

Investment project "Modernization of Elninskiy Brick Facilities", LLC "RFC Groups"

1.1. General overview

Project title	Modernization of Elnya Brick Facilities
Location (full address)	
Contact person	Nenashev Oleg Aleksandrovich, director general
Project owner (project initiator, project investor)	Llc «RFK Group»
Legal basis for project implementation (shareholder's agreement, investment contract, letter of intent, other)	Decision of Llc «RFK Group»

1.2. Project description

Introduction	<p>. The main project concept is to construct modern automated brick production with the opportunity to change the range of products (for instance, bricks of standard quality, lining bricks, ceramic blocks of various forms and sizes). The management took the decision to modernize the facilities in order to cut down the power expenses per unit and increase demand which at present is satisfied with the resale of bricks produced by other manufacturers,</p> <p>Several tenders were launched to select the supplier of the necessary equipment, as a result, the Czech company «ALTA» working for many years in Russia met all the requirements. The problem of modernization and technological renewal remains one of the most burning issues as the future of the market, as experts say, depends on the quality, in which companies with low quality products will become outsiders.</p>
Aims & objectives	<ul style="list-style-type: none"> - a seven-fold increase of production; - a ten-fold increase of the products range; - low prime costs through the three-fold decrease of power expenses; - production of modern construction materials, which help to keep warmth and reduce power expenses
Economic sector	Industrial production
Investor participation (joint venture, capital investment)	any
Project deliverables	. bricks, lining bricks, blocks
Percentage of local content	100%
Technical solutions in place (type	Automated production line for the technology of plastic making

of equipment, country of origin, brand name)					
Key markets	Central Federal District				
Infrastructure in place or needed to build	industrial site, connected utilities (gas, electricity, water), proximity to open cuts of clay				
Intellectual property items	Market research (done by independent experts), business plan, trading mark				
Current status, previous phases	Search for Investor				
Components and raw materials supply-markets (local or international, name of the country)	Local market, open cuts located at a distance of 6 km from the facilities				
Project life	7 years				
1.3. Financial viability					
Volume of investment	50 250 000 euros				
Payback period	4,35 years				
Projected full-year revenue	29 000 000				
Average rate on return, ARR	75%				
Internal rate on return, IRR	26%				
Financial plan (including indication of own funds and debt financing)	40% - own funds; 60% - investors' funds				
Initiator's contribution of own funds and those requested from investor	20 450 000 euros – initiator; 29 800 000 euros - investor				
1.4. Social-and-Economic effect					
Employment opportunities	200				
Tax paid to the budget of Russian Federation	40 383 000 euros (during the payback period)				
1.5. Land and property information					
Land status within project	Cadastral number	Land status	Permitted use	Land use characteristic (ownership/rent)	Landlord

	67:08:001 01 03:0024	Lands of settlements	For industrial purposes	Property	Llc «RFK Group»
End of tenancy	Encumbrance		Utilities availability	Other items of immovable movable property	
1.6. Tax benefits					
Industrial park, free economic zone, technology park	no				
Tax benefit (federal, regional, municipal), time period no					