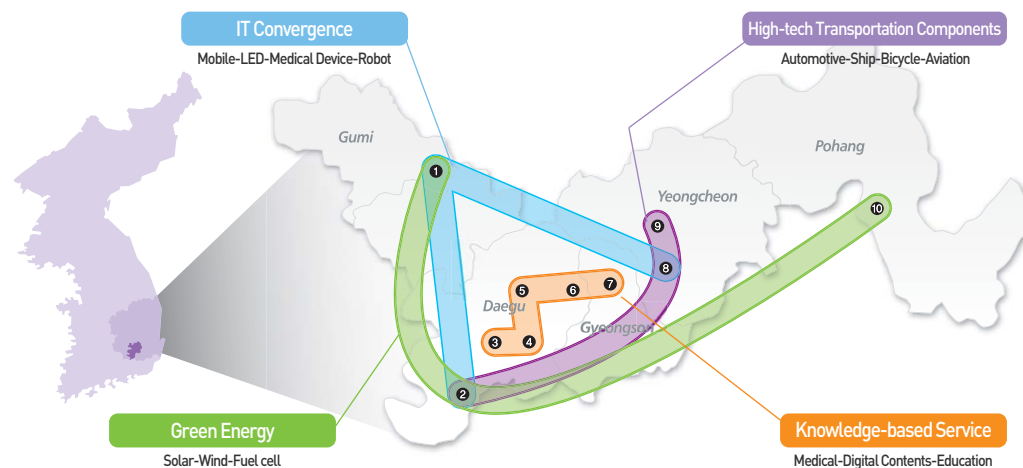


Daegu-Gyeongbuk Free Economic Zone

The Knowledge-based Free Economic Zone

The Daegu-Gyeongbuk Free Economic Zone (DGFEZ) is a special economic zone in South Korea that offers an optimal business environment by providing financial incentives, relaxed regulations and customized facilities to global companies looking to satisfy their customer base in Korea and expand into Asia. DGFEZ is comprised of 10 specialized districts spanning 34 square kilometers throughout Daegu Metropolitan City and Gyeongbuk Province (Gumi, Gyeongsan, Yeongcheon, Pohang). DGFEZ aims to be knowledge-based free economic zone by focusing its efforts on creating corridors in IT Convergence, High-Tech Transportation Components, Green Energy and Knowledge-based Service. Highly-skilled human resources, leading global companies, and world class R&D institutes in Daegu-Gyeongbuk region provide an opportunity for enterprises and institutes to gain a competitive advantage through innovation and value chain maximization.

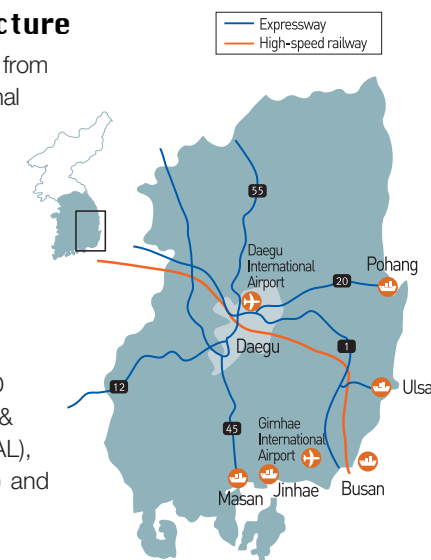


Project District	Area	Target Businesses
1 Gumi Digital District	6.24km ²	mobile, next generation display, solar cell, secondary battery
2 Daegu Technopolis	7.27km ²	intelligent automotive parts, solar cells, special R&D hub
3 International Culture Industry District	0.07km ²	software development, broadcasting(IPTV)
4 Suseong Medical District	1.79km ²	foreign hospital & medical school, medical devices
5 International Fashion Design District	1.17km ²	fashion school, shopping, entertainment
6 Daegu Innovation District	1.03km ²	medical equipment, new medicine development, medical R&D
7 Gyeongsan R&BD District	6.27km ²	R&D related to RFID, LED and medical equipment
8 Yeongcheon Industry District	1.67km ²	automotive parts, ship materials, high-end bicycle parts, aviation
9 Yeongcheon High-Tech Park	5.40km ²	intelligent automotive parts & materials, logistics
10 Pohang Fusion Tech District	3.76km ²	fuel cell, wind power, new materials

An Ideal Location for Global Business

Convenient transportation Infrastructure

Daegu-Gyeongbuk is located approximately 99 minutes from Seoul by KTX. Daegu International Airport has 6 international flights to destinations such as Beijing, Shanghai and Gimhae International Airport has 17 international flights to destinations such as Tokyo, Hongkong. Additionally, there are 5 International Ports within a 1 hour distance from Daegu-Gyeongbuk region.



R&D hub of Korea

Daegu-Gyeongbuk operates superior and specialist R&D facilities such as Daegu Gyeongbuk Institute of Science & Technology(DGIST), Pohang Accelerator Laboratory(PAL), National Center for Nanomaterials & Technology(NCNT) and POSTECH Biotech Center.

Excellent human capital

There are 51 universities and colleges in Daegu-Gyeongbuk, and consequently is ranked relatively high in the number of colleges per capita. Annually, approximately 70,000 graduates enter the labor market, with nearly 17,000 of those graduates having majored in the IT, NT, BT, and intelligent automotives areas. The job turnover rate of Daegu-Gyeongbuk was only 2% in 2007.

World's major cultural region

Daegu is a global city which has been chosen to host numerous sporting and cultural events. The 13th IAAF World Championship in Athletics 2011 and the World Energy Congress 2013 are scheduled to take place in Daegu. Daegu is a city of culture and arts with the International Musical Festival and the International Opera Festival taking place every spring and fall. One can also find World Heritages Sites (UNESCO) such as Bulguksa, Sukgulam and the Gyeongju Historic Areas throughout Gyeongbuk.

Global industrial cluster

Daegu-Gyeongbuk has an international cluster of specialized IT and electronic industries with Samsung Electronics, LG Electronics, LG Display, Toray Advanced Materials, Samsung Corning, ExxonMobil, and Asahi Glass. POSCO, the 4th largest steel company, and Siemens are located in Pohang. Within 1 hour distance other global companies operate their business including Hyundai Motor, SK Energy and GM Daewoo.



4 Industrial Corridors

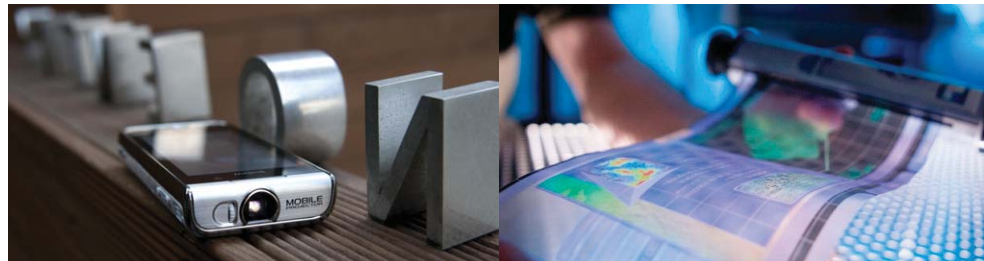
● IT Convergence Corridor

Samsung Electronics, LG Electronics and LG Display form the core of the world's most intensive IT and mobile communications cluster. More than 430 manufacturers operate, employing over 49,000 persons and exporting the third-largest volume of IT-related products in the world. This cluster also conducts world-class research through PIRO (Pohang institute of Intelligent Robot) and Gumi mobile Convergence Center making the Daegu-Gyeongbuk region well-suited for nurturing IT-Convergence. With its strong infrastructure, Daegu-Gyeongbuk is a promising locale for innovative industries (intelligent robots and medical instruments) by possessing key technologies in RFID (Radio Frequency Identification) and WSN (Wireless Sensor Network), essential for realizing a ubiquitous society. Fire fighting robots, multi-legged robots, and English teaching robots are undergoing the testing phase in Daegu-Gyeongbuk and this region will play a major role as the robot industry develops into one of Korea's new growth engines. The IT Convergence Corridor offers opportunities in the mobile industry, robots, medical devices, and next generation display.

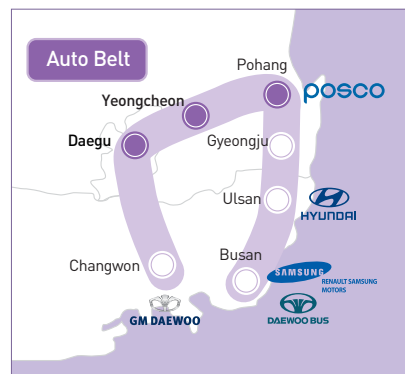


- IT Industry in Daegu-Gyeongbuk

Category	Companies	Production(US \$ million)	Employees
IT Service	184	320.88	3,749
IT Devices	835	43,586.84	71,807
S/W	334	804.82	6,176
Total	1,353	44,712.54	81,732



● High-Tech Transportation Components Corridor



The High-tech Transportation & Components Corridor is located in the center of Korea's "Auto and Shipbuilding Valley" where over half of domestic automobile production and a whopping 78% of all shipbuilding manufacturing occurs.

Taking the lead as the industry shifts towards intelligent transportation systems, DGFEZ is constructing Korea's first public ITS (intelligent transport systems) Test Center, which will include a 3.7km long test track. The test center will serve as an important test bed for over 700 auto parts manufacturers operating in the vicinity.

Also being developed in DGFEZ is a complex dedicated to the production of auto components, and bicycles. The region is home to automakers Hyundai Motor Company, Renault Samsung and GM Daewoo, as well as shipbuilders Hyundai Heavy Industries, Samsung Heavy Industries and Daewoo Shipbuilding & Marine Engineering thrive. Accordingly many automotive and shipbuilding suppliers operate in the region (43% of Korea's total).



● Green Energy Corridor

This corridor offers opportunities in solar PV, secondary batteries & fuel cells and wind power. DGFEZ aims to nurture the green energy industry in the manufacture of new and renewable energy and the commercialization of their technologies.

- Solar Energy

Daegu-Gyeongbuk is the only region in Korea capable of producing the entire value chain of solar PV. The city of Daegu has taken a leadership role in solar energy, hosting the first International Solar Cities Congress in 2004 and will also host the World Energy Congress in 2013. Local companies (including LG Electronics) possess advanced technology that has allowed them seamlessly transform production from LCDs to solar cells.



- Wind Power

As part of Korea's East Coast Energy cluster, an agglomeration of wind power companies, including Spanish company Acciona (operating a 42-turbine wind farm) are located along the eastern coast of Daegu-Gyeongbuk. Leading shipbuilding companies have entered the wind power industry and they are collaborating with electronics companies to supply wind turbines and high-tech components as this industry quickly expands.



- Fuel Cells (and Secondary Batteries)



Due to its close proximity to Korea's largest manufacturers of automotives, ships and mobile phones, Daegu-Gyeongbuk has received substantial investments from energy companies including POSCO, Exxon Mobil, Nippon Oil and GS Caltex to produce fuels cells, secondary batteries and their components. These companies, as well as, world renowned universities (POSTECH) are leading the way to commercialize and advance applications for fuel cells and secondary batteries.

● Knowledge-based Service Corridor

One of the most ambitious projects of the DGFEZ project is the Knowledge-based Service Corridor. The project is designed to create synergies between knowledge-based services and local manufacturing industries. It offers opportunities in the medical industry, software and digital contents, as well as education.

- National High-tech Medical Complex is designed to provide Asia's best facilities for the development of new drugs, medical devices and clinical testing. This complex will be over 1 million square meters in size and attract approximately \$4.5 billion in public and private funding during the lifetime of the project. Korea's largest cluster of private bio-tech companies and university hospitals operates nearby, while electronics companies are conducting R&D to develop medical convergent devices and equipment.



- Culture Industry District offers opportunities in digital contents industry, gaming, software development, and multimedia broadcasting (IPTV). The Culture Industry District has already taken a big first step in its development by securing the R&D Center of Dassault Systemes, a world leader in product lifecycle management (PLM).

- Gyeongsan R&BD District which lies in Korea's largest college town and near to the High-Tech Medical complex is seeking to attract foreign graduate schools and R&D facilities related to RFID, LED and medical equipment.

- Fashion Design District (Esiapolis) is Korea's first fashion-themed district will utilize decades of accumulated experience from Korea's leading textile and apparel manufacturers. In the district there is a fashion college, a textile-related R&D center, and commercial facilities



Major Districts

● Daegu Technopolis

- A Center for research and business development

Daegu Technopolis is designed to become a Research & Business Development hub of Northeast Asia. Various national institutes and university branches specialized in cutting-edge technology and science from automotive, green energy, electronics and telecommunication industries are located here.

In Jan. 2011, Daegu Technopolis was designated as a Special R&D Zone by the Korea central government, enabling tenant companies greater opportunities to participate in national projects and receive increased incentives. The first stage of development is complete, making Daegu Technopolis ready to host global R&D centers and cutting-edge manufacturing facilities.



※ Major residents (2011-2012)

- DGIST (Daegu Gyeongbuk Institute of Science & Technology)
- ETRI (Electronics & Telecommunications Research Institute) Daegu Center
- KIMM (Korea Institute of Machinery & Materials) Daegu Center
- KITECH (Korea Institute of Industrial Technology) Daegu Center
- Center for Energy & Environmental Policy, University of Delaware (2013)
- Daegu National Science Museum
- Proving Ground for Intelligent Vehicle & Transportation
 - Area: 384,965m² - Project cost: 87 million USD
 - Details: intelligent parts development, international standardization, electric vehicle commercialization
 - Specifications: high-speed circuit, steering pad, stability & durability program, virtual reality-based simulator, adaptive cruise control, gas mileage

※ Daegu Technopolis Map

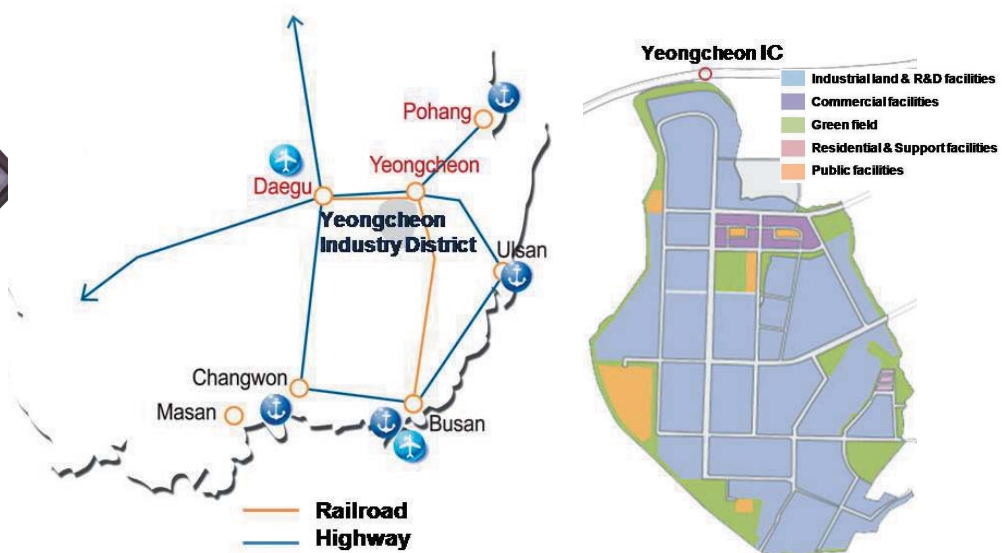


● Yeongcheon Industry District

- A supply base for transportation components

Yeongcheon Industry District (1.69km²) is specialized in high-tech transportation components (auto, ship, aviation, bicycle). The district lies in the middle of the automotive and shipbuilding belt and offers easy access (500m to IC) to Korea's largest highway (Gyeongbu Expressway).

Land prices in this district are the lowest in DGFEZ, attracting several Korean materials and auto parts companies. Construction of public infrastructure (sewage, power, etc) is underway and companies will begin construction of their facilities in the second half of 2011.



The Knowledge-based FEZ



Did you know that?

- The 3rd largest exporting industrial complex in the world for mobile handsets is 1 minute from DGFEZ.
- Over 50% of Korea's domestic transportation manufacturing occurs within 1 hour of DGFEZ.
- Entire value chain for solar PV and secondary batteries is constructed within 1 hour of DGFEZ.
- DGFEZ(Daegu-Gyeongbuk Free Economic Zone) is a special economic district.



For more information about DGFEZ, please contact

+82-53-550-1913

www.dgfez.net