

# Investment offer

## I. Information about the project

1. **Project Name: Transport and logistics center on the basis of "Belterminal TLC" CJSC**
2. **Project's branch: Transport and Logistics**
3. **Place of project realization: Brest, Belarus**

**4. Project Description (brief description, background, objectives, what is expected from the investor, why the project could be of interest)**

The project is designed to create a logistics complex that meets modern requirements, with a developed infrastructure for receiving, processing, storage and dispatch of goods, customs clearance, as well as providing nominal service to cargo attendant. Working with companies from neighbouring countries and beyond (Poland, Germany, Holland, USA, China, Iran, Ukraine, Russia etc.) is expected.

The planned transport and logistics center will have a big advantage over existing analogues: the center will be located actually on the line of transit corridor Berlin - Warsaw - Brest - Minsk - Moscow; an extensive network of railways and highways; the ability to process the cargo delivered by both broad and narrow gauge trains; in addition to the freight-handling facilities, there will be an infrastructure of auxiliary facilities to provide recreational and medical services.

The estimated price for complex maintenance of cargo is planned to be 10-15% lower than in similar centers of Central Europe.

The analysis shows that a large transport - logistics center in Brest region of Belarus can provide a significant quantitative and qualitative increase of payload of traffic arteries of represented region of Central Europe.

1st industrial site (container warehouse). Main features: area of 5.1 ha, total working area of loading and unloading operations - 650 meters, storage capacity - about 2 thousand standard containers if stored in three tiers, two railway gauges (narrow and wide, 850 meters each), haul distance - 1 km from the station "Brest - Northern", 2 container cranes (1 new, 1 restored) are available for use.

Together with the Czech shareholder in 2010, developed in full construction project documentation.

In 2010 a full construction project documentation was developed together with a Czech shareholder.

**2nd production area (goods depot)**

Main features: area of 11 ha. (incl. 5,9 ha constantly used by the company, 6 ha are provided for the project), capacity of container site - 1200 conventional containers, container site area - 27 300 square meters, the capacity of parking areas for heavy vehicles - 110 units, 2 electric travelling gantry cranes are planned to install (lifting capacity of 42 tons, dual console type, span of 40 m.), the total length of owned railway lines - 8 km (4 km - narrow gauge, 4 km - wide gauge, total working area of loading and unloading operations of the container crane - 650 meters, administrative complex area - 500 sq.m. Types of of planned works: transshipment and storage of tonnage containers (universal, refrigerated, tank containers); transshipment of general cargo - metal products, wood products; loading of bulky cargo; storage of goods.

A pre-project documentation sketch is developed according to this concept.

**5. The degree of readiness of the project (the presence of a business plan, feasibility studies, market research or other documents, showing the preparation of the project):**

Full package of construction design and estimate documentation has been developed for the first production site. A pre-project documentation sketch has been developed for the 2<sup>nd</sup> production site.

## II. Information about the project initiator

1. Full name: Closed Joint Stock Company "Belterminal TLC"
2. Date of registration: 08/10/2013
3. The distribution of shares in the statutory fund,%:

Legal entities:	Share
- State-owned	43%
- Privately owned	57%
Natural persons	-

## III. Description of the market.

### A. Description of the planned production:

1. The name and description of the production: transshipment services (wide and narrow gauge railway, vehicles, gantry cranes) and storage of tonnage containers (universal, refrigerated, tank containers); transshipment of general cargoes - metal products, wood products; transshipment of bulky cargo; storage of goods.
2. Key consumers: The main consumers of the services of the logistics center - foreign transport operators from Poland, Germany, Holland, the USA, China, Iran, Ukraine, Russia and other countries.
3. Major competitors (manufacturers of products with similar consumer characteristics): JV "Transit", "Brest-North" station of Brest branch of Governmental organization "Belarusian Railways".

### B. Characteristics of the internal market

1. The current volume of the market (the last reporting period): 10 %
2. The strategy of working in the domestic market:
  - lower prices
  - higher quality
  - more attractive services
  - state support (import protection, guaranteed government procurement and other support)
  - other
3. State regulation (price control, licensing, etc.):
4. The profitability of sales of production (%): (in year );
5. The degree of concentration (approximate total market share of the five largest players in%): 100.
6. Other:

### C. Characteristics of foreign markets

1. Estimated distribution of sales the major regions,%:

The countries of the Eurasian Economic Union	including Belarusian market	EU countries	other countries
50	5	50	

2. Does the company have experience in exporting to these countries :  yes;  no
3. Are there any other Belarusian producers that are exporting the same goods to the main target markets:  yes;  no

## IV. Infrastructure available

### Access to rail- and highways:

- own railway line
- railway line of the Belarusian Railway (distance from site, km): 1
- republic-wide roads (distance in km): 3,
- other roads with improved surface (distance in km): 0.1

### Availability of communications:

- power grid (voltage: 380, distance in kilometers 0)
- water supply
- gas pipeline (distance 100 m).

### Land and industrial areas:

- Availability of land (area of 16 hectares, intended use: Transport and logistics center)
- The presence of buildings (area: 5721 sqm, purpose: building for the transshipment)

### Other infrastructure::

- Warehouses, logistical terminals (area, description )
- возможность дальнейшего расширения производства и установки дополнительных мощностей
- the possibility of creating the necessary infrastructure at the expense of the budget (description: Place for text input)
- Other (please specify): Place for text input

## V. Key advantages of the project

Please describe each briefly:

- famous brand
- qualified staff
- supply network of raw materials and components
- commodity distribution network
- guaranteed volume of orders
- existing patents, licenses, permits:
- privileges during project implementation
- main partners
- Other (please specify):

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## VI. Financing of the project

**A. Total investment costs of the project: 23 mln. US Dollars.**

**B. Investment sources**

	Source	Amount
<input type="checkbox"/>	Own funds	
<input checked="" type="checkbox"/>	Funds of investor	<b>23 mln. US Dollars.</b>
<input type="checkbox"/>	Governmental support	
<input type="checkbox"/>	Grants	
<input type="checkbox"/>	Long-term loans	
<input type="checkbox"/>	Short-term loans	
<input type="checkbox"/>	Other (please specify):	
	Place for text input	
	Place for text input	
	Place for text input	
<b>Total</b>		<b>23 mln. US Dollars.</b>

**C. Intended use of investment resources:**

- Research and Development  
 infrastructure development  
 construction  
 purchase of real estate  
 purchase of equipment, technologies and licenses  
 production preparation  
 replenishment of working capital  
 Other (please specify):

**D. Form of investor participation in the project:**

Form of investor participation		The investor's share in the authorized capital subject to the implementation of the proposed forms of participation, %
<input type="checkbox"/>	Contribution to the authorized fund of the new enterprise	
<input checked="" type="checkbox"/>	The acquisition of shares (stakes in the authorized capital) of existing businesses	100
<input type="checkbox"/>	Acquisition of an enterprise as a property complex	
<input type="checkbox"/>	Additional issue of shares for sale to the investor	
<input type="checkbox"/>	Other (please specify):	

**E. Provisional indicators of financial efficiency of the project**

Indicator	Value
Annual revenue (excluding VAT, after reaching its design capacity)	10 mln.USD
Term of reaching the design capacity, years	2
Simple payback period, years	3
Dynamic Payback period, years	3,5
NPV*	
IRR*, %	
Discount rate, %	

\* IRR and NPV indicators are as of year of project implementation

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