

Investment Project Teaser

1. Project Background

- **Project title**
“Organizing 30-85 HP tractor manufacturing”
- **Project objective and short description**
This current Investment Project is aimed at developing the production of 30-85 hp. tractors and the additional required financing for the realization of the project is rather essential. Our on-going objective is to anticipate our customers’ needs and provide them with tractors that will be designed for use in domestic gardens, small estates, specifically for use in vineyards, orchards, greenhouses or, in general, for particular crops where other tractors are too large or too heavy. Our tractors will be equally adapted for maintenance work in cities and green areas. They will be devised to make any hard work easier in agriculture and construction ensuring utmost safety and reliability. Thus, our primarily goal is also to enhance nationwide access to it.
- **Project attractiveness/actuality**
Taking into account the unique needs of our customers “Armavir Machine-Tool Factory” is determined to start manufacturing tractors in our country. In particular, this current Investment Project is aimed at developing the production of 30-85 hp. Tractors. So, the aim of our company is not only to build high quality tractor but also provide a high level of productivity at a reasonable cost. Our tractors will be equally adapted for maintenance work in cities and green areas. They will be devised to make any hard work easier in agriculture and construction ensuring utmost safety and reliability. And finally, this project is as much attractive as it seeks to enhance nationwide & worldwide access to our new product.
- **Project location**
21/5 Armavir City, Armavir Marz, Armenia
- **Project implementation period**
3-4-year period
- **Project overall cost**
USD 4.7 million
- **Required investments (inc. source of investment –how much)**
USD 3.2 million foreign direct investments from various sources and amounts

2. General Information about the Author

- **Organization/person name**
“Armavir Machine-Tool Factory” OJSC
- **Organization type**
Open Joint Stock Company (OJSC)
- **Field (Scope)**
Manufacturing

3. Product/service general description (market description)

- ***Product/service name***

Manufacturing: Non-Food Products

- Castings: Ferrous and Non-Ferrous, Investment Molded
- Castings of Large Parts: Sand Molded
- Drilling-and-Milling Machines: Vertical
- Drilling Machines: Radial and Special-Purpose
- Drilling Machines: Vertical
- Drilling Machines: Vertical
- Stone-Cutting Machines
- Tractors

- ***Product/service competitive advantages***

“Armavir Machine-Tool Factory” OJSC is the only company with its products in domestic market!

The company (former Hoktemberyan Machine-Tool Factory”) was founded in 1938 and it was later privatized and renamed “Armavir Machine-Tool Factory” OJSC. It is located in Armavir City, Armavir Marz, Armenia. The factory covers about an area of 70,000 square meters, enabling the production of more than 1000 machines a year. It is also near by the railway station which helps us organize the product transportation more safely and rapidly. Since the establishment of the factory its goods and products have been exported to Europe, the USA, Southeast Asia and more than 40 countries.

The company is specialized in the production of Radial Drilling Machines, stone cutting machines, precision castings with melting models of ferrous and non-ferrous metals, grinding steel balls in different sizes, manufacture of agricultural equipment and spare parts. “Armavir Machine-Tool Factory” OJSC has the rigorous quality guarantee system and has passed ISO9001:2000 quality assurance system.

Hence, our products are strictly supervised by the quality-checking department during its producing and they will again be examined before leaving factory to ensure the quality stated in the order. We provide the security of the product transportation, the installation and debugging of the equipment and the training of skilled workers.

- ***Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service***

Before developing a new product we take care of the needs of our customers to provide them with first class services. We provide the whole service like installation of equipment, debugging, skill training on workers and after-sale service

During the warranty period of 12 months services will be provided for free. Should your item be used more than one year, we will provide repair with a low charge.

The products are strictly supervised by the quality-checking department during its producing and they will again be examined before leaving factory to ensure the quality stated in the order. We provide the security of the equipment transportation, the installation and debugging of the equipment and the skill training of workers.

Here are some exceptions to our general after-sale services, and the Factory has the right not to provide services in line with Services Commitment. But we will offer you services at your own expense

Thus, the company provides you with excellent services free of charge, except :

1. Over one year.
2. Damage caused by improper using.
3. Damage caused by unauthorized alteration.
4. Damage due to force majeure.

- ***Brief description of the internal market***

Mechanical engineering plays a huge role in the economy of any country.

Armenia, whose economy shrank by 15% in 2009 as an expatriate-financed construction boom fizzled along with the world economy. With a mediocre growth forecast for the next

few years, this landlocked former Soviet republic, dependent upon Russia and Iran for virtually all of its energy supplies, is struggling to keep up with the rest of the world. Before independence the internal market was largely industry-based – chemicals, electronics, machinery, processed food, synthetic rubber, and textile – and highly dependent on outside resources.

Today, The republic had developed a modern industrial sector, supplying machine tools, textiles, and other manufactured goods to sister republics in exchange for raw materials and energy.

Hence, ENGINEERING PLANTS, MACHINE-TOOL PLANTS are of great interest today as well.

- **Current position in the market/ expected share in the market**
Start-up / N/A
- **Target groups of consumers and consumer markets**
are from local market
- **Main competitors**
Main competitors are those from foreign market. As to the local market, there is no competition.
- **Key strategic partners, including those involved in project finance**
N/A
- **Export Market Description / export current / expected volume, the export share of sales volume /**
Since the establishment of our company our goods and products have been exported to Europe, the USA, Southeast Asia and more than 40 countries. Nowadays, the export share of sales volume is about 9%, which is expected to increase due to the constant growth and development.
- **Access to foreign market**
Mainly to the Republic of Georgia, Russian Federation and Middle East.

4. Project financial indicators

- **Project overall cost** USD 4.7 million
- **Capital costs** USD 4.7 million
- **Internal funds invested**
Land, buildings, equipment, casting workshop, working capital are available.
- **Available funds** N/A
- **Required investments** USD 3.2 million
- **Period for payback** 6-9- year period
- **Net discounted income** N/A
- **Profitability index** N/A
- **Discounted profitability index of investments** N/A
- **Key risks and measures to reduce and prevent risks**
The key risk is that the value of a portfolio, either an investment portfolio or a trading portfolio, will decrease due to the change in market risk factors. The four standard market risk factors are stock prices, interest rates, foreign exchange rates, and commodity prices: therefor, in order to reduce and/ or prevent risks the company may draw Investment Policy Statement, and in order to utilize efficient diversification, the company will employ investment managers if necessary and so forth.
- **Tax benefits/privileges for the last 5 years** N/A

5. Offer to investors

- **Required amount of investments**
Required amount of investments USD 3.2 million
- **Investor participation form**

<ul style="list-style-type: none"> • <i>Equity financing, loans, grants, etc.</i> • Guaranteed profit <i>Depending on the conditions of project financing the company may offer 11-12% of shares to potential investor.</i> • <i>Investment return / payback guarantees / securities, bank guarantee, transfer and etc. /</i> N/A
6. Information about the teaser project
<ul style="list-style-type: none"> • <i>Preparation Date</i> 25.09.2012 • <i>Exchange rates as of the preparation date</i> 1 USD = 407 AMD
7. Contacts
<ul style="list-style-type: none"> • <i>Name/Surname/Position of the contact person</i> Lilit Abgaryan / Project Manager • <i>E-mail</i> armstanco@mail.ru • <i>Telephone</i> (+374 237) 2 32 19 • <i>Fax</i> (+374 237) 2 83 02
8. Project Teaser Publication Consent
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Investment Project Teaser

1. Project Background

- **Project title** – «Armtopinambour»
- **Project objective and short description** – Culturing and processing of earth apple (topinambour, *Helianthus tuberosus*): In the first year the elevated part of the plant will be realized as forage, the root crops as alcohol plants and cannery. In 2013 (in the period of large-scale processing of earth apple) a perfective basis of production of wide range of forage will be created, fructose, inulin, pectin, biogas, bioethanol, combustible pellets, biofertilizer, etc. will be produced.
- **Project attractiveness/actuality** – Being a very attractive plant in many ways, earth apple could not become traditional in many countries. A strategy of realization created by our company will give an opportunity to organize balanced production that can actuate a branch of industry or the whole sector.
- **Project location**– The activities are going to be implemented in 3 marzes (Gegharkunik, Shirak, Lori) in the upcoming years (2011-2014 – reaching 7400 hectare). Cultivation area will reach 35000 hectare in the future.
- **Project implementation period** – The strategy is elaborated for upcoming 5 years and provides for:
 - Lease of cultivation area, purchase of seeds (only in 2012), realization of tillage, sowing, cropping.
 - Lease and acquisition of agricultural equipment, production growth, creation of new jobs.
 - Creation of production capacities for bio-ethanol, fructose, inulin, biogas, Jerusalem flour.
 - Creation of auxiliary stock-raising, hothouse, forage and beekeeping complexes.
- **Project overall cost** – About 225 mln USD is going to be spent for the project realization during the next 5 years. Taking into consideration that the Company will be able to form financial revenues from product realization starting the next year and cover internal costs, only 26.5 mln USD is to be involved from the third parties.
- **Required investments** – The strategic goal of the Company is to receive long-term investments in the amount of 26 mln, with at least 10 year time for maturity and with minimal interest rate possible. Provision of 1-year fully preferential period without return of parent sum or interest rates is appreciated. Long-term loans are needed for the purposes of lease of cultivation area, realization of sowing and cropping, lease and acquisition of agricultural equipment, as well as for marketing and other indirect expenses.

2. General Information about the Author

- **Organization/person name** - << GYUGHCORPORACIA>>
- **Organization type** – CJSC
- **Field (Scope)** – Production, agriculture

3. Product/Service General Description (market description)

- **Product/service name** – *The main product is considered to be the planting of the industrial volumes earth apple, as well as crop growing (amarant, barley, fodder beet, etc.). The company aims at establishing large-scale production of bioethanol based on raw materials, inulini, fruitsugar, honey (late autumn inulinayin), combined forage (keralyur, bri ketner, granulner).*
- **Product/service competitive advantages** – *The Republic of Armenia doesn't have widespread planting of earth apple and the cultivation currently has mainly non-professional nature. Therefore, due to the implementation of the project, the Company will perform as a sole producer of the earth apple.*
- **Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service** – *The planting of earth apple in the Republic of Armenia and the production of products on its raw material are new names in the market. The products with their technologies, which are produced and applied for the first time, are subject to patenting, licensing and certification.*
- **Brief description of the internal market, current position in the market/ expected share in the market** – *The Company has a number of consumer markets different from each other. The grown earth apple is supplied to the factories of spirit and preserves, which, buying the primary raw material, carry out the further processing by themselves. Later the company will consume the primary raw material and will produce biogas, inulin, fruit sugar, pektin and bioethanol. The Republic, which hasn't raw material for fuel, will consume biogas and bioethanol in its domestic market in any quantities. The international market of Inulini, fruit sugar and pektini records a 3-8% increase in demand every year. If the market seases with such stability the whole raw material will be processed on biofuels.*

The next major market are the plants of livestock and poultry, which will use the processed green forage mass as a forage.
- **Target groups of consumers and consumer markets** – *The above mentioned products can have a wide consumption in the Armenian market of food-processing (juices, ice-cream, confectionery, soft drinks, cakes), as well as in the agriculture, transport (biogas, bioethanol) and in health care (medicine from inulin).*

Green mass consumption is mainly carried out by farmers, who have already filed applications

for the products of the Company.

- **Main competitors** – No organization involved in processing of earth apple exists in Armenia, i.e., There are great opportunities for the company here either, to carry out effectively its program of development.
- **Key strategic partners, including those involved in project finance** – «SME investments» ULA CJSC u «Armenmotor» CJSC.
Looking for other financial sources and partners (long term).
- **Export Market Description / export current / expected volume, the export share of sales volume/-** In addition to the local market, the company plans to export commodities to the Russian Federation where there is a high demand for the product, and, besides, the company already has some preliminary agreements with Russian companies. The company's products subject to export are inulini, pektini 90% (approximately 700 tons), fruit sugar 50% (6,000 tons), Jerusalem flour 80% (4000 tons):
- **Access to foreign market** – Russia is considered to be the nearest market with great opportunities and with the variety of demand, with whom all types of transport communication are present.

4. Project Financial Indicators

- **Project overall cost** - 225 mln USD
- **Capital costs** - 180 mln USD
- **Internal funds invested** – 98.5 mln USD
- **Available funds** -26.5 mln USD
- **Required investments** - 26 mln USD
- **Period for payback** – 5 years
- **Net discounted income** - 82 mln USD
- **Profitability index** - 27%
- **Discounted profitability index of investments** - 30%
- **Key risks and measures to reduce and prevent risks** – No company is involved in earth apple production in Armenia, in present. Nevertheless, there are spirit and canning factories with serious capacities and enough farms, that will ensure the consumption of the Company production in wholesale markets. Therefore, there is no risk for the Company from the point of view of market equipment.
- **Tax benefits/privileges for the last 5 years** – The Company is exempted from profit tax according to the Paragraph 2 of Article 36 of RA Law “On Profit Tax”. The Company is exempted from VAT according to the Article 15 of RA Law “On Value Added Tax”.

5. Offer to Investors

- **Required amount of investments** - 26 mln USD
- **Investor participation form** – Negotiable
- **Guaranteed profit** – Negotiable
- **Investment return / payback guarantees / securities, bank guarantee, transfer and etc.** / - Negotiable

6. Information about the Teaser Project

- **Preparation date** – December 21, 2011
- **Exchange rates as of the preparation date** – 1USD=384AMD 1EURO=500AMD

7. Contacts

- **Name/Surname/Position of the contact person** – Grigor Shirkhanyan, Head of the external relations and marketing division, “Gyughkorporacia” CJSC
- **E-mail** - info@armtopinambour.com
- **Telephone** - +374 60 44 88 71, +374 10 54 35 58
- **Fax** - +374 10 54 35 58

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Investment Project Teaser

1. Project Background

- **Project title**

Construction of Gold Affinage Plant in Armenia

- **Project objective and short description**

Full operation of “from ore to jewellery” value chain through deepening the procession of the gold extracted in Armenia (as a result of “Dore” type gold refinement). The challenges of the project are:

- Absence of a powerful gold affinage plant;
- The need of international certification in case of producing standard bank gold bars.

Two options of refinement are observed:

1. Construction of a powerful plant on the basis of the existing gold refining factory in Armenia, through equipping it (there are 2 acting enterprises, where it is possible to refine; whereas each one has a capacity of producing 1.5-2 tons per year);

2. Selection of the plant construction location and construction of a new gold affinage plant.

- **Project attractiveness/actuality**

Gold deposit of gold-sulphide ores in Armenia is 247 tons. Currently, 8 gold mines are being exploited in Armenia, the largest one is Sotq mine, which is operated by "GeoProMining Gold" company and over 4.2 tons of gold in the form of "Dore" type gold is produced (in 2015 it will be 4.7 tons). As a result of the implementation of “Amulsar” gold mine exploitation investment program by Lydian International Company of 10-12 tons of "Dore" type gold will be produced in 2017.

Gold refinement (affinage) in Armenia would enable to produce over 15 tons gold of 999.9 probe per year. With this regard, construction of gold affinage plant in Armenia would be quite relevant.

- **Required investments**

10-12 million USD

2. General Information about the Author

- **Organization type**

Jewelry, gold mining, processing industry

3. Product/service general description (market description)

<ul style="list-style-type: none"> • Product/service name Gold Affinage Plant • Current position in the market/ expected share in the market In 2013, 3.8 tons of gold were imported to Armenia, which was mainly used in jewelry manufacturing and for the sale of bank gold bars. Jewelry sector development will result in demand of 5-6 tons gold per year in the local market by the jewelry companies. The other part of the refined gold could be traded in the international gold market. To become an object of the international market, bank gold bars produced in Armenia will need to be certified (“London Good Delivery”) by the international certification organization; with this regard it is necessary to involve as well six investment banks (HSBC, JP Morgan, UBS, Barclays, Deutsche Bank and ScotiaMocatta) of London Precious Metals Clearing Limited (LPMCL). • Key strategic partners, including those involved in project finance <ul style="list-style-type: none"> - Interested gold mining companies - Jewelry sector companies - Local banks.

4. Project financial indicators
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<ul style="list-style-type: none"> • Investor participation form Sale of shares • Overall cost 10-12 million USD • Required investments 10-12 million USD

5. Information about the teaser project
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<ul style="list-style-type: none"> • Preparation Date 02.10.2014 • Exchange rates as of the preparation date 407.7 USD
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6. Contacts

<ul style="list-style-type: none"> • Name/Surname/Position of the contact person
--

Ministry of Economy of RA
Investment Policy Department
Address: 5 Mher Mkrtchyan street, Yerevan, RA

- ***E-mail***

investment@mineconomy.am

- ***Telephone***

(+374 10) 597 127

7. Project Teaser Publication Consent

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Investment Project Teaser

1. Project Background

- **Project title**
“Establishment of dried fruits and vegetables cooperative”
- **Project objective and short description**

The project aims to improve the living standards of the community farms, through for the provision of institutional and physical infrastructure assistance for agricultural marketing. This initiative will promote the marketing of the locally produced and environmentally safe fruits and vegetables, the development of services related to packaging and labeling, thus creating new jobs, establishing contractual relations between producers and consumers, as well as strengthening the social responsibility of the local self-government bodies.

The project will assist the rural economies of Parakar and surrounding communities in developing appropriate varieties, crop processing and marketing issues, at the same time using the good strategic position and capabilities of Paraqar community.
- **Project attractiveness/actuality**

During the recent years the number of the companies involved in the production of dried fruits and vegetables in Armenia has increased, and the local producers have recorded significant success in the field. It is currently considered as one of the country's agriculture sector development perspectives, and the market relations require production of large amounts of dried fruits in accordance with international quality standards.

Appropriate opportunities will be created through the project (harvesting, dryer, packaging machines, etc.), which will contribute to the development of small rural economies and will increase their profitability.
- **Project location**
Parakar village and surrounding communities of Armavir Marz, RA
- **Project implementation period**
2013-2014
- **Project overall cost**
160 000 USD
- **Required investments**
140 000 USD

2. General Information about the Author

- **Organization/person name**
Parakar Municipality
- **Organization type**
Local self-government
- **Field (Scope)**
Food processing industry

3. Product/service general description (market description)

- **Product/service name**
Processing and sale of fruits and vegetables, farmers training
- **Product/service competitive advantages**

Dried fruits and vegetables have large demand in the market. The establishment of the appropriate cooperative will ease the realization of the farmers' products and will make them more competitive. The farmers in the community dry the fruits only in home conditions and

for personal use. The establishment of production will increase the income of the community residents.

- **Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service**

The dried fruits and vegetables produced in the community will be sold under the registered trademark, with the provision of certification necessary for such products. Particular importance is given to the product packaging.

- **Brief description of the internal market**

There are local producers for the Armenian market, but the amounts of their production yield the volumes of demand. The realization of the products takes place in shops and markets. Well-packed products have special demand among the tourists.

- **Current position in the market/ expected share in the market**

Currently is not present in the market. It is expected that within 3 years the share in the market will be around 10 %.

- **Target groups of consumers and consumer markets**

The consumers may be all the residents of Armenia. The tourists are considered as special target groups. The realization in the internal market will mainly be conducted through shops. In case of appropriate certification and packing expansion to foreign markets can be considered.

- **Main competitors**

The main competitors are other producing cooperatives in Armavir Marz.

- **Key strategic partners, including those involved in project finance**

- Marzpetaran of Armavir;
- Parakar Municipality;
- Neighboring communities, etc.

- **Export Market Description**

The European and CIS markets are full of Turkish products, which yield to Armenian products by their taste and qualities, but have advantages in packing long-term presence in the markets.

It is expected that within 5 year period the realization in the foreign markets will exceed the volumes of internal realization in Armenia.

- **Access to foreign market**

The CIS market is accessible with the help of community businessmen. The French market already recognizes the Armenian products. The possibilities of realization within the French market are provided through the effective decentralized Armenian-French cooperation with the assistance of Armenian community union.

4. Project financial indicators

- **Project overall cost**

160 000 USD

- **Capital costs**

About 80%

- **Internal funds invested**

About 20%

- **Required investments**

140 000 USD

- **Period for payback**

2 years

5. Offer to investors

- **Required amount of investments**
140 000 USD
- **Investor participation form**
Negotiable

6. Information about the teaser project

- **Preparation Date**
28.09.2012
- **Exchange rates as of the preparation date**
1 USD = 405 AMD

7. Contacts

- **Name/Surname/Position of the contact person**
Varuj Qolyan - Deputy Chief of the General Division of the Parakar Municipality Staff
- **E-mail**
1Var@mail.ru
- **Telephone**
+374 93 88 11 28

8. Project Teaser Publication Consent

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Investment Project Teaser

1. Project Background

- **Project title**
Grain crops (autumn sowing wheat) production in waterless conditions and processing (production of flour, bread products and condensed food)
- **Project objective and short description**
Grain production has an important role in bread products manufacturing sector. Being an important crop for human life, the use of effective methods in waterless conditions will bring to significant breakthrough in wheat production.
- **Project attractiveness/actuality**
Even though being a very important crop, wheat processing in waterless conditions in many countries still has not become a tradition. That is why wheat processing in such conditions is of great importance, and will enable an efficient way to organize the manufacturing process of the product.
- **Project location**
During the coming 3 years (2013-2015) the production will be carried in Solak community of Kotayk marz involving about 120 hectares, but in the future expansion up to 500 hectares is planned.
- **Project implementation period**
The strategy has been developed for the coming 3 years, which provides:
 - *Rent of growing areas, purchase of seeds (only in 2013), conduct of growing and harvesting;*
 - *Acquisition of modern agricultural techniques, increase of cultivation volumes;*
 - *Production of flour, bread products and combined food;*
 - *Creation of supporting livestock farms.*
- **Project overall cost**
About 1 million USD will be spent during the coming 3 years for the implementation of the project. Taking into consideration the fact that starting from next year the entrepreneur will be able to receive financial revenue from the product sales and thus partly cover his own expenses, a 500 thousand USD investment is expected from the third parties.
- **Required investments (inc. source of investment –how much)**
The Individual entrepreneur's strategic goal is to get at least 300 thousand USD long-term investments with at least 10 years of repayment period and maximally low interest rate. The provision of one-year full grace period waiving the principal and interest repayments is also desirable. Long-term loans are expected for the acquisition of modern agricultural technology, leasing of the sowing area, implementation of growing and harvesting, as well as for the other indirect costs of the project.

2. General Information about the Author

- **Organization/person name**-Petrosyan Razmik
- **Organization type**-entrepreneur
- **Field (Scope)** –agriculture, manufacturing

3. Product/service general description (market description)

- **Product/service name** - The main product is the processed autumn sowing wheat, as well as grown subsidiary crops and flour, bread products, and combined food.
- **Product/service competitive advantages** –The wheat grown in waterless conditions contains larger amounts of mucilage than the wheat grown in water conditions: this is of major importance in the area of bread production due to which these products with their taste and quality will become leaders in the local market.
- **Information on product/service property rights, license and certification, ADD legal framework, regulatory requirements that applies to the specific product or service** –There is no need.
- **Brief description of the internal market** – The internal consumption market is stable: the demand for the mentioned products is high, and in case of market promotion the entire production will be processed into combined food, which will be expired by the livestock and poultry farms.
- **Target groups of consumers and consumer markets** – Within the domestic market products derived from wheat will find large consumption in the spheres of food (bread products, confectionery, and alcohol) production, as well as agriculture.
- **Main competitors** – There are no competitors in Hrazdan neighboring region.
- **Key strategic partners, including those involved in project finance** –Financial sources and partners are sought.
- **Export Market Description / export current / expected volume, the export share of sales volume** / -The project is planned to be implemented within the territory of the Republic of Armenia.

4. Project financial indicators

- **Project overall cost** - 1 million USD
- **Capital costs** - 200 thousand USD
- **Internal funds invested** - construction, agricultural machines, plow - 200 thousand USD

- **Available funds** - 500 thousand USD
- **Required investments** - 300 thousand USD
- **Period for payback** -4 years
- **Net discounted income** - 350 thousand USD
- **Profitability index** -25%
- **Discounted profitability index of investments** -30%
- **Key risks and measures to reduce and prevent risks** - There are a number of flour mills of great strength, bread products manufacturing enterprises and a sufficient number of farms that will consume the suggested products. Therefore, market saturation does not represent a risk for the implementation of the project.

5. Offer to investors

- **Required amount of investments** -500 thousand USD
- **Investor participation form** - negotiable
- **Guaranteed profit** – negotiable
- **Investment return / payback guarantees / securities, bank guarantee, transfer and etc.** / - negotiable

6. Information about the teaser project

- **Preparation Date** -10.09.2012
- **Exchange rates as of the preparation date** - 1USD=411AMD, 1EURO=525 AMD

7. Contacts

- **Name/Surname/Position of the contact person** –Petrosyan Razmik, Entrepreneur
- **Telephone** - +374 94 73 13 82

8. Project Teaser Publication Consent

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Investment Project Teaser

1. Project Background

- **Project title**

“Kensavit”

- **Project objective and short description**

The aim of the project is to organize high-tech agricultural production , produce ecologically clean agricultural products with significantly less working capacity, create jobs, provide higher profits with minimum volatility, organize production without losses.

The project's main task is to build:

- 1. Fermenter, biogas and bio-fertilizers production;*
- 2. Dutch VENLO type high-tech greenhouse for vegetable production.*

Constructed fermenter will produce biogas by its own needs. Current type of greenhouse is an energy efficient by itself, having its own gas production the greenhouse will become energy protected stable working object, reducing project risk will lead to 18-20% profit.

As a consequence of fermenter’s workflow there is also a production of bio-fertilizers. They are exceeding currently existing chemical bio-fertilizers in the territory of the Republic of Armenia by their indicators several times.

Selling by relatively low prices, we'll have an advantage in the wholesale market as well will provide annual profit of 180 000 EUR.

Venlo type of greenhouse has a productivity, energy-saving system, computer-management of greenhouse systems in the international market.

- **Project attractiveness/actuality**

The project itself is an attractive on because it provides production without waste.

The first advantage of the fermenter is that it gives energy. Here we have a profit of 47-50 EUR per year.

The second advantage is the production of bio-fertilizers a second advantage, that gives profit of 180-190 million EUR per year.

The third advantage are indicators of VENLO type greenhouse. That gives an opportunity to reduce risks. The high-quality vital product will be lading in the market, getting 55-60kg products from 1 m² area, which will provide 550-600 thousand EUR per year. Having licensed and certified products, we will have high demand in the market.

The fourth advantage is a low price as they have lower production costs (wages, energy). The fifth one is a creation of 50 main and more that 40 satellite jobs.

- **Project location**

Yeghvard, Kotayk region, Republic of Armenia

- **Project implementation period**

Immediately after funding, 1 year

- **Project overall cost**

2 710 000 EUR

- **Required investments (inc. source of investment –how much)**

Investments will be made by the following way:

- 1. Greenhouse is constructed by the Dutch KGP company by 85% of the required amount of investment with value of 1 870 000 EUR.*
- 2. Earthworks, communications, transformer substation, gas lines, fermenter, service office, warehouse, transport, biomass receiving rotation, fertilizer warehouse, etc. are upon the project initiator by amount of AMD 400 000 EUR.*
- 3. 15% of the required amount for greenhouse construction is expected to be raised by other investors on shareholding basis (to be negotiated).*

2. General Information about the Author

- **Organization/person name**
“Toros” co-operative
- **Organization type**
Legal entity
- **Field (Scope)**
Agricultural production

3. Product/service general description (market description)

- **Product/service name**
The product's name will be "Kensavit" in compliance with its origin and nature.
- **Product/service competitive advantages**

Product has lots of competitive advantages:
 - 1. It conforms to international standards; the vegetables will have a unique taste and smell.*
 - 2. It is produced by the hydroponic method, chemical fertilizers and pesticides are excluded.*
 - 3. Product price, which will be low in comparison with similar products.*
 - 4. Ecologically pure products that are produced in predetermined conditions.*
 - 5. Packaging, which is made in accordance with modern European conditions.*
 - 6. A year-round production, as the market requires constant and quality supply of products.**The product will be attractive in the Armenian market as it is produced currently here and has Armenian roots. In the case of export, it will be competitive with high quality and unique qualities of vegetables.*
- **Information on product/service property rights, license and certification, ADD legal framework, regulatory requirements that applies to the specific product or service**
All the licensing and certification issues will be regulated right after project funding.
- **Brief description of the internal market**
Nowadays the domestic market of vegetables is at the weak stage of development in Armenia, it has a seasonal character and is produced in a small number especially while winter. Mostly vegetables of unknown origin are imported. Our goal is to fill this market sector.
- **Current position in the market/ expected share in the market**

It is seasonal and weak.

- **Target groups of consumers and consumer markets**
Our products are targeted to low and middle-income groups of the population, but bio-fertilizers involve the entire agriculture.
- **Main competitors**
As long as there are not many high-tech workers in the greenhouse, the main breaker competitors are absent.
- **Key strategic partners, including those involved in project finance**
Among our main strategic partners is a KGP company with 85% of investment. In terms of market, after project funding there will be signed appropriate agreements with trade and exporting organizations. A shareholder invested 15% in the greenhouse will be considered a partner as well.
- **Export Market Description**
The main export market is the Russian Federation is, which is considered a strategic partner. The current market imports about 75-80% vegetable intake. Extensive contacts are maintained in Moscow, Tyumen, Novosibirsk.

4 Project financial indicators

- **Project overall cost**
2 710 000 EUR
- **Capital costs**
2 710 000 EUR
- **Internal funds invested**
2 200 000 EUR
- **Available funds**
510 000 EUR
- **Required investments**
330 000 EUR
- **Period for payback**
10 years
- **Net discounted income**
5 962 000 EUR
- **Profitability index**
22%

5 Offer to investors

- **Required amount of investments**
330 000 EUR
- **Investor participation form**
Shareholding/ negotiating
- **Guaranteed profit**
Regardless risk conditions, the investor will receive an invested amount and minimum of 15% of income data. For this purpose relevant agreements will be signed.

6 Information about the teaser project

- **Preparation Date**
24.07.2014թ.
- **Exchange rates as of the preparation date**
550 EUR

7 Contacts

- **Name/Surname/Position of the contact person**

Ministry of Economy of RA
Investment Policy Department
Address: 5 Mher Mkrtchyan street, Yerevan, RA
- **E-mail**
investment@mineconomy.am
- **Telephone**
(+374 10) 597 127

8 Project Teaser Publication Consent

Agree

Investment Project Teaser

1. Project Background

Fill in field with relevant contents

- **Project title**
Hrazdan River Gorge Hotel Complex construction project
- **Project objective and short description (up to 500 words)**
Multifunctional 4-star Hotel Complex is planned to be constructed in Yerevan the capital city of Armenia, which will correspond to international standards and operated by one of the world's leading international hotel brands. The project is implemented by "Sasna Erkir" CJSC the member of "X-Group" International Union. The hotel is situated in the Hrazdan River Gorge near Haghtanak Bridge, with a beautiful view towards biblical mount Ararat. The project owner and initiator "X-Group" company owns 9000 sq/m plot for the future hotel construction. The architectural brief and design permit was acquired from Yerevan municipality. The architectural preliminary concept design and the height of the future hotel building have been agreed with Yerevan Municipality.
- **Project attractiveness/actuality (up to 500 words)**
The feasibility study of the hotel complex project has been carried out by "Horwath" world's number one hospitality consulting organization. The (macro and micro) location and the hotel development including adjoining facilities of the mixed-use project have been evaluated by so called critical success factors (accordingly weighted) with 823 points of 1000 (82%) and therefore rated "excellent". Multifunctional hotel complex with entertainment and shopping center, convention and events facilities, offices, business apartments, hotel accommodation and restaurants, bars and cafes offers everything under one roof, in one place. The new concept shall function as meeting point of Yerevan, as well as a kind of melting pot for tourists and local people. The landmark design of the iconic hotel tower will automatically attract the attention of visitors driving from the airport to the city center. The architecture of the iconic tower is unrivaled so far in Armenia.
- **Project location**
Yerevan / Armenia
- **Project implementation period**
2 years
- **Project overall cost**
85 million USD
- **Required investments (inc. source of investment –how much)**
65 million USD

2. General Information about the Author

Fill in field with relevant contents

- **Organization/person name**
"X-Group", Founder - Khachik Khachatryan
- **Organization type**
Union of Legal Entities
- **Field (Scope)**
Tourism, Hospitality

3. Product/service general description (market description)

Fill in field with relevant contents

- **Product/service name**

Hotel Accommodation, Entertainment and Shopping Center, Convention and Events facilities, Offices, business apartments, Restaurants, Bars and Cafes

- **Product/service competitive advantages (up to 500 words for detailed description of the market and how the product or service stands out – innovative, price-wise, unique offering etc.)**

The project location is very well accessible by car, as it is situated on the main road connecting the city center and “Zvartnots” Armenia International Airports. Therefore it is perfectly located for foreign tourists and business travellers who usually access Armenia by air.

Thanks to the location of the hotel tower, most of the guest rooms have the incredible view towards to the biblical mount Ararat. There are beautiful views towards Yerevan city center, Hrazdan river gorge, St. Sargis Church, airport highway, Haghtanak bridge and etc.

The hotel will be of international standards and managed by a reputable and well-known specialized hotel management company. The management company is expected to provide considerable investment in staffing and training to provide the level of service commensurate with the positioning of hotel and its respective guests expectations.

The hotel will have access to the management company reservation and marketing system.

Agressive programs of advertising and sales promotion will be instituted prior to the opening of the hotel and maintained throughout the projection period. Multifunctional hotel complex with entertainment and shopping center, convention and events facilities, offices, business apartments, hotel accommodation and restaurants, bars and cafes offers everything under one roof, in one place.

- **Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service**

- *The architectural brief and design permit was acquired from Yerevan municipality. The architectural preliminary concept design and the height of the future hotel building have been agreed with Yerevan Municipality.*

- **Brief description of the internal market**

With currently under 10,000 guest beds and expected growth of tourism demand up to 1.5 million tourist arrivals by 2020, Armenia and Yerevan are very much in need of further tourist accommodation, especially hotels meeting international standards and therefore, expectations of international tourists. To underscore this fact further: Since 2001 the average annual growth rate of tourist arrivals has been 22%. Currently Armenia counts more than 600,000 tourist arrivals per year. Thereof, about 30% stay in hotels.

- **Current position in the market/ expected share in the market**

Start-up / N/A

- **Target groups of consumers and consumer markets**

Tour Operator Guests & Group Travelers, Corporate & Business Traveler including Officials of International Organizations, Participants of Meetings, Incentives, Congresses/Conventions and Events, Individual Traveler including Armenian Diaspora

Russia, Iran, EU and US

- **Main competitors**

The relevance of the selected hotels is associated to their scope and of service, facilities and positioning in the market. The classification of primary and secondary competitors is based on the assessment of their relevance to the project under analysis. Therefore, only those hotels meeting international standards of the 4(or 3*+) hotel category and are under professional management were as primary competitors: Armenia Marriott Hotel, Golden Tulip Hotel Yerevan, Golden Palace Hotel and Best Western Congress Hotel Yerevan.*

- **Key strategic partners, including those involved in project finance**
N/A
- **Export Market Description / export current / expected volume, the export share of sales volume / Access to foreign market**
Access to foreign markets (foreign tourists) by management company

4. Project financial indicators

Fill in field with relevant contents

- **Project overall cost**
85 million USD
- **Capital costs**
85 million USD
- **Internal funds invested**
9.000 sq/m plot area (11.7 million USD at market prices) and 20 million USD
- **Available funds**
N/A
- **Required investments**
65 million USD
- **Period for payback**
Payback period 6-9 years
- **Net discounted income**
N/A
- **Profitability index**
N/A
- **Discounted profitability index of investments**
N/A
- **Key risks and measures to reduce and prevent risks**
 - A. **Risks based on competition growth**
Analysis considered several factors that influence a potential guest's or third party's decision of hotel selection. The factors considered in our analysis are judgmental in nature and based upon the knowledge and experience of "Horwath" HTL and our discussion with executives in the local hotel industry. The factors include the following:
 - accessibility and proximity to tourist areas, commercial areas, office, industrial and technical development zones.
 - brand affiliation.
 - location and quality of surroundings.
 - quality and variety of facilities offered.
 - proposed market positioning.
 - room rate structure and discounting policies as compared with competitive hotels.
 - age of competitive supply and anticipated overall quality of physical product and finishing.
 - standards of services.
 - B. **Political risk**
As one of the key factors for incoming tourism growth, stable political situation in Armenia. CIS and other countries in the region is reducing the political risks. Another risk factor is presidential election since it threatens political stability. With this respect, the most favorable time is the period between elections.
- **Tax benefits/privileges for the last 5 years**

N/A
5. Offer to investors
<p><i>Fill in field with relevant contents</i></p> <ul style="list-style-type: none"> • Required amount of investments 65 million USD • Investor participation form Equity financing, loans, grants, etc. Depending on the conditions of project financing "X-Group" may offer 50-60% of shares to potential investor • Guaranteed profit N/A (calculations are available for accommodation services EBITDA approximately 4-6 million USD for the first 5 years) • Investment return / payback guarantees / securities, bank guarantee, transfer and etc. / N/A
6. Information about the teaser project
<p><i>Fill in field with relevant contents</i></p> <ul style="list-style-type: none"> • Preparation Date 28.02.2012 • Exchange rates as of the preparation date USD = 388 AMD
7. Contacts
<p><i>Fill in field with relevant contents</i></p> <ul style="list-style-type: none"> • Name/Surname/Position of the contact person Artak Sargsyan, Project Manager • E-mail asargsyan@ada.am • Telephone (0037410) 570 170 ext. 205 • Fax (0037410) 570 170 ext. 207
8. Project Teaser Publication Consent
Agree

Production of Homogeneous Nano-size Metals With Innovative Technologies

Investment Project Teaser

1. Project Background

- **Project title** - Production of Homogeneous Nano-size Metals With Innovative Technologies
- **Project description and actuality** - Nanotechnology, particularly molecular technology, is a new, little-studied field. Main supposed discoveries in this field haven't been made yet. However, the results of studies are interesting and unexpected. The latest achievements of science used in nanotechnologies enable to classify it to high-tech class. Nanotechnology is the next logical step of development of electronics and other high-tech industry. Although nanotechnology is still a very young science, it has its unique place in a number of important spheres for humanity, particularly in inorganic and organic chemistry, medicine biology, food, industry, etc.
- **Project attractiveness** -Nanotechnologies are one of the fast developing in the world market. Manufactured materials can be used in polymer-plastics production, mechanical rubber production, engineering industry, electrotechnics production, Lighting technology production, medicine significantly improving production quality and reducing expenses.
- **Project location** - Kotayk Marz, the Republic of Armenia
- **Investment Implementation period** - 24 month
- **Project overall cost** - USD 781,000
- **Required investments** - USD 651,000

2. Product/service general description (market description)

Nanotechnologies are one of the fastest developing markets in the world. According to the industry experts and analysts of Abercade company, prospective fields of nanotechnologies use are engineering industry, the share of which in the use of nanoproduct will be 25% in the near future, medicine (22%) and aerospace technologies (about 17%). However, the specialists' main hope is the massive use of nanotechnologies in the field of energy. Expected that 13% of worldwide nano-product will be applied in this field, and in future achievements in the field of nanotechnology could make a revolution in the sector of power generation.

Prices per 100 gram of nano-size homogeneous metals in the world market range from USD 500-700.

Five countries making scientific researches in this field are USA, Japan, China, Germany and France. There is no competitors in the region.

A large consumer market for produced materials can be USA, Russia, countries of European Union, China, Japan and Arab countries.

Armenia has free trade agreements with majority of CIS countries with total population, currently enjoys “Generalized system of preferences” of the USA, Canada, Switzerland, Norway and Japan, is one of the countries enjoying “Generalized system of preferences” (GSP+) provided by EU.

Production technology is patented in the Republic of Armenia.

3. Project financial indicators

- **Project overall cost** - USD 781,000
- **Capital costs** - USD 640,000
- **Internal funds invested** – USD 130,000
- **Required investments** - USD 651,000
- **Period for payback** – 18 month
- **Net discounted income** - USD 828,000
- **Internal rate of return** – 27.14%
- **Possible Tax benefits** – This project is a subject to VAT payments postpone for the imported equipment and goods, as well as privileges for profit tax for new jobs.

4. Offer to investors

- **Required amount of investments** - USD 651,000
- **Investor participation form** - 100% of profit from 1st production year and a share of 40% for the following years.

Investment Project Teaser

1. Project Background

Fill in field with relevant contents

- **Project title**
New Technology of Magnesium Production
- **Project objective and short description (up to 500 words)**
*Magnesium production plays significant role in industries, such as energy, mining and metallurgy. The existing production technologies are highly ineffective due to high level of energy consumption. This fact is considered as a main reason for prevention of application of magnesium in a wider scale.
Development of new and effective technologies is vital for the above mentioned industries, especially at present when the global economy is in recession.
ECOATOM LLC has developed a new hydrometallurgical technology for production of magnesium. Furthermore, the Company has developed small size production units to demonstrate the application of the new technology.
It should be indicated that the new technology is financially sound both for the purpose of direct and indirect investments.*
- **Project attractiveness/actuality (up to 500 words)**
*It is proposed to set up a plant for production of magnesium with operational capacity of 1000 tonnes per year. This annual capacity will be enhanced in the future to 5000 tonnes per year.
With this vision, Armenia may become a regional centre for magnesium supply.*
- **Project location**
Yerevan / Armenia
- **Project implementation period**
Payback period 5-6 years
- **Project overall cost**
6 million USD to launch 1000 ton production
- **Required investments (inc. source of investment –how much)**
6 million USD

2. General Information about the Author

Fill in field with relevant contents

- **Organization/person name**
EcoAtom, Director Gagik Martoyan
- **Organization type**
Limited Liability Company
- **Field (Scope)**
Metallurgy, Hi Tech

3. Product/service general description (market description)

Fill in field with relevant contents

- **Product/service name**
Pure (99%) metallic magnesium in form of powder
- **Product/service competitive advantages (up to 500 words for detailed description of the market and how the product or service stands out – innovative, price-wise, unique offering etc.)**

Industry trends have been observed closely and traditional technologies have been examined thoroughly. Based on the results of research and industry analysis, it is concluded that traditional technologies of magnesium production are ineffective and there is a critical demand for introduction of new technologies. ECOATOM LLC has discovered a new membrane based hydrometallurgical technology for extraction of magnesium from the water solutions of magnesium salts.

The proposed technology is highly cost effective. The effectiveness is measured by cost comparison: the magnesium production costs are reduced three times as compared to costs of production of magnesium in China known worldwide as the cheapest.

Considerable cost reduction is attractive not only from commercial but also from industrial perspective.

Some specialised industrial as well as energy fields have been historically assessed as highly prospective. However, it has not been financially viable to develop these fields due to the high costs of magnesium they used. Now, the new technology can provide development opportunities for many industries.

Market outline

World market volume 2,000,000,000 USD

Estimated annual market growth ca. 15-20%

Players: China, USA, Kazakhstan, Russia

Production cost 2000 USD/ton

- ***Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service***
Patented in Armenia
- ***Brief description of the internal market***
First of all, the domestic Armenian market is an important consumer. At present, Armenia plays a leading role in the region in terms of mining and extraction of certain metals. However, the production process of these metals is not complete. This issue can be resolved by the establishment of magnesium production since magnesium is considered as one of the strongest restorers of metals.
Current position in the market/ expected share in the market
Start-up / expected share in the market of 100%
- ***Target groups of consumers and consumer markets***
Russia, Iran, Europe
- ***Main competitors***
Currently there are no production bases for metallic magnesium in Armenia. The process of importing the product is rather complex and this leads to increased product price. It can be concluded that effectively there is no domestic competition and the real competitors should be sought in abroad.
- ***Key strategic partners, including those involved in project finance***
N/A
- ***Export Market Description / export current / expected volume, the export share of sales volume /***
- ***Access to foreign market***
Since the domestic demand for industrial products is limited, the company pursues the export growth for future development. The overall future growth strategy of the company is based on its strategic objective to produce variety of magnesium based products of a very high quality to be able to enter international market. It could be stated that there is no obstacles in accessing targeted markets of Russia, China and EU.

4. Project financial indicators

Fill in field with relevant contents

- **Project overall cost**
6 mln. USD
- **Capital costs**
Approx. 4 mln USD
- **Internal funds invested**
In the form of intellectual capital
- **Available funds**
N/A
- **Required investments**
6 mln. USD
- **Period for payback**
Payback period 5 years

- **Net discounted income**
N/A
- **Profitability index**
N/A
- **Discounted profitability index of investments**
N/A

- **Key risks and measures to reduce and prevent risks**
 - A. *Technical, Operational and Personnel Exposure Risks*
These risks are similar to the risks associated with the production of pure chemicals. The main risk relates to the explosion and blaze of metallic magnesium, which is mitigated by the inclusion of magnesium into the oil at an early stage of production.
 - B. *Political Risks*
Political risks should be considered while dealing with international governmental market. With this respect the following critical matters should be analysed:
 - Political stability,
 - Presidential elections,
 - Intergovernmental relations.Stable political situation in CIS and other countries in the region is reducing the political risks for the entire process from arranging sales contracts to implementing sale of the product. Another risk factor is presidential election since it threatens political stability. With this respect, the most favorable time is the period between elections. Intergovernmental relation is another important factor. With this respect, the most reliable partners are considered as Russia and Iran. Taking into account the fact that the initial level of production and output are not significantly high, these risks can be assessed as low.
- **Tax benefits/privileges for the last 5 years**
VAT holidays on imported machinery
Since production could be considered as Hi-Tech production and established within newly established Free Economic Zone with 0 % of taxes.

5. Offer to investors

Fill in field with relevant contents

- **Required amount of investments**
6 mln. USD
- **Investor participation form**
Equity financing, loans, grants, etc.
Depending on the conditions of project financing ECOATOM LLC may offer 40-70% of shares to potential investor
- **Guaranteed profit**
Approx. 3 million USD annual profit after the 4th year
- **Investment return / payback guarantees / securities, bank guarantee, transfer and etc. /**
N/A

6. Information about the teaser project

Fill in field with relevant contents

- **Preparation Date**
28.02.2012
- **Exchange rates as of the preparation date**
USD = 388 AMD

7. Contacts

Fill in field with relevant contents

- **Name/Surname/Position of the contact person**
Aram Vardanyan, Project Manager
- **E-mail**
avardanyan@ada.am
- **Telephone**
(0037410) 570 170 ext. 206
- **Fax**
(0037410) 570 170 ext. 207

8. Project Teaser Publication Consent

Agree

Investment Project Teaser

1. Project Background

- *Project title*
Expansion of healthy food production
- *Project objective and short description*
Thousands of years people living in the Middle East, especially Armenians, used sour dairy food as healthy medicinal tool.
The research showed that the sour dairy food includes needed important and vital elements for the normal human body, particularly regulating active stomach work.
After the long-term research, Alexander Selimyan extracted a new acidofil leaven (meran), by which it became possible to get a new qualified sour dairy products. In the manner described by the author, this kind of fermented milk is called BIOMATSUN (bio-fermented milk) , dry fermented milk based on the latest one is called CHORATAN (dried buttermilk), admixture for animals- KERATAN (whey), natural dough improver for baking- HACATAN.
"Krup" company has a three-year experience particularly in healthy sour dairy food industry.
This comes to show that there is lack of qualified goods in the market. In fact, the company kept its production almost a year without financial resources. The main aim is to increase its production, sales volumes and simultaneously develop a new product release.
Our goal is to find a financial investor that is willing to work in the field of healthy food based on consumers' trust.
- *Project attractiveness/actuality*
In 2010, when the company started its operations, there was a belief that the consumer is able to buy bread or fermented milk usually cost 15-20% more. Experience has shown that people have a natural need for natural food. Our goal is to expand production of spreading the importance and necessity of its use.
- *Project location*
"Krup" LLC
(Yerevan, 38 Pushkin Street, an area of 500 sq. m.)
- *Project implementation period*
120 million AMD

2. General Information about the Author

- *Organization/person name*
"Krup" Research and Production Company
Alexander Selimyan - Founding Director , Candidate of technical sciences, member of the Armenian Technological Academy
- *Organization type*
LLC

- *Field (Scope)*
Manufacturing of new sour dairy products

3. Product/service general description (market description)

- *Product/service name*
 - “Nane” acidofil fermented milk
 - dried buttermilk (choratan)
 - natural yeast
 - whey (keratan)
 - selimyan bread/lavash
 - confectionery products
- *Product/service competitive advantages*
 - “Nane” acidofil fermented milk is produced in small quantities by "Krup" LLC and sold through its own stall. Unlike conventional fermented milk, it contains a large number of acidofil bacteriums and amino acids, which are indispensable as cannot be synthesized in human body as well acidofil bacteriums and amino acids, which are dispensable, being synthesized in human body.
"Nane" acidofil fermented milk passed the milk testing in the Russian Research Institute / Moscow city /and has no competitor in the Armenian market. It is not subject for the export because of the short- term storage / only two weeks /.
One year marketing research showed that "Nane" production should be organized with large companies by the way of franchising, especially with those companies, which have appropriate proposals. The sell price is 15% higher than the usual price of the fermented milk.
 - Dried buttermilk (choratan) is made of the clot of bio-fermented milk in mild dry weather conditions and is also used as a natural body cleaning measure. It is produced since 2005 and exported to Russia / Samara, Taganrog/.
Dried buttermilk passed all testings of the Armenian National Public Health Institute. The results were summed up in English and published in specialized magazines.
Due to large-scale promotional activities dried buttermilk has a great potential for use with the storage period of three years. It is not a medicine; it has antiallergic effect and regulates the immune system. The sale price of dried buttermilk is 100 USD/kg. According to the current project, it is intended to produce 3,5 tons/ year.
 - Whey (keratan) is animal fodder admixture. It regulates animals' gastrointestinal tract and permanently allows suppression of the animals' diseased bacteriums, that's way supporting the meat quality.
The main customers of whey are chicken producers in Persia and pork producers in Russia. Today, there is a widespread use of antibiotics and hormonal medications. So, it is evident that the growing demand of meat and natural additives sooner or later will become very advantageous. The sale price of whey is 3 USD/ kg.
 - Natural yeast (hacatan) is produced on the basis of filtratration of bio-fermented milk. It is used as a natural dough improver for baking. This product is not of much use because of the widespread use of artificial improvers that inflate over the bread without starch /krakhmal/. The amount of imported chemical improvers increased up to about thousand tons.
"Krup" LLC provides annual production capacity amount of natural yeast to only six tons. The

main reason is the lack of the dryer.

- Selimyan bread produced by "Krup" company is sold in our stall, as well as in "SAS" and "Yerevan City" supermarkets. It is also famous by its lavash, made of the black flour.
- Krup LLC's experimental laboratory is starting confectionery production, which is also made of pure butter, milk, etc. Indeed, the sale price will be higher than usual.

4. Project financial indicators

- *Capital costs*
40 mln. c.u.
- *Internal funds invested*
40 mln. c.u.
- *Required investments*
120 mln. c.u.
- *Period for payback*
18 months

5. Offer to investors

- *Required amount of investments*
120 mln. c.u.
- *Investor participation form*
Creation of new company, where investors and "Krup" LLC hold 50%/50% of the stock
- *Guaranteed profit*
8.3 mln. AMD

6. Information about the teaser project

- *Preparation Date*
15.11.2013
- *Exchange rates as of the preparation date*
1 USD= 407 AMD

7. Project Teaser Publication Consent

Agree

Investment Project Teaser

1. Project Background

- **Project title:**
Organization of sapphire manufacturing
- **Project objective and short description :**
In regards to its unique qualities (high solidity (second only to diamond), strength, melting point, chemical and radiation resistance and optical transparency) sapphire is demanded almost in all the fields of science and technology. This is the base for the future electronics, lance manufacturing, ophthalmic scalpels, spaceship illuminators, rockets, airplanes and also luminodiode and many other modern devices. Artificial sapphires with their qualities almost don't concede to the natural ones.
The development and manufacturing of the science and experimental basis started to evolve in 60-80s of the last decade in former USSR. Under the general scientific guidance of the NA Crystallography Institute of USSR there started to develop centers in Ukraine, Armenia, as well as on the territory of RSFSR, in particular in Stavropol. The main development impulse in that period was the urge to create materials for lasers, as well as for electronic technique devices.
Thus in Armenia there was found an infrastructure on the basis of "Lazerain tekhnika", Institute of physical research of NA ARM SSR, few departments of State University and Polytechnic institute, Exact specifications stone factory in Nor Hachn, Arzni "Sapphire", Chemical plant of Kirovakan, few enterprises of the Ministry of electronic, radio and electro-technical industry. There was created growth equipment; there were grown different types of crystals from melts and solutions, as well as sapphires. With its level of manufacturing and consumption of crystals Armenia was among the top three republics together with RSFSR and Ukraine. With the collapse of the USSR almost all of the activities were terminated. But the School remained and this school was one of the leading ones in the World and the method of sapphire growth inherited from soviet security science was the best.
It is presumed to create the manufacturing on the basis of the specialists basis of the organizations listed above providing the number of growth equipment of TS 300 is increased up to 60, which at its own will lead (ceteris paribus) to the company market share growth in the sapphire manufacturing market up to 10%. It is expected to obligatorily have manufacturing and processing (cutting and polishing). In the meantime the overall investment for the 5 years of the project will amount to 41mln. c.u.
Projected revenue at the end of the 5th year is expected to be 47mln.c.u. with condition that sapphire cores will be sold at 450c.u. per kilo, which on its own is already a low price (see Table 1)

Table 1.

	Year I	Year II	Year III	Year IV	Year V
Gross revenue	3,830,400	8,228,250	10,431,900	12,636,000	12,636,000
Total					47,762,550

In any case the proposed technical equipment level of the company gives the confidence to the company will be able be ready to react to all the possible developments in the world market conjuncture.

Thus the investment of 41mln. c.u. will allow Armenia to become one of the leading manufacturers in the market. It will also allow the opportunity for employment and further development of the scientific potential of the country in high-tech field.

The mentioned above will raise the ratings of Republic of Armenia, as a country with developing high-tech and the latter will attract, as we think, even more international investors which at its end will support the development of the country and its economy in general.

- ***Project attractiveness/actuality:***

Sapphire manufacturing and then products of them refers to the high-tech manufacturing demanding high proficiency from the employees, furthermore it will need to be of wide profile. The latter and the knowledge of crystallography, the knowledge of crystal growing, technological facilities, the best practice of work with high temperature metals such as wolfram, treatment of solid crystals and many more. In Soviet time Armenia there was found a significant infrastructure which would help her to get into top three most successful countries in this filed together with RSFSR and Ukraine. In former USSR territory basically only one center exists– “Monokristal” plant which is a part of “Energomera” concern of Stavropol which at its end became a part of “ROSNANO”.

In the international market, where there are about 130 international companies involved in manufacturing and processing of sapphire substrate, vast majority of which (about 65%) is Project located in China based with both local and international investments. From geographical perspective manufacturers cover countries like USA, Russia, China, France, Japan and others wide variety of production and used technologies.

In the market niche chosen by our company of 7-10% the main strong players and competitors “Rubikon”, “Monocrystal/Atlas” and “Procrystal” that are involved in growing and cutting and polishing of crystals unlike the other players who have one or two production stages.

World sapphire market has been growing in the past few years for 20% a year. Mainly consumers of the LED. One of the main components of LED is the sapphire wafers. For example LED world market capacity in the year 2006 amounted to 4,2 bln. c.u., while by 2011 it was expected to reach 9,4 bln. c.u. Starting from 2011 semiconductor sources have already started to compete with traditional lamps in pricing. According to Yole Development prognosis by 2015 there will be a significant increase in the production of 6” and 4” wafers amounting to 55% and 44% from the of all production in the market, this comes to prove the significant growth potential of the LED market. In spite of the presence of 130 companies in the international market we can confidently state that the growth rates of the consuming markets of sapphire products will several times exceed the global manufacturing rates of sapphire products. In particular according to the same company forecasts based on manufacturing market research implementation by the year 2017 it is foreseen that the market capacity will reach 1.4 bln c.u. compared to the current 600 mlns.

- ***Project location***

CJSC “LT PIRKAL”

- ***Project implementation period***

5 years

- ***Project overall cost***

41 mln. c.u.

- ***Required investments (inc. source of investment –how much)***

41 mln. c.u.

2. General Information about the Author

- **Organization/person name**
Edward Tumanyan
- **Organization type**
Ltd.
- **Field (Scope)**
High-tech

3. Product/service general description (market description)

- **Product/service name**
Sapphire boules, sapphire products (substrates and cores)
- **Product/service competitive advantages**
Existing required affordable divaricate infrastructure and attractive pricing
- **Information on product/service property rights, license and certification, ADD legal framework , regulatory requirements that applies to the specific product or service**
Main manufacturing staff has all the required patents which can be presented upon demand
- **Brief description of the internal market**
The product is practically not available in the internal market at present.
- **Current position in the market/ expected share in the market**
Expected market share by products should amount to 7-10%
- **Target groups of consumers and consumer markets**
Main target customer groups are the manufacturers of LED products and lighting sources. Among which are:

	Company name	Manufacturing
1	Seul Semiconductor	LEDs of different types (Edison, Star, ChipLed, z-series, RadialLtd). LED modules.
2	Lexedis Lighting	Emitter, nanoXED type LEDs.
3	Ligitek Electronics	Different types of LED, components.
4	Prolight Opto	Emitter (1-4 W), Star (1-5 W) type LEDs. Optical lenses. LED modules (maximum LEDs).
5	HPLighting	Emitter, Star type LEDs, with collimator. Lenses for LED. Indicators.
6	Neo Neon	Lighting fixtures, since October 2009 indoor production of LEDs.
7	Para Light Electronics	Different types of LED, optical particles.

4. Project financial indicators

<ul style="list-style-type: none"> • Project overall cost 41 mln. c.u. • Capital costs 1/8.9mln.c.u. • Required investments 41 mln. c.u.
5. Offer to investors
<ul style="list-style-type: none"> • Required amount of investments 41 mln. c.u. • Investor participation form Negotiable • Guaranteed profit Negotiable
6. Information about the teaser project
<ul style="list-style-type: none"> • Preparation Date 17.09.2013 • Exchange rates as of the preparation date 1USD=411AMD
7. Contacts
<ul style="list-style-type: none"> • Name/Surname/Position of the contact person Tumanyan Edward - head of the initiative group • E-mail hes_meghu@yahoo.com • Telephone (+374-10) 272416/ mob.: (+374-91) 019660
8. Project Teaser Publication Consent
Agree

Investment Project Teaser

1. Project Background

- **Project title**

“Yeghegnadzor Cannery” Ltd.

- **Project objective and short description**

Being the only enterprise processing agricultural products, fruits and vegetables in Vayots Dzor marz, the sustainable activities of “Yeghegnadzor Cannery” Ltd. are a very important factor for the development of the agro-industrial complex of the marz.

The enterprise was established in 1960s and needs repair of buildings and constructions, as well as installation of modern equipment and lines in order to produce competitive goods in accordance with international standards. Previously the products were exported mostly to CIS countries, Germany and Japan. In 2005 the enterprise for the last time produced 11 types of jams and marmalades; currently it does not operate.

Currently the enterprise with its existing equipments and technologies is capable to produce 15-20 types of juices, jams, marinades, dry fruits, etc., which nonetheless are not competitive in international market, mostly due to packaging and design. There are no companies processing fruits and vegetables in the marz, but at the same time there are about 12 thousand land owners, whose produced harvest is not processed.

The enterprise is planning to restart the production of the cans by purchasing from the rural farms green walnut, apricot, peach, apple, pear, cucumber, tomato, hip, hornbeam, lily, honey, herbs, etc. The production will include jams and marmalades from walnut, apricot, peach, apple, pear; juices from apricot, peach, apple, pear, tomato, hip; dry fruits from apricot, peach, apple, pear; marinades from cucumber, tomato, hip, hornbeam, lily; tomato paste, etc.

- **Project attractiveness/actuality**

- ✓ *traditionally developed industry,*
- ✓ *juicy and delicious fruits,*
- ✓ *fruits with high and competitive quality,*
- ✓ *strong traditions of growing garden plants.*

- **Project location**

Vayots Dzor marz, Yeghegnadzor, Zoravar Vardan 34

- **Project overall cost / Required investments**

The investments needed for the reoperation of the enterprise are the following:

- ✓ *External sources of financing* 4.5 million USD
- ✓ *Community contribution* 0.2 million USD
- ✓ *Overall* 4,7 million USD

2. General Information about the Author

- **Organization/person name** - “Yeghegnadzor Cannery”, Vardan Abrahamyan /100 % shareholder/
- **Organization type** – Ltd.
- **Field (Scope)** – Industrial processing of agricultural products, food production, purchase of agricultural raw materials

3. Product/service general description (market description)

- **Product/service name** - Processing of agricultural products
- **Product/service competitive advantages**- For the first year of reoperation the enterprise will produce 28570 conditional boxes /0.4 l/ walnut jam, 2653 conditional boxes /0.4 l/ peach jam, 65777 conditional boxes /0.36 l/ apricot jam, 15197 conditional boxes /1 l/ apricot juice, 24368 conditional boxes /0.72 l/ cucumber marinade, etc.

The purveyance will be organized for green walnuts from May 20th to June 15th, for apricot in June-July, for peach in July-September, for cucumber in June-September. Before starting the purveyance the construction repair, purchase and installation work of equipments will be done; the purchase of raw materials will be carried simultaneously.

The price formation for the company's products will be mainly conditioned by raw materials and packaging materials. The costs for supplementary materials and packaging are almost the same as for similar competitor enterprises, and in terms of raw materials the cheapest ones are in Vayots Dzor region, which is due to a number of factors:

a/ In contrast to Ararat valley, fruits and vegetables grow here one month later /prices are going down/;

b/ There is no purveyance /the products are mostly used for exchange/;

c/ There are no competitors, etc.

Our product will be mostly delivered to Moscow, Russian Federation. Previously there have never been any problems with the purchases: right after the end of the technological cycle our production was purchased according to the contracts. The existence of a market with such large internal capacity is a strong guarantee for reoperation and is explained with such factors as:

- Armenian cans in external markets are of high demand;
- Increase of the financial revenues of the population leads to a higher demand for ecologically pure natural juices, jams, marmalades, marinades, which are products of high category;
- It is considered a product of high consumption utility;
- The population is giving consumption preference to ecologically pure production food, the demand for which in the market far exceeds the supply.

4. Project financial indicators

- **Project overall cost** – Taking into consideration the fact that the company is planning to export its production to CIS and other countries, as well as to enlarge the production volumes by 30% annually, then the period for payback will be 4-5 years under the current market prices.

In order to implement the aforementioned production project the company needs 4.7 million USD, which will be spent for the following:

- a/ Construction repair and installation works - 1.3 million USD
- b/ Equipment /new modern production lines, aseptic line/ - 2.4 million USD
- c/ Raw and other materials - 0.8 million USD
- d/ Other unforeseen expenses - 0.2 million USD

5. Offer to investors

- *Negotiable*

6. Information about the teaser project

- **Preparation Date** -05.09.2012
- **Exchange rates as of the preparation date** - 1USD=410AMD

7. Contacts

- **Name/Surname/Position of the contact person** – Executive Director
- Vatrđan Abrahamyan /100 % owner/
- **Telephone** - +374 93 40 22 29

8. Project Teaser Publication Consent

Agree