

Investment offer

1. Name of the project and company information:

Project name: «Creation of competitive production of autocomponents of new generation» the OJSC "Ekran" for 2011-2015

Project branch:industry

Type of investor participation: Joint venture on the basis of the existing enterprise

Project location: The OJSC "Ekran"

Anticipated start date of the project: 2011

Company's full name(project partner /initiator): The Open Joint Stock Company "Ekran"

Type of ownership: private

Registration date: on February, 05th 2009

Authorized fund structure: state-0 %, non-state entities-100 %, foreign stakeholders-0 %, other stakeholders-0 %.

Current financial results (optional): Entry place

Project description(idea/preconditions, project stages and actual project status, expected results): Mastering of new technologies for processing parts of type bodies of rotation and case-shaped parts for vehicle stability control system and other products of tractor subjects, that will expand a bottleneck in manufacturing. It will allow to increase considerably release of braking systems of on cars MAZ both other lorries and buses of production of The Republic of Belarus, and also to have an opportunity expansions of geography of export deliveries of control systems of brakes. Project stages: 1. Expected sales, in thousands of USD: 31 216 in 2012, 36 818 in 2013, 48 616 in 2014, 51 251 in 2015. 2. Expected export of production, in thousands of USD: 1 657 in 2012, 1 891 in 2013, 2 158 in 2014, 2 462 in 2015. 3. Share of export in total sales, %: 5,3 in 2012; 5,1 in 2013; 4,4 in 2014; 4,8 in 2015.

2. Market characteristics of the planned production

Product description:

- product name and description: Vehicle Stability Control. This system allows the driver to maximize the ability to control the movement of the vehicle.
- main consumers: the OJSC "MAZ", the OJSC "KAMAZ"
- list of goods with similar product performance: similar systems of «Knorr-Bremse» (Germany)
- prospective distribution channels (including geographical distribution): direct deliveries

Description of the current domestic market of the production planned:

- market capacity: 27 U.S. \$ million
- government regulation (price control, licensing, etc.): no
- other (please specify):

Key domestic market indicators of the production planned:

- annual output of the sector (in current prices): 239 BYR billion in 2013 year
- return on sales (%): 2,9 (in 2013 year)
- average nominal monthly wages at similar enterprises: 3354,4 BYR ths. (in 2013 year)
- level of concentration (approximate total market share of the top five players, %): 80

3. Competitive advantages of the project

Infrastructure available:

Railway lines and roads:

- own railwaylines (specify distance in km):
- Belarusian Railway (specify distance in km):8
- republican motor roads (specify distance in km):15
- other roads with improved surface (specify distance in km):5

Communications availability:

- electricity (voltage:10 000, distance in km: 6,14)
- water supply
- gas pipeline

Land and production facilities:

- landavailability (area:11 371Hectares, purpose:for operation and maintenance of buildings and structures of production base)
- constructions available(area:70 596,4 m2, purpose: , short description:)

Other infrastructure

- warehouses, logistics terminals (area: 2 891,4 m2, description:)
- possibility to expand production and install additional facilities
- possibility to create the necessary infrastructure via state budgetary financing (description:)
- other (specify):

Strategic advantages:

- strong brand
- profiled staff
- supply chain of raw materials and components
- distribution network
- undersaturated market in Belarus for the production proposed
- Common Economic Space market access
- guaranteed volumes of orders (from Select)
- use of local raw materials
- availability of valid patents, licenses, permits:
- other (specify):

4. Financing requirement

Total investment: 5,7 U.S. \$ million, including capital expenditures: 5,7 U.S. \$ million

Financing requirement for investor: 3,7 U.S. \$ million

5. Preliminary indicators of project efficiency

Sales revenue, without VAT (after reaching the estimated capacity): 53,7898 U.S. \$ million

Pay-back period (PBP): 5 years

Dynamic pay-back period (DPBP): 6 years

Internal rate of return (IRR): 3,1 %

Net present value (NPV): 4,603 U.S. \$ million

Discount rate: 15 %

Business plan/feasibility study availability (specify): yes

Annotations:

6. Contacts

Person responsible for the project (Name, position): **Kukin Anatoly, chief technologist**

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