



THE BALKAN HORSE PARK

Sofia - Bulgaria

March 2013

The T1 Consortium SPC

-- Table of Contents --

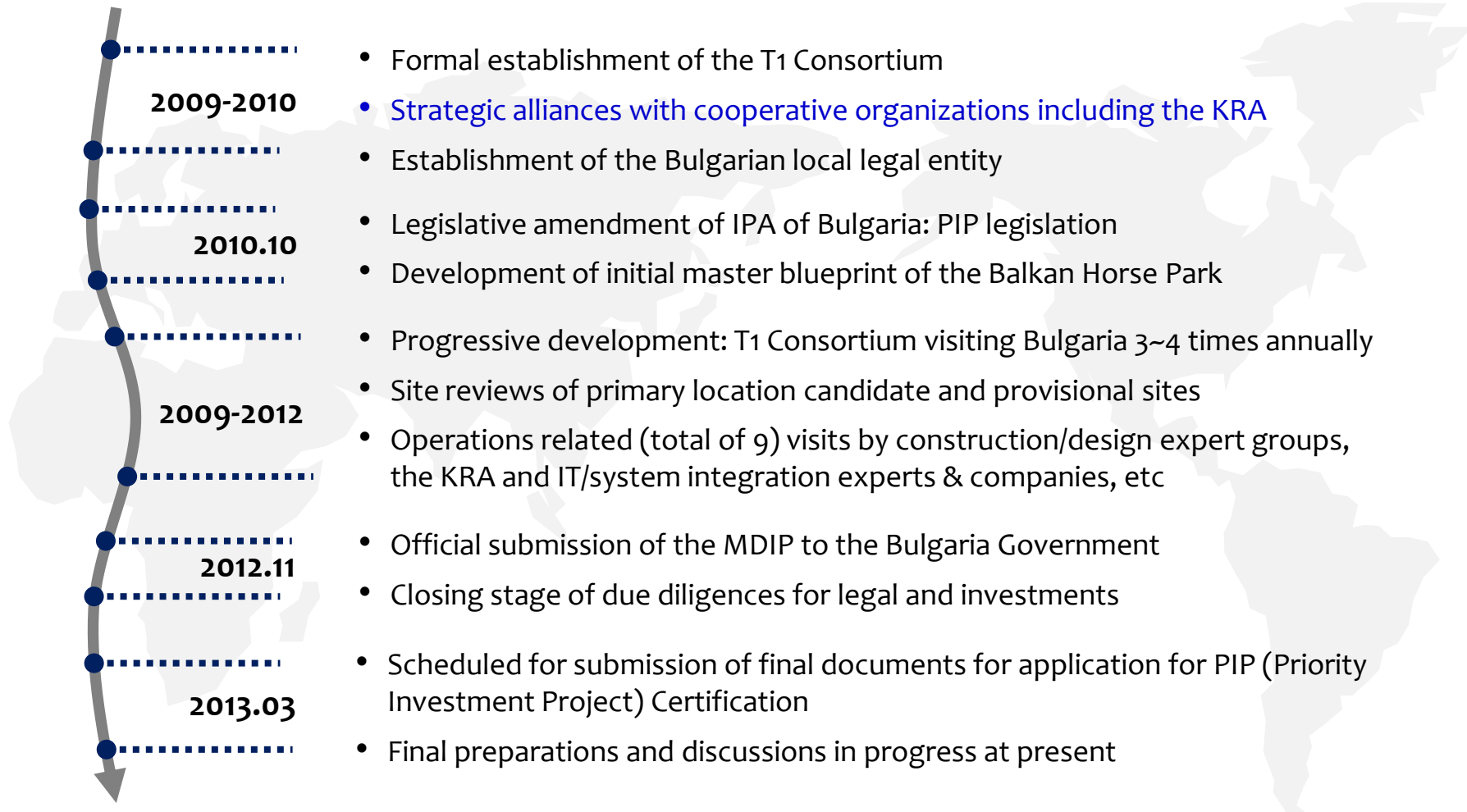
I. Background of the Balkan Horse Park Development

II. Overview of the Balkan Horse Park Development

III. Horse Racing Industry & the Expected Economic Impact

IV. Geographical Locale & Economic Status

V. Features & Advantages of Investing in Bulgaria



Investment Promotion Act

- A. The Investment Promotion Act, developed in 2004, supports prospective investors to Bulgaria by introducing a system of incentives;
- B. In 2010, Priority Investment Project /PIP/ legislation was introduced to accept larger projects requiring broader spectrum of government support with efficiency;
- C. Priority Investment Projects may be related to ALL sectors of the economy in accordance with the EC Regulation 800/2008 deemed particularly important for the economic development of the Republic of Bulgaria

Incentives: Priority Investment Projects

- A. Personalized administrative services for implementation of the investment project;
- B. Shortened terms for administrative services;
- C. Financial support for selected infrastructure elements (roads, water, etc);
- D. Financial support for selected professional trainings of the personnel;
- E. Institutional support including the creation of a special workgroup by the Council of Ministers;
- F. Possibility for setting up Public Private Partnerships;
- G. Purchase of State/Municipal lands or limited real rights under preferential terms without tender procedure;
- H. State tax exemption regarding change of land status

II. Overview of the Balkan Horse Park Development



Project Title: THE BALKAN HORSE PARK

Proposed Site:

Proposed Area: approximately 2,000,000m²

Proposed Location: approximately 20KM distant from the center of Sofia and located near number of national & municipal parks with high accessibility via Sofia Ring Roads and national railways

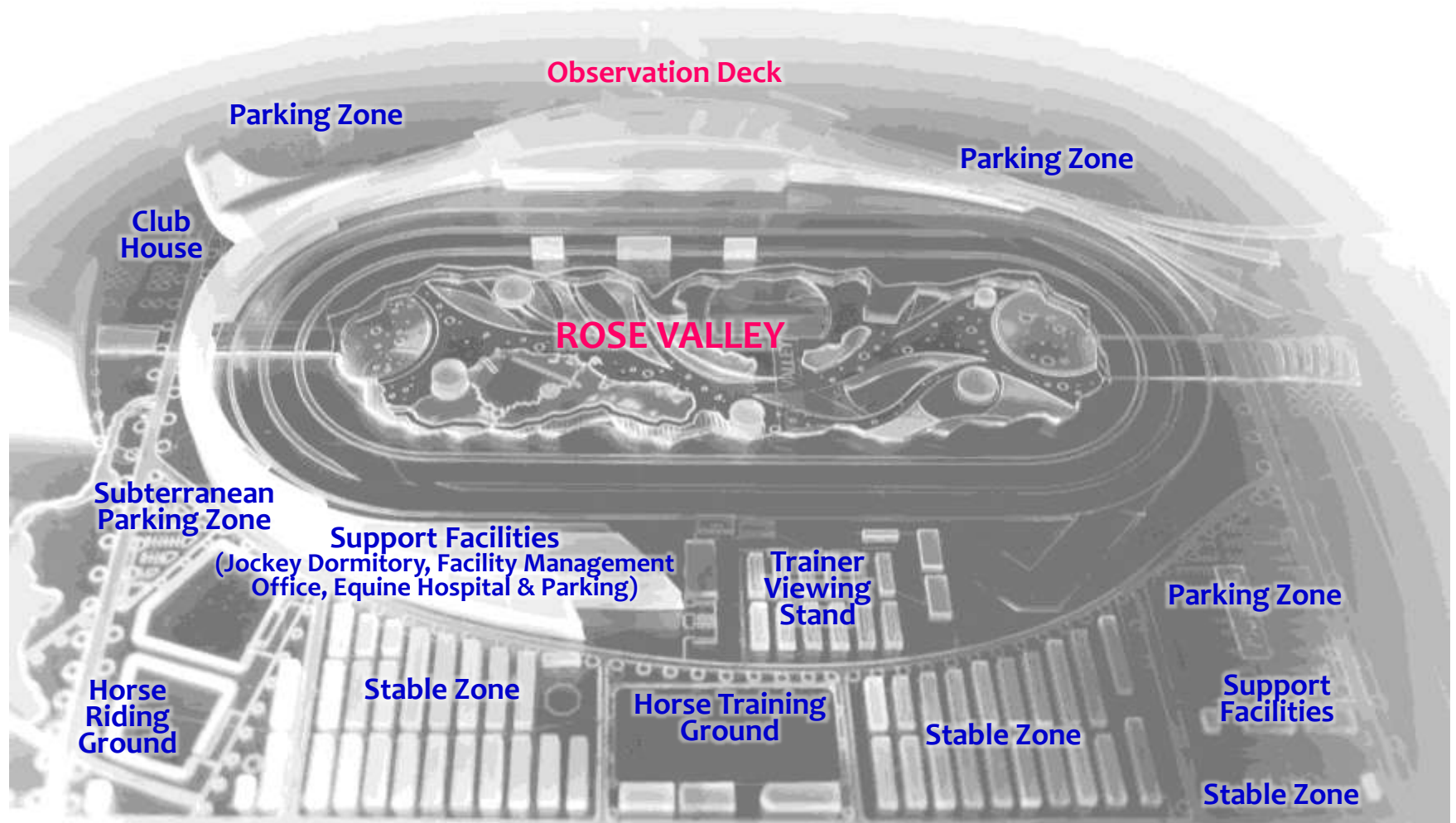
Operational and Administrative Strategy

The KNOW-HOW , the INTEGRITY and the OPERATING SYSTEM of the Korea Racing Authority (KRA) will be applied directly to the Balkan Horse Park; and expert tourist complex and hospitality management companies will undertake the general marketing and client management; therefore ensuring the operational stability and credibility for the Balkan Horse Park to become an international landmark located in the center of East Europe

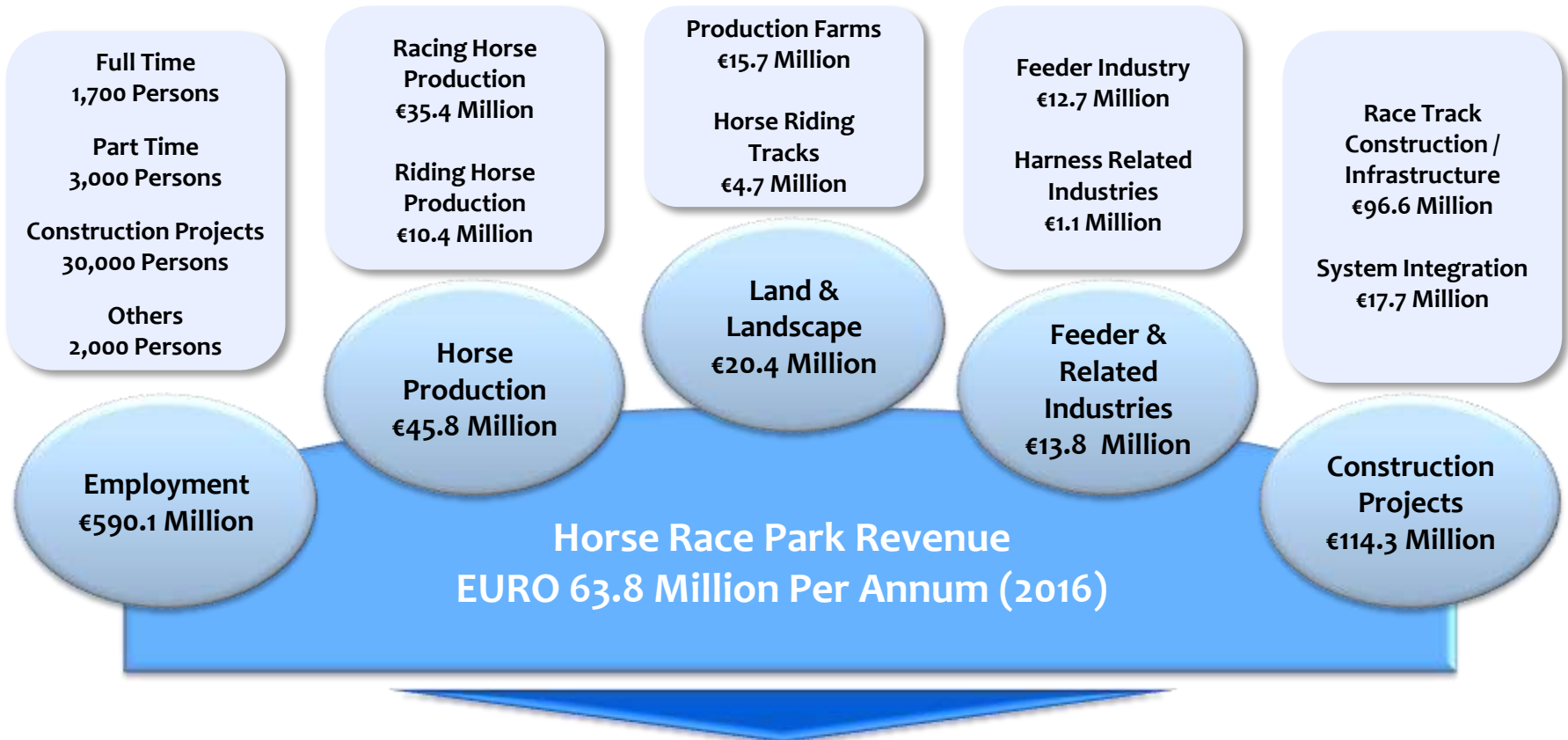
Development & Investment Roadmap



Major Facilities View

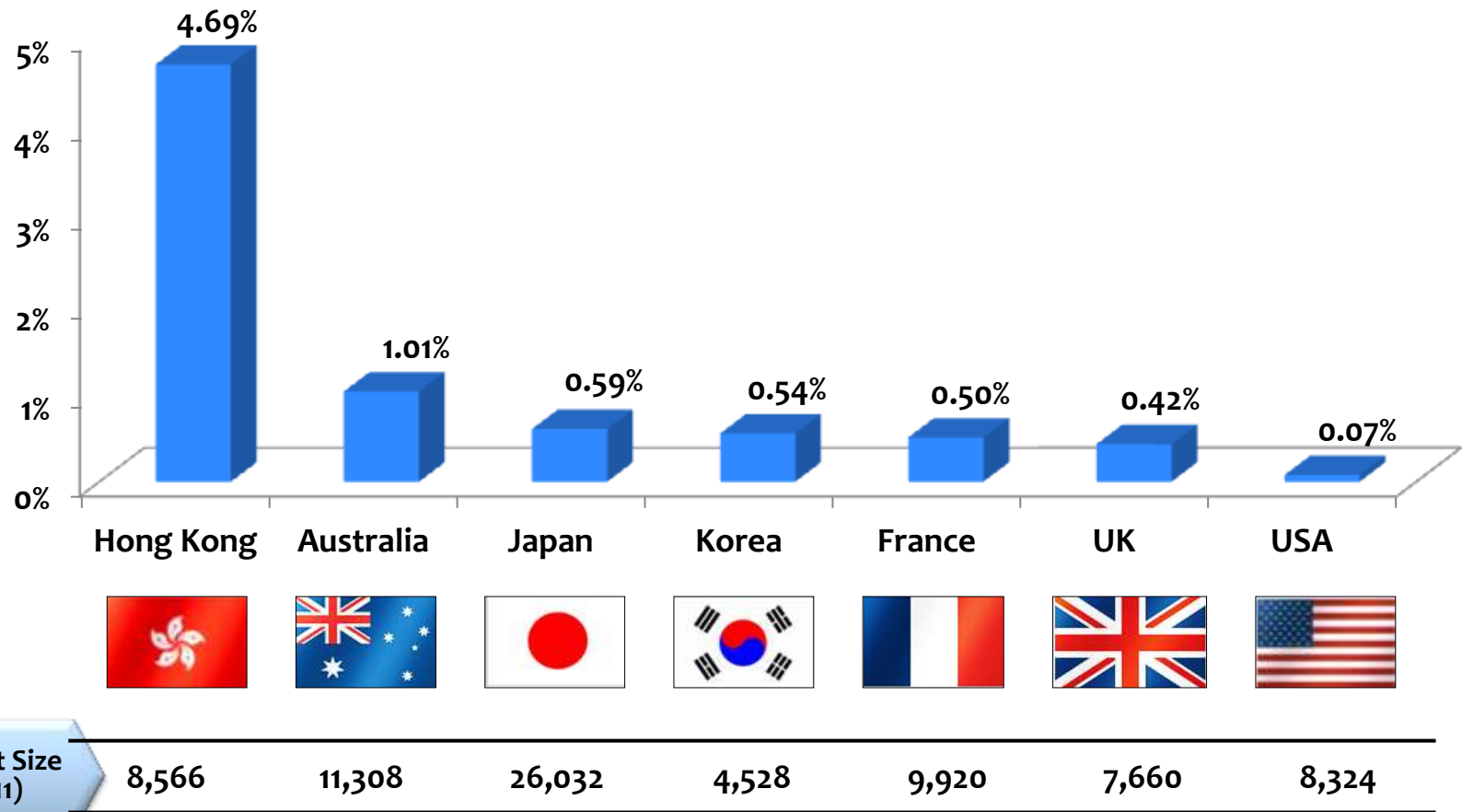


III. Horse Racing Industry & the Expected Economic Impact



Introduction of the Horse Racing Industry into Bulgaria is expected to generate a positive EURO 848.2 Million economic value by FY2016 accounting for approximately 0.93% of the total GDP and expected to account for 1.20% of the total GDP by FY2019

Economic Contributions of Horse Racing Business per National GDP's (2011)



Source: International Federation of Horseracing Authorities (IFHA); IMF; in EURO millions

Economic Impact of Horse Racing Business (the Case of Australia)

Economy

- More than \$5.0 Billion in added economic value
- More than 64,000 full time and equivalent jobs
- More than \$610 Million in municipal taxes
- More than \$560 Million in national taxes

Global Reach

- Approximately 700 Million worldwide audience for the Melbourne Cup
- Export to 24 countries of Australian racehorses
- More than \$750 Million in international exports

Investment

- More than \$1.1 Billion Invested annually by breeders, owners and trainers
- Average of \$78,000 investment per annum by racehorse owners
- Promotion of related Industrial investments and economic growth

Participation

- More than 4.9 Million annual attendances of races
- More than 190,000 new starters in Australian races every year
- 379 Australian racing clubs
- More than 100,000 racing members
- More than 230,000 employee participants and volunteers

Economic Status of Bordering Countries with Bulgaria



Country	Population (in Millions)	GDP (in Billions)	Per Capita GDP
Bulgaria	7.3	50.8	6,958
Romania	21.4	171.4	8,009
Serbia	7.6	37.2	4,895
Macedonia	2.1	10.2	4,857
Greece	11.2	255.0	22,768
Turkey	74.9	783.1	10,455
Total	124.5	1,307.7	-

Source: IMF / in USD / based on 2012 Economic Data

Stable Economic Framework & Fundamentals

- EU Member State since January 2007
- Low Budget Deficit expected at 1.9% of GDP for 2013
 - Low Government Debt of 19% of GDP
 - Inflation of 3.1% estimated for 2012
- GDP per Capita for 2012 at EURO 5,200+
- Currency Board in place: BG Currency LEV pegged to Euro

Friendly Investment Polices for Foreign Direct Investment Companies

- Prompt and Clear Administrative Procedures in relation to IPA / PIP
 - Attractive Corporate Income Tax Rate: 10% since 2007
 - Double Taxation Treaties with 58 countries

Clear & Accessible Information on Legislation