

## Investments proposal

<b>A. Description of the project's possibilities</b>
<b>A1. Name of the project:</b>
Construction of a ceramic brick factory
<b>a. Brief name:</b>
Construction of a red ceramics brick factory
<b>b. Full name:</b>
Construction of a red ceramics brick factory in the territory of FEZ «Grodnoinvest»
<b>c. Brief description:</b>
The purpose of the project is the construction of a red ceramics brick factory with the capacity of 100 million bricks per year
<b>A2. Project status:</b>
At the stage of an investor search
<b>A3. Participating organizations and their role in the project (contact person, telephone, fax, e-mail, web-page):</b>
1) Administration of the free economic zone «Grodnoinvest», contact person – Semion Sergejchik, Dzerzhinskogo str. 2/1, Grodno 230023, Belarus; tel/fax: + 375 152 770739; +375 152 771176; E-mail: <a href="mailto:info@grodnoinvest.com">info@grodnoinvest.com</a> , <a href="http://www.grodnoinvest.com">www.grodnoinvest.com</a>
<b>A4. Description of the project (approaches, tasks, components, results, stages, terms, general financing, advantages, influence on transition periods in economy, etc.):</b>
In the coming years the production of red ceramics brick in Belarus will constitute up to 1500-2000 million bricks per year. It is expected that the same amount will be callable in the national and Russian markets. Belarusian red ceramics brick supplies will amount to 1-3 billion bricks per year. Taking into account the dynamics of ceramics brick selling prices and its recent-years self-cost, the operating cost of 1000 ceramics bricks in Belarus amounts to 140-150 US dollars, selling prices – 180-200 US dollars. The price of 1000 bricks in the European market is around 250-350 US dollars. The factory's capacity planned is 100 million ceramics bricks per year. For the ceramics bricks production there is a clay mine with the volume of clay of 1,2 million m <sup>3</sup> , the remoteness from the planned location of the new factory is 6-7 km. In a 10-km distance from the location of the new factory there is an unexplored clay mine. The mine's estimated resources constitute about 4,08 million m <sup>3</sup> . <b>Total cost of the project:</b> 25 million euro <b>Capital requirements:</b> 25 million euro
<b>A4a. Total value of the project (mln. euro):</b>
Total cost of the project: 25 million euro
<b>A5. Preconditions / history / general program / interconnected or similar projects:</b>
Specialists forecast the increasing demand in ceramics brick and at present the building and projecting of brick factories is increasing. Ceramics brick is future proof since according to its sanitary standards it is one of the main building materials used in building construction. The attracted investments will be used for the preparation of project documentation, carrying out of construction works, acquisition and installation of equipment.
<b>A6. Brief description of influence on environment:</b>
New production technology fulfills requirements of environmental and manufacturing safety
<b>A7. Possible obstacles / problems / level of risk:</b>

Project is financially feasible
<b>A8. Terms of realization and pay-back period of the project (years):</b>
Terms of realization – 6 years Pay-back period of the project – 4,5 years
<b>A9. Branch characteristic of the project:</b>
Production of building materials

<b>B. Articles of capital costs (total investments necessary for the realization of the project):</b>	
<b>B1. Project physical components</b>	<b>B2. Capital costs (mln. euro)</b>
Capital costs (manufacturing engineering works, building and construction works, building materials costs, equipment acquisition)	20
Working capital	5
Total	25

<b>C. Capital according to the source of origin which is available at the initiators of the project (proprietors, associates, sponsors, etc.):</b>	
<b>C1. Kind of sources (grants, investments, share participation / property etc.)</b>	<b>C2. Sum (mln. euro):</b>
Investor's own funds	25

<b>D. Required investments, missing means:</b>		
<b>D1. Type of required financial assistance:</b>		
25 mln. euro are required		
<b>D2. Sources of financing</b>	<b>D3. Type of financial instrument</b>	<b>D4. Sum (mln. euro)</b>
Own or attracted resources	Share holding of several investors may as well be considered	25
<b>D5. Financial establishments involved into the realization of the project:</b>		
Not considered		

<b>E. Demand (consumers) and incomings:</b>	
<b>E1. Type of consumers / markets, volumes, prices, incomes, estimated benefits / savings</b>	
Native and foreign construction companies. Planned production volume – 100 million bricks per year. Sales area: Russian Federation, the Baltic states (Latvia, Lithuania, Estonia), Ukraine.	
<b>E2. Incomings (sales)</b>	<b>E3. Sum (mln. euro)</b>
Incomings from sales	25,0

<b>F. Operational expenditures:</b>	
<b>F1. Component expenses, depreciation policy, organization of manufacture and etc.:</b>	
The implementation of the project is planned in the territory of the free economic zone «Grodnoinvest»	
<b>F2. Expenses</b>	<b>F3. Sum (mln. euro):</b>

Prime cost of sold products incl. amortization expenses	18,75
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<b>G. Net income:</b>	
<b>G1. Net income value (proceeds E2 minus operational expenditures F3)</b>	<b>G2. Sum (mln. euro):</b>
-	6,25

<b>H. Information source of the project:</b>
<b>H1. This form was completed by (First name, last name, position):</b>
Miahkova Tatjana – specialist of the department of investments and foreign economic activity of the administration of FEZ «Grodnoinvest»
<b>H2. Organisation (address):</b>
The administration of FEZ «Grodnoinvest»: Republic of Belarus, 230005. г. Grodno, Gorkogo str., 91A.
<b>H3. Тел. / Факс / E-mail:</b>
Tel/Fax: (+375-152) 43-01-75; e-mail: <a href="mailto:info@grodnoinvest.by">info@grodnoinvest.by</a>
<b>H4. Date:</b>
2010