

Investment project "Yuzhnaya Village" LLC "Rosremstroy"

1.1. General overview

Project title	Village "Yuzhnaya"
Location (full address)	Kaidakovskoe settlement, Vyazma District, Smolensk Region
Contact person	Gaidukov Aleksander Evgenyevich, director general
Project owner (project initiator, project investor)	Projects Initiator - Llc «Rosremstroy», Investor – Llc «Centre of Engineering exploration
Legal basis for project implementation (shareholder's agreement, investment contract, letter of intent, other)	Memorandum on intentions

1.2. Project description

Introduction	The project implies the construction of block housing (3-floor and individual town houses). The estimation of the population (9966 people) was made on the basis of the average family size which is 2,3 people, with the formula "one house for one family" being applied. The further growth of population will reach the level of 1,3 people. The age groups include: people aged 0-17 – 242, (which amounts 25%, 10% of them are students), people aged 18-60/55 – 551 people -(57%), the age group over 60-55/ -173 (not more than 18%).
Aims & objectives	The aim of this project is to construct houses in the Yuzhanya village, Kaidakovskoe Settlement, Vyazma District, Smolensk Region
Economic sector	Construction
Investor participation (joint venture, capital investment)	Investment into capital
Project deliverables	two-floor or three-floor houses town houses, individual houses
Percentage of local content	80-90%
Technical solutions in place (type of equipment, country of origin, brand name)	Complex of two-floor or three-floor houses, including social housing with infra structure
Key markets	Housing for young families, military officers, commercial property
Infrastructure in place or needed to build	Creation of social and cultural infrastructure implies the construction of 3 centres: trade and business centre, sports and leisure centres, kindergarden (100 children). Centres will also work for the residents of the neighbouring settlements and Vyazma.

	The necessity to build a kindergarden is caused by the high number of children. The project also implies car park facilities for 370 cars near the centres and 800 cars for local residents.				
Intellectual property items	-				
Current status, previous phases	The general plan of construction for Yuzhanya village has been worked out, it also includes roads, pavements. The project was approved by experts and it received the permission for construction. There are plans for gas and water pipe lines, sewage, a water well (its exploitation was approved by the RF Ministry of natural resource). The construction site has all utilities and transport access.				
Components and raw materials supply-markets (local or international, name of the country)	Local regional market				
Project life	Upto 3 years				
1.3. Financial viability					
Volume of investment	2 500 million rubles				
Payback period	Period of payback - 20 months				
Projected full-year revenue	The average estimated earnings per year -200 million rubles				
Average rate on return, ARR	The average level of commercial viability - ARR, % 150,76%				
Internal rate on return, IRR	Internal commercial viability - IRR, % 95,59%				
Financial plan (including indication of own funds and debt financing)	Own funds – 8%. The Initiator is planning to take a bank loan for 150 million rubles.				
Initiator's contribution of own funds and those requested from investor	Initiator – 200,0 million. rubles, Investor – 1 000,0 million rubles				
1.4.Social-and-Economic effect					
Employment opportunities	300				
Tax paid to the budget of Russian Federation	About 30 million rubles per year				
1.5. Land and property information					
Land status within project	Cadastral number	Land status	Permitted use	Land use characteristic (ownership/rent)	Landlord
	67:02:0070101:115	Yuzhnaya village	Construction	Property	Volkov A.G.

		327 597 m ²			

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**