

Notes on the Investment Project "Site Reconstruction for the Production of Household Chemical Products"

1. General information about enterprise



<u>Full and short name:</u>	Open Joint Stock Company "Barhim" (JSC "Barhim")
<u>Subordination organization</u>	State Commercial-and-Production Association "Belresursy" - Managing Company "Belresursy"
<u>Address (location):</u>	Str. Prominsky 48, 225320 Baranovichy, Brest region, Republic of Belarus
<u>Ownership:</u>	Private
<u>Allocation of authorized fund</u>	State 99.7%, other participants - 0.3%.
<u>Website:</u>	http://www.barhim.by
<u>E-mail:</u>	barhim@mail.ru

Data about state registration:

Open Joint Stock Company "Barhim" was registered with the Brest Regional Executive Committee 12/26/2005 in the Unified State Register of legal entities and individual entrepreneurs with the number 200167392.

Information about administration of the enterprise:

Position	Full name	Contact phone number
General Director	Rudoy Evgeniy	+375 163 453609
Chief Engineer	Shikovetsky Nikolay	+375 163 452430
Commercial Director, Deputy General Director	Averianov Alexander	+375 163 454432
Head of Production, Deputy General Director	Garnaya Tamara	+375 163 452438
Head of Quality, Deputy	Vitovtova Tamara	+375 163 453744

General Director		
Chief Economist	Horoshun Svetlana	+375 163 453720
Chief Accountant	Prazhenik Ivan	+375 163 454318

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2. Main activity

JSC "Barhim" specializes in production of consumer goods: powder and liquid detergents, cleanings, bleachings, sanitation goods, dishwashing detergents, detergent paste for hands and liquid soap.

JSC "Barhim" is the largest producer in Belarus of washing powders with extensive experience in this field. Strategic development of the company aims at increasing production of high quality powdered synthetic detergents. The current market share of washing powders of the company is over 80%.

The company employs specialists with higher education, professional competences, and wide-ranging experiences, ensuring high quality and price-competitive production is carried through and continues to be developed going forward.

3. Information about real estates

№	Photo	Name of structures, buildings, Number of certificate of registration	Building year	Storeys	Total area m3
1		Store-Hangar №1, №110/c-85916	1991	1	453
2		Office №110/c-1648	1971	3	1876

3		Paint-and-Lacquer Products Plant - Production of Liquid Detergents, №110/c-5436	1987	2	3163
4		Plot and building Adhesive Tape, №110/c-69412	1978	2	3031
5		Raw material warehouse №11-22, №110c/-85391	1978	1	957
6		Garage Building, №110/c-85308	1980	1	536

7	 <p>Склады материально-технического обеспечения с 42 по 54 Итп. №920</p>	Raw material warehouse №42-53, №110/c-85402	1981	1	918
8	 <p>Здание участка литьевых средств Здание участка литьевых средств Итп. № 02</p>	Washing Powders Plant, №110/c-85380	1972	3	6394
9	 <p>Здание складов материально-технического обеспечения с 23 по 25 Итп. №019</p>	Warehouses №23-25, №110/c-85324	1980	1	526
10	 <p>Здание склада-ансара №3 Итп. № 28</p>	Store-Hanger №3, №110/c-5434	1985	1	444

11	 <p><i>Склад-ангар №2 Илв. №26</i></p>	Warehouses - Hanger №2, №110/с-85924	1992	1	676
12	 <p><i>Здание складов материально-технического обеспечения Илв. №616</i></p>	Warehouses №8- 10, №110/с-85387	1977	1	805
13	 <p><i>Здание столярного цеха Илв. №29</i></p>	Joinery, №110/с-85410	1966	1	213
14	 <p><i>Здание компрессорной Илв. №630</i></p>	Compressor building, №110/с-85413	1984	1	102

15	 <p><i>Здание: здание проходной с бытовыми помещениями (инв № 023)</i></p>	Territory entrance with employee facilities, <i>№110/с-85394</i>	1966	2	240
16	 <p><i>Здание участка электродного (Инв. № 16)</i></p>	Electrode Building, <i>№110/с-85371</i>	1970	3	3617
17		Building for Production of Granular Detergents, <i>№ 110/530-8258</i>	2010	1	10785

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4. Information about the investment project

<u>Project Name:</u>	Recostruction of Liquid Detergents Production
<u>Project's branch:</u>	household chemicals
<u>Investor participation in the project:</u>	investments
<u>Project location:</u>	JSC "Barhim"
<u>Expected date to launch a project:</u>	2015

Description of the Project:

The necessity of restoration is caused by the growing demand for these products. The project comprises the construction of an engineering building, providing the accommodation of technological and auxiliary equipment, as well as the construction of an operational warehouses of raw materials, auxiliary and packaging materials. Once the reconstruction will be completed it will allow to increase production of liquid detergents up to 6,000 tons per year. This project also foresees creating its own production of polyethylene and PET containers.

Expected production capacity of "Barhim" at 6,000 tons per year, includes:

- Liquid soap - 3 000 tons per year;
- Dishwashing detergents - 2000 tons per year;
- Conditioners - 200 tons per year;
- Liquid detergents for washing fabrics and cars- 800 tons per year.

Reconstructing the production involves the construction of new production building with lightweight structures to create hygienic conditions to produce perfume and cosmetic products, allowing to place equipment, operational warehouses for raw materials, auxiliary and packaging materials and finished goods warehouse.

This project provides the expansion of its own production of PET containers, which will greatly reduce production costs coming from the transport costs incurred to bring in packages, as well as allowing production flexibility on range and volume of package. Packaging equipment for liquid household chemical products will be installed, ensuring high-tech and cost-effective packaging.

Characteristics of planned production: liquid detergents (liquid soap, dishwashing detergents, conditioners for fabrics, detergents).

Main consumers: people, laundries, organizations
Estimated Production Distribution Belarus, and boardering countries

Channels:

Industrial output:

6000 tons per year, or 6.3 mln dollars

Description of available infrastructure:

- ⌘ railway line (distance - 0.5 km);
- ⌘ communications (electricity, water, gas);
- ⌘ land - 7.4 hectares;
- ⌘ storage facilities

Strategic advantages:

- ⌘ developed brand
- ⌘ specialized staff
- ⌘ supply chain of raw materials and components

Financing requirement:

The total investment for the project: 7.6 mln dollars

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Preliminary financial indicators of the project

Name of Indicator	
1. The output, tons	6 000
2. The output per year, mln dollars	6,3
3. Sales income, mln dollars	0,532
4. Return on sales %	10,5
5. Total cost of the project, mln dollars	7,6
6. Payback period of the project, years	8,7 years