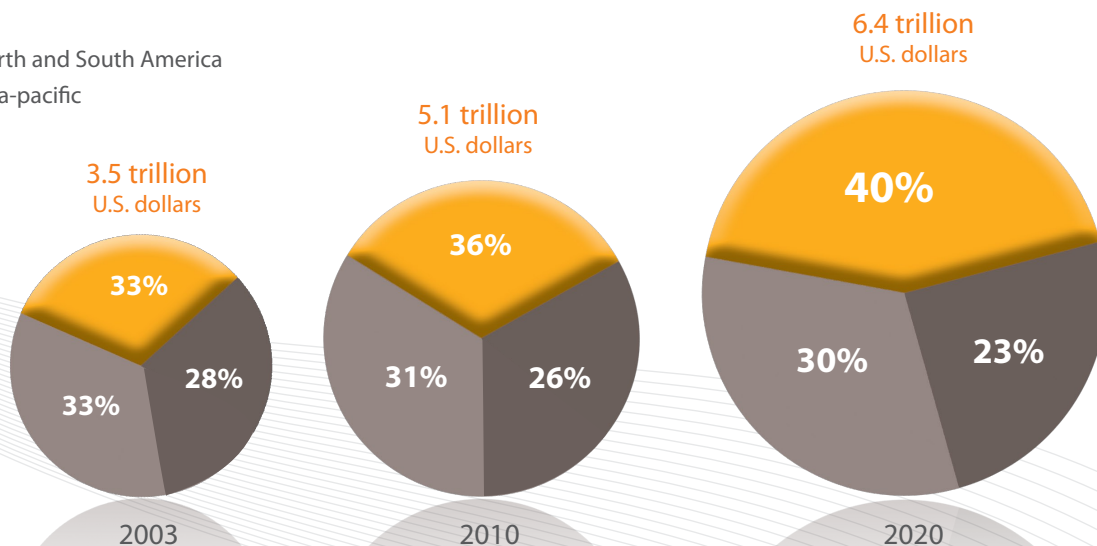
A bird's-eye view of the Korean National Food Cluster, FOODPOLIS



The global food market shift to Asia-Pacific

- The global food market is expected to grow from around USD 5.1 trillion in 2010 to USD 6.4 trillion in 2020.
- The global food market is shifting to the Asia-Pacific region. (2010, 36% → 2020, 40%).
- Korea is at the center of Northeast Asia; a huge market with 1.6 billion population.

- EU
- North and South America
- Asia-Pacific

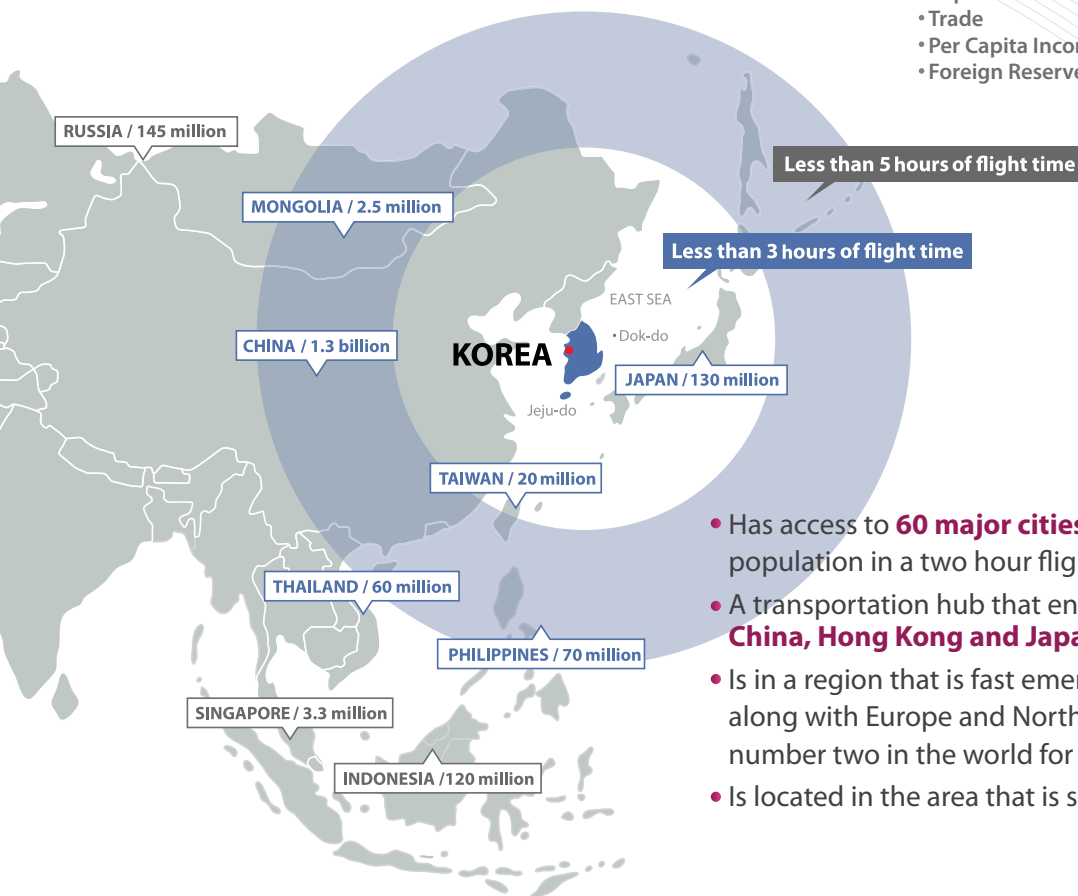


* International Data Group 2005, Datamonitor 2011

Korea, the strategic hub in Northeast Asia

Flight Time between Seoul and Major Asian Countries (Country / Population)

• Territory	100,460 km ²
• Population	50 million
• Trade	1.08 trillion USD (9th in the world)
• Per Capita Income	22,778 USD
• Foreign Reserve	314 billion USD (7th in the world)



- Has access to **60 major cities** with more than one million population in a two hour flight range
- A transportation hub that enables **one day travel to China, Hong Kong and Japan**
- Is in a region that is fast emerging as a global logistics trade zone, along with Europe and North America, Incheon Int'l Airport, number two in the world for cargo volume.
- Is located in the area that is safe from natural disasters

The borderless trade environment brings new market opportunities

- The Korean government concluded **8 FTAs with 47 countries** that represent the EU, ASEAN, and USA.
- FTA negotiations and considerations are underway with major countries including China.

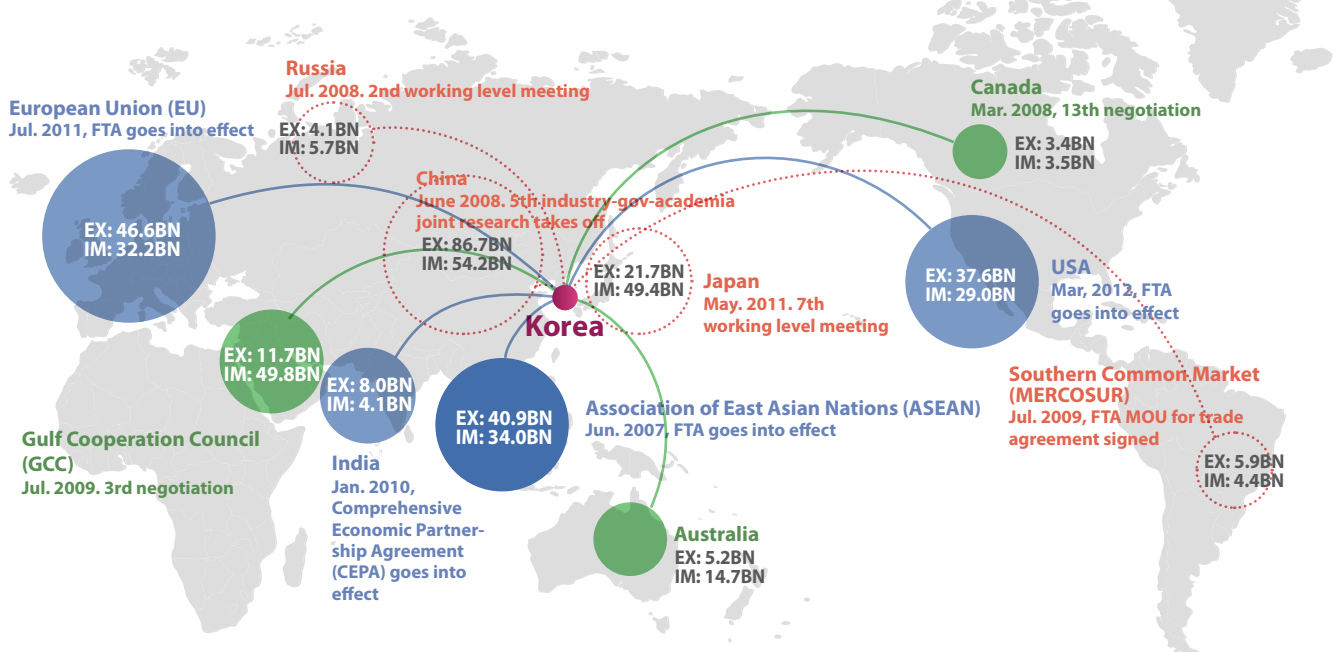
Korea's FTAs: current status

Export/import as of 2009 (unit: dollars)

● Effective or agreed

● Negotiations underway

○ Preparation for negotiation & joint research



Effective & Concluded FTAs

- Korea · USA (2012)
- Korea · EU (2011)
- Korea · Peru (2011)
- Korea · India (2010)
- Korea · ASEAN (2009)
- Korea · EFTA (2005)
- Korea · Singapore (2004)
- Korea · Chile (2002)
- Korea · Columbia (2012)
- Korea · Turkey (2012)

Negotiating

- Korea · Canada
- Korea · New Zealand
- Korea · GCC
- Korea · Australia
- Korea · China
- Korea · Mexico
- Korea · Vietnam
- Korea · Indonesia

Preparing for negotiations & joint research

- Korea · Japan
- Korea · China · Japan
- Korea · MERCOSUR
- Korea · Israel
- Korea · Central America
- Korea · Malaysia

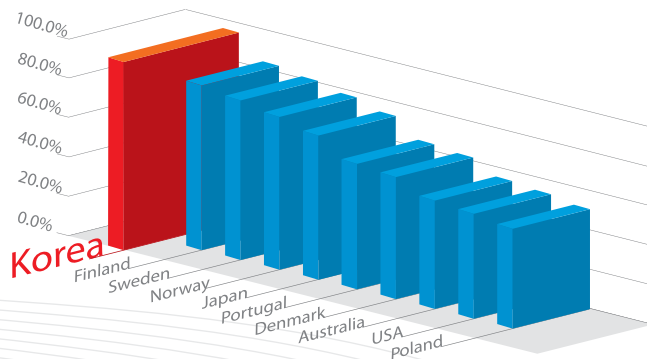
Korea's IT technology is in the worlds top-tier

- Korea's mobile broadband penetration rate is 89.8%, placing the country on the top of the list all across the globe (OECD announcement in June 2011) *** Average penetration rate for OECD countries is 41.6%.
- Korea ranks No. 1 among the 152 countries in the Information Communication Technology (ICT) development index (use, skills and access).



OECD high-speed(wireless) internet penetration rate (unit: %)

(OECD average: 41.6%) **Source: OECD broadband statistics



A great number of skilled workforce

- Korea has a **highly-skilled workforce**, serving as a driving force for growth and development.
 - The nation has garnered strong attention from the global community by achieving remarkable economic growth in a short period.
 - It serves as a role model for developing countries around the world.

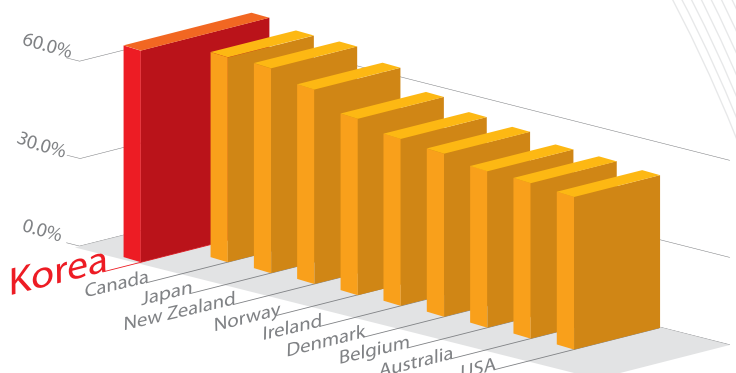
“Our children_listen to this_our children spend over a month less in school than children in South Korea every year ”

“That’s no way to prepare them for a 21st-century economy”

from U.S. President Barack Obama’s speech
(the U.S. Hispanic Chamber of Commerce, 2009)

The highest university education rate

6.3 high school students out of ten go to university, the highest rate among OECD countries.

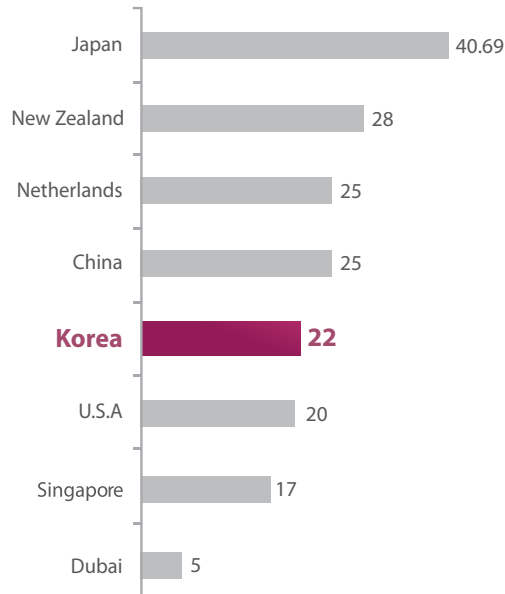


**OECD 2010 Educational indicators

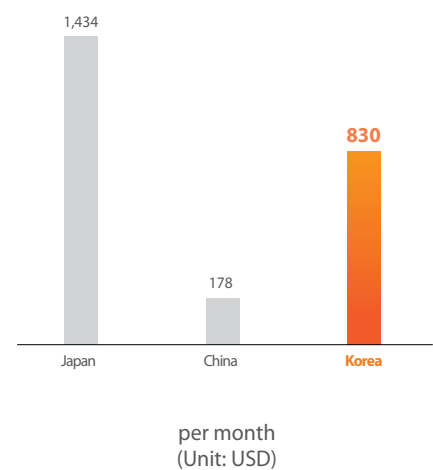
Outstanding investment environment of Korea

Tax rates and wage in Korea, China, and Japan(2012)

Corporation tax



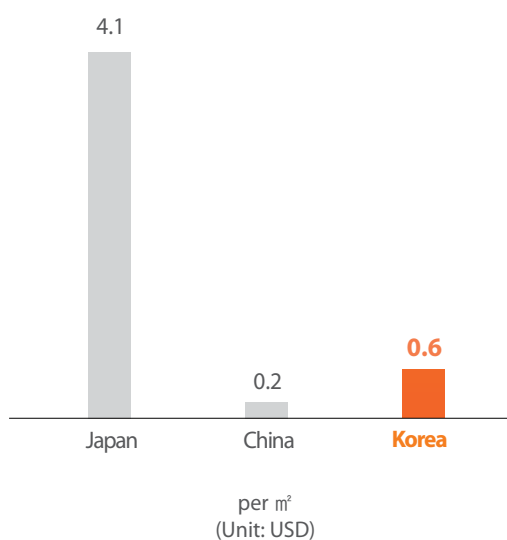
Lowest wage(by law)



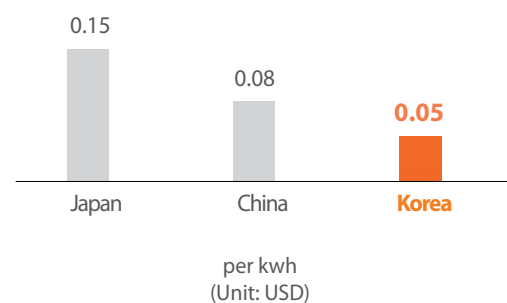
Business operating costs in Korea, China, and Japan

- The low land lease cost / business-friendly policy
- Low utility (electricity, tap water) costs

Tap Water



Electricity



FOODPOLIS, a path to advance into the global food market

- As the hub of Northeast Asia, Korea has what it takes to be an excellent investment destination : the market, the human capital, and the technology.
- Korean National Food Cluster (FOODPOLIS) is set to lead the way to the global food industry.



FOODPOLIS, featuring excellent airport and port accessibility!



Transportation

Airport

Gunsan airport (50 km), Gwangju airport (110 km), Incheon int'l airport (180 km)

Port

Gunsan port (40 km), Pyeongtaek port (110 km), Incheon port (170 km)
Saemangeum new port (60 km, to be completed in 2020)

Railroad

After the completion of the Honam High-Speed Railroad (KTX) in 2014, it will take 68 minutes from Seoul, 18 minutes from Daejeon, and 25 minutes from Gwangju to reach FOODPOLIS

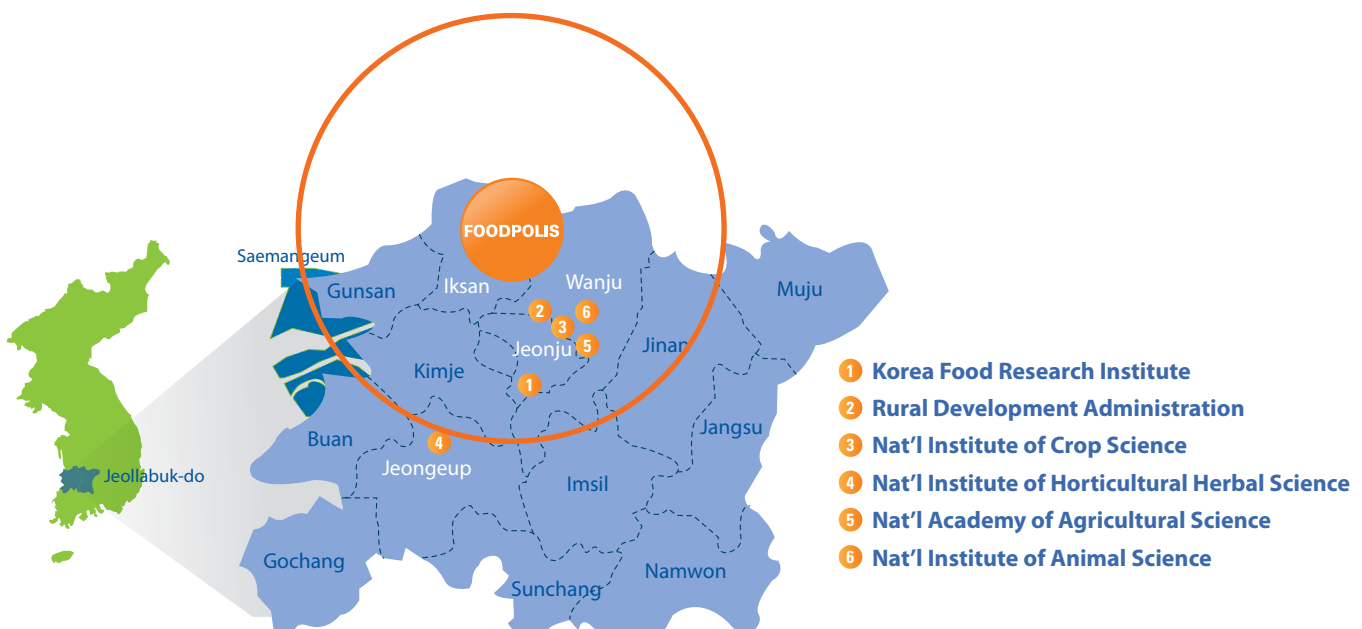
Road

Closely located to five highways : Honam highway (2 km), Seohaean highway (20 km) and etc.
*Seoul (180 km), Busan (210 km), Incheon (170 km)

Optimal environment for building R&D networks

- Foodpolis has its own three R&D centers, all funded by government ; The Food Quality and Safety Center, The Food Functionality Evaluation Center, and The Food Packaging Center.
- Six government-sponsored R&D research institute will move into nearby city of Jeonju by 2014 ; Korea Food Research Institute, Rural Development Admin., Nat'l Institute of Crop Science, Nat'l Institute of Horticultural Herbal Science, Nat'l Academy of Agricultural Science, Nat'l Institute of Animal Science.

Optimal R&D network environment



FOODPOLIS Site Plan

- The plan is to establish a 2,320,000m² (232ha) national industrial complex specializing in food by 2015
 - To attract some 150 global food companies and 10 research institutes
 - To build six government-funded facilities including three major R&D centers in the complex
- The residential area of 1,260,000m² (126ha) will accommodate housing, healthcare, education, and food-culture related facilities

Land Use Plan (Industrial Zone / Residential Zone)





Industrial Zone (Food Science Park)

Create an innovation-driven food industrial complex

1 Enterprise Support Facilities Zone

| **Main Facility** : 3 R&D centers, rental plants, pilot plants, supporting center

2 Private Research Zone

| **Main Facility** : 10 food research institutes

3 Strategic Food Zone

| **Main Facility** : Functional foods, biofood, fermented food, natural food additives and etc.

4 Foreign Investment Zone

5 Logistics & Distribution Zone

6 General Food Zone

7 Waste Treatment Facilities



Residential Zone (Food City)

Create a comfortable living environment

A Housing Zone

| **Main Facility** : Foreigner's residence, town house, Hanoak village and apartments etc., giving priority for Foodpolis employees

B Food Commercial Zone

| **Main Facility** : Convention Center, Business Area, Korean food street, Global food street etc.

C Universities & Educational Facilities

| **Main Facility** : Elementary, Middle school, High school, International school, other educational institutes specializing in food

D Food & Culture Complex Zone

| **Main Facility** : Food Exhibition & Taste Center, Global Food Center, Food Museum, eight Province local food Center etc.

E Food Theme Park Zone

| **Main Facility** : Global Food Theme Park, Urban Farm, Outdoor Festival Arena etc.

Six business support systems to strengthen the competitiveness of residential enterprises



Food Quality and Safety Center

- | Implements food safety-related legal regulations
- | Institute managing taste quality such as flavor and smell



Food Functionality Evaluation Center

- | A one-stop support service for evaluating food functionality



Food Packaging Center

- | State-art-of packaging technologies
- | Prompt process of analyzing and testing food packaging upon business request
- | Specialized workforce



Agency for Korean National Food Cluster

- | Around permanent 40 staffs to provide comprehensive services
- | Serves as a networking coordinator between local/global businesses and laboratories
- | General management of the cluster



Rental Plants

- | Provides production space at a reasonable cost for small and medium food companies



Pilot Plant

- | Produces prototypes and trials
- | The aim is to establish a world-class pilot plant

Integrated System



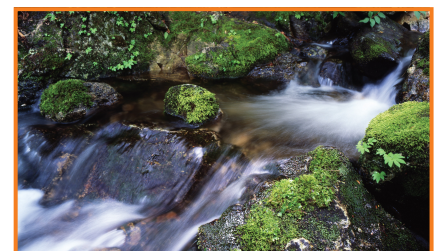
The best direct & indirect incentives for businesses and residents

Direct Incentive Program



It is not just about helping businesses and residents meet their needs; it is also about protecting the environment:

- Provides an exclusive residential area (rental space) for non-Koreans
- Provides guesthouses (rental space) for non-Koreans for short-term stay
- Education facilities and services including international schools
- Provides clean drinking water and industrial water for food companies
- It is a clean & green city using renewable energy
- Enjoy natural sceneries that change with four distinct seasons



New eco-friendly high-end housing plan

Benefits for those who move into FIZ (Foreign Investment Zone)

Incentive Programs			Benefits
Foreign Investment Zone(FIZ)	National tax		(Corporation tax, Income tax) 100% exemption for the first three years, 50% reduction for following two years
	Local Tax		(Acquisition tax, registration tax, and property tax) 100% exemption for fifteen years
	Tariff exemption		Exemption applied to capital goods inflow raised from the acquisition of new stocks
	Free/ reduced land lease		Land lease benefits (free of charge or at least 50% reduction) for 50 years, duration extendable (up to 100 years)
Subsidy	Investment Subsidy	Jeolla buk-do (Province)	Minimum investment amount of USD 8.5 million, the subsidy to be provided within 5% of the invested amount up to USD 4 million
		Iksan-si (City)	USD 4 million of the maximum per company in 5% of the investment amount if investment exceeds over USD 85,000
	Employment Subsidy		Up to USD 430 per person for up to six months / the subsidy ceiling to be USD 430,000 per company
	Education/ Training Subsidy	Jeolla buk-do (Province)	USD 90 ~ 430 per person for six months, USD 430,000 per company
		Iksan-si (City)	USD 520/month per person for six months, USD 170,000 per company
	Consulting Subsidy		1% of the final investment amount, within the limits of USD 88,000

FOODPOLIS next-steps



They already knocked on the door of Korean National Food Cluster - MOUs with global / local companies

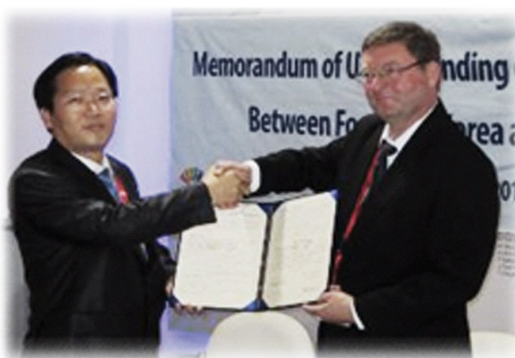
- | The total of 54 investment MOUs signed as of the end of August 2012.
- | Cooperative relations have been built with the world's leading organizations and strategic partners including Food Valley(Netherland), the Skane Food Innovation Network (Sweden) and Packbridge (Sweden).



FOODPOLIS-VITAGORA,
Food cluster in France
(Oct. 20, 2010)



FOODPOLIS presented
on Korea-EU Cooperation Day
(Dec. 8, 2010)



FOODPOLIS-IS FRA SKARO in Denmark, MOU
(Oct. 10, 2011)



FOODPOLIS - Food Valley in Netherland, MOU
(May. 8, 2012)



FOODPOLIS-Harim, a renowned
Korean food company, MOU
(Jul. 22, 2011)



Investor Contacts



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