



INVESTMENT PROPOSALS
for financing of PERSPEKTIVA, LLC
the Russian Federation, Chelyabinsk

ABOUT COMPANY

PERSPRKTIVA, LLC(<http://sinergia74.ru/>) – is an engineering company, investing in modernization and building of energy centers on the base of cogeneration gas reciprocating units, producing heat and electric energy

Currently energy facilities in the Russian Federation and in Chelyabinsk region in particular are characterized with the high-level of wearing, low efficiency and lack of possibility to increase production volumes in accordance with the population and industrial consumers' demands.

In such conditions the Chelyabinsk region Administration is interested in modernization of inefficient energy facilities and as a way to support Investors the Chelyabinsk region Administration builds feed energy pipelines to the newly built or modernized facilities using the budget funds. (Energy pipelines include gas pipeline, sewerage networks and water pipelines)

The above said situation creates a market for the implementation of projects for building and modernization of energy producing facilities on a new technical base. PERSPEKTIVA, LLC operates in this market and due to the strong demand for energy supply it guaranteedly has its consumers.

COMPANY'S GEOGRAPHIC REACH

PERSPEKTIVA, LLC is operating in Chelyabinsk region. Chelyabinsk region is located in the middle of the Russian Federation, 1500km far from Moscow.

Chelyabinsk region is one of the most economically developed subjects of the Russian Federation with high level of business, cultural and social activity. It is one of the most investment-attractive regions of Russia.

Industrial development of the region is determined by metallurgy, engineering, power-energetic, construction and agricultural industries.

1st STAGE OF THE COMPANY'S INVESTMENT PROGRAM

In 2013-2014 the Company implemented the 1st stage of the Investment program, in terms of which it finished reconstruction of ineffective municipal energy producing facilities, located in Oktyabrskiy village, Kasli, Karabash and Miasskoe village in Chelyabinsk region.

Reconstruction of these facilities included obtaining and installing of modern cogeneration gas reciprocating units produced by Wartsila (Finland) and Guascor (Spain)

As a result of this project implementation the Company gained the production capacity, enabling to produce 318900 MWh of electric energy per year and 251200 Gcal of heat energy per year.

Due to the commissioning of the above said production facilities the electric energy capacity deficit decreased. Covering of the deficit guaranteedly allows the Company to make profit from the main consumers, mostly from the population of the districts, located in Oktyabrskiy village, Kasli, Karabash and Miasskoe village in Chelyabinsk region

Profit and Loss Forecast (P&L) for the period 2013-2024

Indicator	2013-2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
Revenue, mln. rub.	143	632	719	719	719	719	719	719	719	719	719	7 247
EBITDA, mln. rub.	-11	163	271	267	265	263	266	269	273	276	279	2 581

Cash Flow Forecast (CF) for the period 2013-2024

Indicator	2013-2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	TOTAL
CF from operating activity, mln. rub.	-31	330	270	282	279	277	281	284	287	290	294	2 843
CF from investing activity, mln. rub.	-2 291	-99	0	0	0	0	0	0	0	0	0	-2 390
Free cash flow, mln. rub.	-2 322	231	270	282	279	277	281	284	287	290	294	453

FINANCIAL INDECATORS FORECAST UNDER THE 1ST STAGE OF THE COMPANY'S INVESTMENT PROGRAM

FINANCING OF THE 1ST STAGE OF THE COMPANY'S INVESTMENT PROGRAM

Total volume of the project financing is 2 390 mln. rub. including:

- Financing obtained from the Project crediting by Sberbank of Russia, OJSC - 1 422,9 mln. rub.;
- Equity financing- 967,1 mln. rub

CURRENT ASSETS

Within implementation of the 1st stage of the Company's Investment program the following assets in the form of the fixed assets were established:

Modular cogeneration energy-generating unit	Karabash, Kasli	producer: Wartsila (Finland)	4 pcs.
Modular cogeneration energy-generating unit	Oktyabrskiy village, Miasskoe village	producer: Guascor (Spain)	4 pcs.
Boiler house equipment	Kasli, Karabash, Oktyabrskiy village, Miasskoe village	Boilers and auxiliary equipment	4 boiler houses
Modular engineering construction GasCube	Kasli	Metal construction	1 pc.
Land plots	Karabash	By right of ownership	17 750 sqm.
Boiler house	Karabash	By right of ownership	3 580 sqm.
Utility networks– water pipeline	Karabash	By right of ownership	length 835 m
Construction – heat pipeline	Karabash	By right of ownership	length 7 590 m
Leasehold right for the Central heating stations	Karabash	Lease term till 31.10.2016	486 sqm
Leasehold right for the land plot	Kasli	Lease term till 16.06.2019	8 285 sqm
Leasehold right for the land plot	Kasli	Lease term till 18.12.2017	1 500 sqm
Leasehold right for the land plot	Miasskoe village	Lease term till 10.05.2027	1 216 sqm
Leasehold right for the land plot	Oktyabrskiy village	Lease term till 26.03.2016	1 500 sqm

BUSINESS VALUE EVALUATION

In our opinion current business value evaluation as at 01.12.2014 is **1 422,9** mln.rub. Costs of establishing of the above said assets (2390 mln. rub.) minus debt financing of the investment outlay, provided by the Owners of the Company (967,1 mln.rub.)

2nd STAGE OF THE COMPANY'S INVESTMENT PROGRAM

It is planned to built in 2015 new energy centers for producing heat and electric energy for the needs of the production sites of MUP POVV (Water Supply and Water Disposal Production Association municipal unitary enterprise) and CHKPZ OJSC ("Chelyabinsk Forge-and-Press Plant" open joint-stock company)

Chelyabinsk MUP POVV (Water Supply and Water Disposal Production Association municipal unitary enterprise) was established in 1912. Now, the company is a part of the life-support system for the Chelyabinsk and Kopeysk urban districts and provides their residents with high-quality water, transports and treats utility fluids.

"Chelyabinsk Forge-and-Press Plant" OJSC (CHKPZ OJSC) is one of the leading machine-building companies established in 1942. CHPKZ produces forgings, stampings and parts for the car engineering, tractor engineering, railway engineering, and oil and gas industry. CHPKZ OJSC is one of the leaders in the CIS in the volume of forging and stamping production. The company annually increases its production capacity by up to 30% per year.

AS the result of implementation of this project the Company is expected to gain additional production capacity, which will enable to produce 193880 MWh of electric energy per year and 80000 Gcal of heat energy per year. Stable operating of the above mentioned consumers ensures selling of heat and electric energy.

P/L Forecast

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Revenue, mln.rub.	0	570	570	570	570	570	570	570	570	570	570	5 696
EBITDA, mln.rub.	0	338	317	317	317	317	317	318	318	318	318	3 195

CF Forecast

Indicator	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
CF from operating activity, mln. rub.	0	381	316	314	311	309	308	306	304	302	301	3 153
CF from investing activity, mln. rub.	-2 215	0	0	0	0	0	0	0	0	0	0	-2 215
Free cash flow, mln. rub.	-2 215	381	316	314	311	309	308	306	304	302	301	938

FINANCIAL INDICATORS FORECAST UNDER THE 2nd STAGE OF THE COMPANY'S INVESTMENT PROGRAM

INVESTMENT PROPOSALS FOR FINANCING

INVESTMENT PROPOSALS:

- Shareholders of the Company offer several variants for Investment in PERSPEKTIVA, LLC:
 - 1st variant: The possibility to participate in the Company's business capital with 30% ownership share:
 - 25,1% of the ownership share is provided by investing of **476.85 mln. rub.** into the Company's capital.
 - 4.9 % of the ownership share is transferred to the Investor as premium for attracting the credit resources in an amount of **3189.7 mln. rub.** for the Company on the following terms: the debt principal to be repaid within 7 years, annual percentage rate to be 6%.
 - 2nd variant: Attracting of credit resources in an amount of 3666.55 mln.rub. (56.41 mln. USD at exchange rate 65 rub/USD) on the following terms: principal repayment within 10 years; the annual interest rate is 6%. Shareholders of the Company are ready to consider the possibility to transfer up to 10% share in the Company's capital to the Organizer of crediting.
- Any alternative variant as per the Investor's proposal – with/without participation in the Company's business capital.
- The requested Investments are to be directed to:
 - Partial financing of the implementation of the 2nd stage of the Investment program – 2 193.65 mln.rub.(99% of the required amount of Investments);
 - Refinancing of the current debt to Sberbank of Russia, OJSC – 1472.9 mln.rub. (1422.9 mln. – refinancing of the current debt, 50 mln.rub. – early repayment charge)
- The company's current assets (1st stage of the Investment Program), released from pledge in Sberbank of Russia, OJSC (see slide 4) as well as new assets, established within implementation of the 2nd stage of the Investment Program are to be the Collateral for the credit provided to the Company.

COMPANY'S FINANCIAL INDECATORS FORECAST (IMPLEMENTATION OF THE BOTH STAGES OF THE COMPANY'S INESTMENT PROGRAM) ON TERMS OF OBTAINING THE CREDIT AT 6% CREDIT RATE

P/L forecast

Indicator	2013-2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	TOTAL
Revenue:												
mln.rub.	774	1 289	1 289	1 289	1 289	1 289	1 289	1 289	1 289	1 289	1 289	13 662
mln.USD at exchange rate 65 rub/USD	12	20	20	20	20	20	20	20	20	20	20	210
EBITDA:												
mln.rub.	163	609	585	582	580	583	587	590	593	597	600	6 069
mln.USD at exchange rate 65 rub/USD	2,51	9,37	9,00	8,95	8,92	8,97	9,03	9,08	9,12	9,18	9,23	93,37

- The source for repayment and servicing of the credit is to be the operating profit from the both stages of the Company's Investment program;
- EBITDA is 9,09 mln.USD on average, starting from 2016

THE CURRENT STRUCTURE OF THE SHARE CAPITAL OF PERSPEKTIVA, LLC

- The Founders of PERSPEKTIVA, LLC are:
 - ABA Group, LLC; 50% share in the charter capital
 - Chelyabenergosbyt , OJSC; 50% share in the charter capital
- Information on the Founders:
 - Main type of activity of ABA Group, LLC is property management.
 - Main type of activity of Chelyabenergosbyt , OJSC is buying of electric energy on the wholesale market with the subsequent sale to consumers. Chelyabenergosbyt , OJSC is a guaranteed supplier of the electric energy in the Southern Urals region. The company serves 1 mln 293 thousand individuals and 39 thousand legal entities and it constantly introduces modern technologies which correspond to the current demands. In Chelyabinsk region Chelyabenergosbyt , OJSC is represented by 7 branches; more than 40 payment processing-and-reference centers are opened for the population. Number of employees is 1,4 thousand people.

GUARANTY OF SALE OF PRODUCTS, PRODUCED ON THE ENERGY CENTERS OF PERSPEKTIVA ,LLC

- Under the 1st stage of the Company's Investment program the main consumer of heat energy is mainly population of Oktyabrskiy village, Kasli, Karabash and Miasskoe village in Chelyabinsk region; the main consumer of electric energy is Chelyabenergosbyt , OJSC. The absence of the alternative energy centre as well as the alternative energy pipelines guaranties the strong demand for heat energy, produced on the energy centers of PERSPEKTIVA LLC. Participation of Chelyabenergosbyt , OJSC in the company's capital guaranties the sale of electric energy, produced on the energy centers of PERSPEKTIVA, LLC.
- Under the 2nd stage of the Company's Investment program the main consumers of heat energy and electric energy are Water Supply and Water Disposal Production Association, municipal unitary enterprise, Chelyabinsk (MUP POVV) and Chelyabinsk Forge-and-Press Plant, open joint-stock company (CHKPZ OJSC). PERSPEKTIVA LLC provides a possibility to shift the sale of electric energy from MUP POVV and CHPZ OJSC to Chelyabenergosbyt , OJSC if necessary. Participation of Chelyabenergosbyt , OJSC in the company's capital guaranties the sale of electric energy, produced on the energy centers of PERSPEKTIVA, LLC.