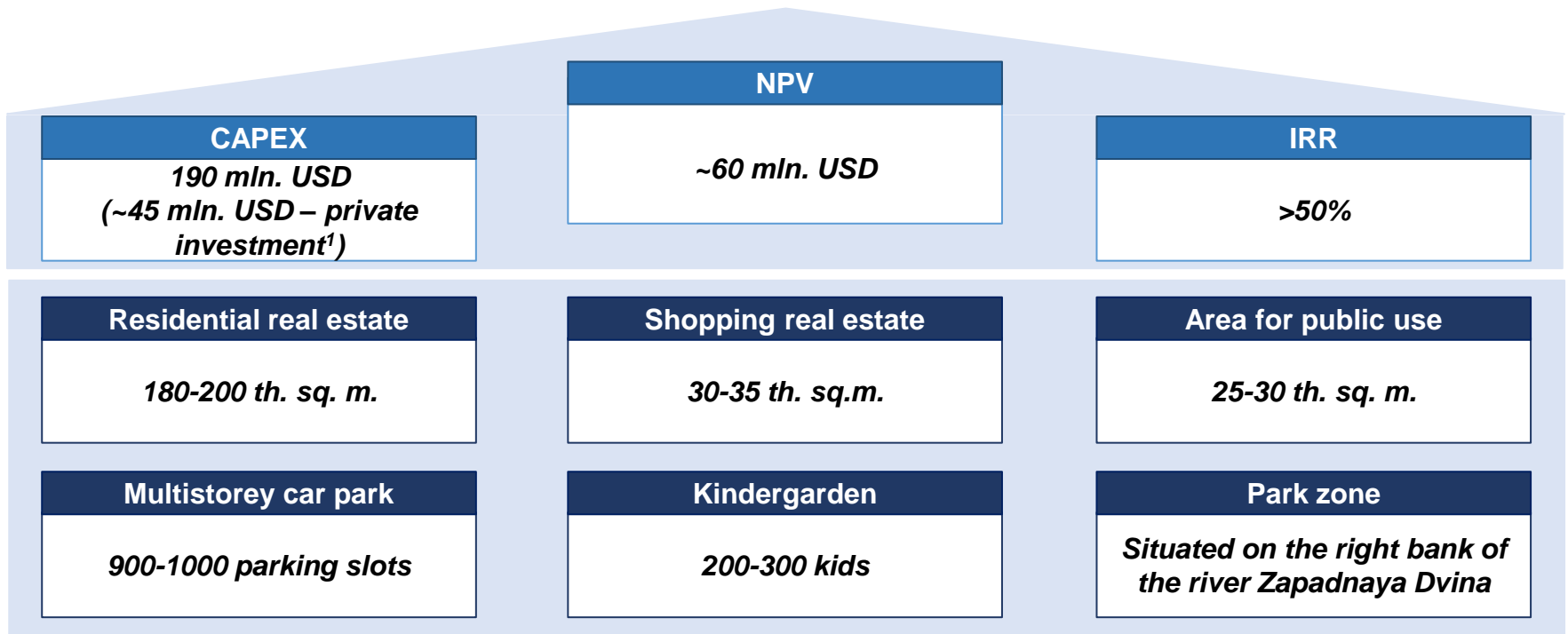




Investment proposal «Construction of the residential complex «Tzar's spur»
in Vitebsk in the Republic of Belarus»

Construction of the residential complex in Vitebsk: 180-200 th. sq. m. of housing till 2018 with ~45 mln. USD of private investment and IRR >50%



Plot of land for construction

- Square – 10 ha in the center of Vitebsk, on the right bank of the river Zapadnaya Dvina

Characteristics of construction

- Cost of construction of 1 sq. m.: 700 USD
- Sales price of 1 sq. m.: >1100 USD

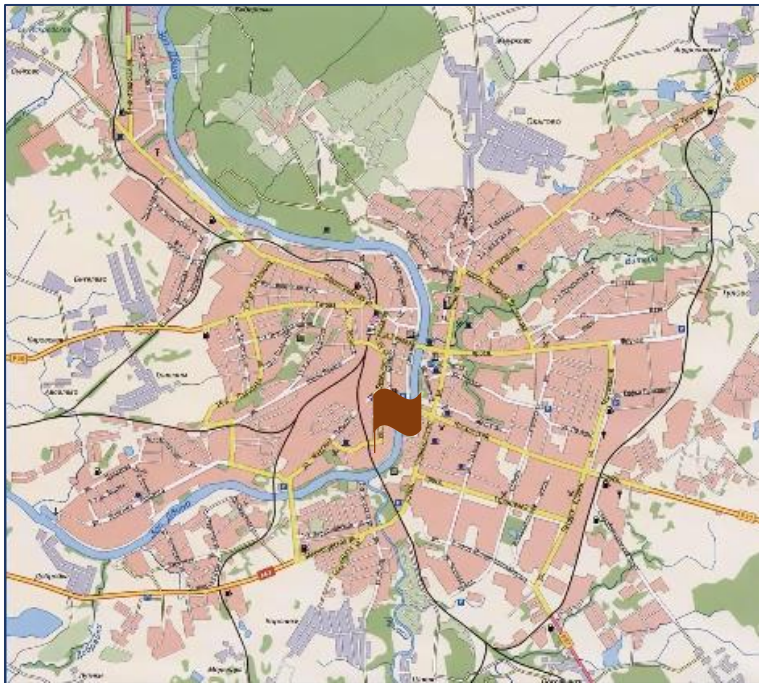
Specifics of project execution


- Involvement of the largest regional companies in the industry in the project

1. The rest of CAPEX will be covered due to the sales of constructed real estate

Complex «Tzar's spur» is to be constructed on the land plot of 10 ha in the center of Vitebsk on the bank of the river Zapadnaya Dvina

Construction site on the map of Vitebsk



 Location of the construction site

Description of the construction site

Main characteristics of the construction site:

- **Location:** 1,5 km from the center of Vitebsk on the **right bank of the river Zapadnaya Dvina** on the territory of the former furniture plant (total area of the existing buildings and structures on the site – 30 th. sq. m.), address Akademika Pavlova Street, 48
- **Total square of construction site:** 10 ha¹
- **Cadastral value of the land plot:** the highest level (50 USD per 1 sq. m.)
- **Types of existing utility systems:** own electrical substation, heating, water distribution, sewerage, storm sewage networks
- **Surroundings:** recreation park, city beach, sport complex with swimming pool and stadium, kindergarden, school and shops

Complex of the former furniture plant has been bought by MC «Almazdevelopment» with deffered payment and has become the property of the company already

- Cost of complex – 6 mln. USD

Attractive location of the future complex will gurantee high demand for the real estate

1. In the future it's possible to expand the construction site due to adjacent territories by 8 ha – preliminary agreements on the sale of the objects on these territories have been reached already

According to specification it's planned to construct 180-200 th. sq. m of residential and 30-35 th. sq. m. of shopping real estate during 4 years

Preliminary design of residential complex



Construction targets till 2018

Residential real estate	180-200 th. sq. m.
Shopping real estate	30-35 th. sq. m.
Areas for public use	25-30 th. sq. m.
Multistorey car park	900-1000 parking slots

Comments

Construction of multi-storey residential complex with mixed property, incl. luxury apartments, is planned to be finished in 4 years, by the end of 2018

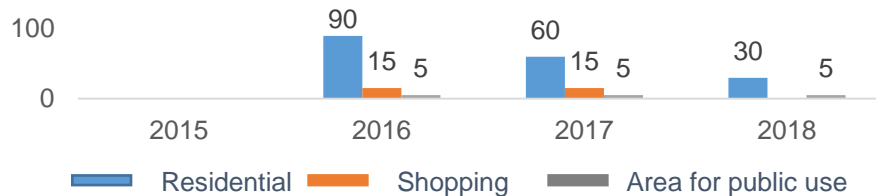
Residential complex will include:

- Multi-storey houses (9-24 storeys)
- Shopping complex
- Areas for public use
- Multistorey car park for sale or rent
- Kindergarden for 200-300 kids
- Park zone, sport and children play grounds
- Public beach

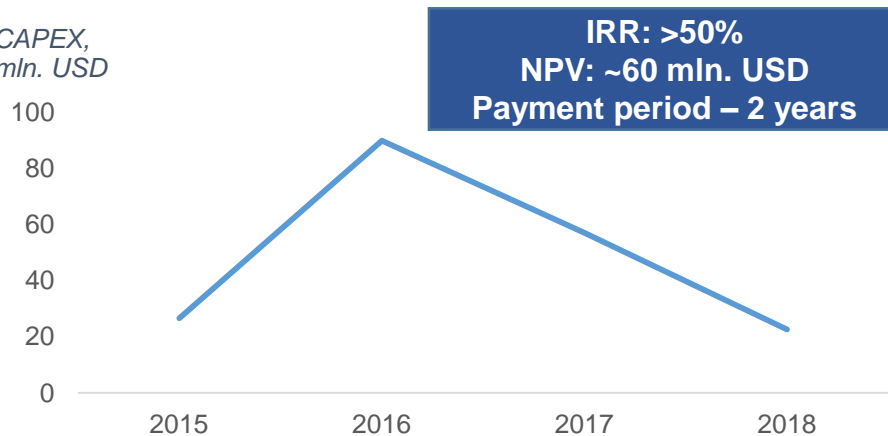
Project execution will require ~ 190 mln. USD of investment, ~25% of which is expected to be financed by a private investor; IRR > 50%

Preliminary financial assessment of the project

Construction volumes,
th. sq. m.



CAPEX,
mln. USD



Financing in bigger amounts will allow to accelerate the construction

Main assumptions of the calculation

Specifics of construction:

- **Cost of construction of 1 sq. m. - 700 USD**
- **Phased construction and commissioning** to demonstrate the dynamics of the construction

Specifics of sales of real estate:

- **Price for sq. m. - > 1100 USD**
- **Payment schemes:** 30%-50% - prepayment, 70%-50% - payment after construction is finished

Specifics of project financing:

- **~25% of total CAPEX (~45 mln. USD)** is provided by investor
- **~75% of total CAPEX (~145 mln. USD)** is guaranteed due to the sale of real estate of different types

The role of project originator is played by MC «Almazdevelopment», investor is expected to provide financing

Key roles of the participants of the project

Managing
company
«Almazdevelop
ment»

- Fulfillment of the role of the project originator
- Engineering supervision over construction works
- Partial financing of the buy out of the objects located on the construction plot (done already)
- Organization of design, construction works, commissioning and sales of constructed objects

Investor

- Financing¹ of the expenditure on design work and construction until the project will come to the level of self-financing due to the sales of constructed real estate
- Involvement in the execution of the project as one of founders of Managing Company

Share of the investor in the profit of the project will be determined based on mutual agreement

1. Different options of financing can be considered

Success of the project is possible due to set of factors, with constant financing according to the plan as a key one

