**Investment Offer**

1. **General information about the project**
2. **Project name:** *Restoration and adaptation of the Eastern building of the palace complex of the Sapieha in Ruzhan*y.
3. **Project branch:** Culture.
4. **Project location:** Brest region, Pruzhany district, township Ruzhany, Urbanovicha Street, 15a.
5. **Project description** (the essence of the investment project, prerequisites, goals, what is expected from an investor, why the project will be interesting for the investor)

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| The palace complex of the Sapieha in Ruzhany is a unique architectural monument of state importance.  From 2008 to 2011 the restoration works were carried out to reconstruct the entrance gate, the western and eastern outbuildings. The palace complex of the Sapegas in Ruzhany was opened for visitors on January 25th, 2011 (<http://rozana.by>).  There are four exposition halls and one exhibition hall.  The exposition of the eastern outbuilding introduces the history of the Sapieha generation.  The western outbuilding presents an exposition “The history of township Ruzhany”, a hall “The Chancellor’s Lounge”, an exhibition hall where temporary exhibitions are held.  The executive committee in Pruzhany district proposes the following conception for restoration and adaptation the Eastern wing of the palace complex of the Sapieha in Ruzhany:  1. to finish the construction works aimed at closing the contour of the building, to roof the building  2. to make a project to build a cafe for at least 80 people, hotel rooms with 45 beds, bathrooms, checkrooms, storehouses, outside storages on the part of the eastern wing where was an arena  3. to organize a theatrical and exposition hall in the building of the previous theatre (a universal hall for different kinds of events and to reconstruct an inside colonnade ), to organize an exhibition hall at the second level of the building which is over the colonnade  4. to carry out works aimed at preservation the main building and the arcades.  The aim is to preserve historical and cultural values and to adopt it for modern and economic use. |

1. **Project implementation period and stages, including the expected project implementation starting date**

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| Restoration works began in 2008. |

1. **Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (or in progress) and the date, when they were prepared)

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| Restoration and adaptation of the Eastern outbuilding are being conducted now and are funded by the district and republican budgets (about 3,17 million of dollars are spent), the entrance gate, the western and eastern outbuildings are reconstructed. |

1. **Information about the project initiator**
2. **Organization full name:** The executive committee in Pruzhany district
3. **Registration date:**
4. **Authorized fund structure, %:**

|  |  |
| --- | --- |
| Legal entities: | Share |
| - state ownership form | *100* |
| - private ownership form |  |
| Individuals |  |

1. **Description of the market of the product intended for manufacture**
2. **Description of the product intended for manufacture**:
3. product name and description**:** Tourist services.
4. main consumers**:** Population and tourists.
5. main competitors (producers of similar product performance goods):Memorial complex Brest Hero-Fortress, Mir Сastle, Nesvizh Сastle and others.
6. **Domestic market description**
7. current market capacity (over the latest reporting period, please, specify the year):

**USD**

1. prospective domestic market share: 50 **%**
2. strategy for operating in the domestic market:

lower prices

better product quality

better service

state support (protection from import, guaranteed state public purchases and other support)

other (specify)

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| … |
| … |
| … |

1. state regulation (price regulation, licensing of the activities etc.): text entry space.
2. return on sales (%):       (in       year);
3. market concentration degree (approximate total market share of five largest market players, %):      .
4. other (specify):
5. **External market description**

**1.** Estimated sales volume distribution by core regions, %:

|  |  |  |  |
| --- | --- | --- | --- |
| EEU countries (Eurasian economic union) | Incl. Belarus market | EU countries | Other countries |
| 70 | 40 | 25 | 5 |

1. Does the company have experience in exporting to these countries**:**  yes;  no
2. Do other Belarusian producers export these products to the main target markets?

yes;  no

1. **Description of available infrastructure**

**Railways and motor drive ways:**

company’s own branch railway

Belarusian Railway line (distance from the site, km):

state motor roads (distance, km):

other roads with improved surface (distance, km):

**Communications:**

electricity network (voltage: 10 kilovolt, distance, km:      )

water pipeline

gas pipeline

**Land plot and manufacturing facilities:**

land plot availability (area: 3.8 , purpose of use: Historical and cultural.)

presence of constructions (area:      , purpose of use:      )

**Other infrastructure:**

warehouses, logistics terminals (area:      , description: )

possibility of production expansion and installation of additional production capacities

possibility of construction of the necessary infrastructure via state budgetary financing (description: )

Other (specify):

1. **Key advantages of the project**

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| 1) Township Ruzhany has an advantageous geographic location . It is situated on the crossing of such highways as Vysokoe – Pruzhany – Ruzhany – Slonim P85 and Ivatsevichi – Kossovo – Ruzhany – Skidel P 44.  Tourists from Poland, Lithuania, Russia (neighboring countries). |
| 2)There are a lot of famous sights (Troitskiy castle of the 17th -18th centuries, a former Basilian monastery: Petropavlovskaya church, a monastic building of the 17th – 18th centuries, a former synagogue’s building of the 19th century, a park of a wooden sculpture, St. Casimir’s chapel of the 18th century, a mass grave of 1941 – 1944, a mass grave of soviet soldiers of 1941, the palace complex of the Sapegas in Ruzhany of 17th -18th centuries). |
| 3) I.M.Penes, a writer, religious and zionist figure, and I.Shamir, a prime minister in Israel, are the prominent figures who were born in Ruzhany. |
| 4) There is picturesque nature around township Ruzhany. One of the Belarusian year-round health resort for families “Ruzhansky sanatorium” is situated in the forestland Ruzhanskaya Pushcha on the bank of lake Papernya. |
| 5) Some of the restoration works in the palace complex in Ruzhany was successfully completed. The entrance gate, the western and eastern outbuildings were reconstructed and were set in operation. |
| 6) The norms of the President’s decree of the Republic of Belarus from December 26, 2017 No. 462 "About establishment of visa-free entrance and departure of foreign citizens" are applied on the territory of Pruzhany district. |

1. **Project financing**

**A. Total investment amount:** 10 million **USD**

**B. Investment sources/ Sources of funding:**

|  |  |  |
| --- | --- | --- |
|  | Source | Amount |
|  | Own resources |  |
|  | Investor’s resources | 5.0 million USD |
|  | State financing |  |
|  | Grants |  |
|  | Long-term loans |  |
|  | Short-term loans |  |
|  | Other (specify): | |
|  | Regional and republican budgets | 5.0 million USD |
|  | … |  |
|  | … |  |
| Total: | | 10,0 million USD |

**С. Investment resources allocation:**

research and development

infrastructure development

construction

purchase of real estate

purchase of equipment, technologies, licenses

preparation of production

working capital financing

other (specify):

|  |
| --- |
| … |
| … |

1. **Form of investor participation in the project:**

|  |  |  |
| --- | --- | --- |
| Forms of investor participation | | Investor’s share in authorized fund under the intended participation form, % |
|  | Contribution to the authorized fund of a newly established enterprise | *100* |
|  | Purchase of shares (share in the authorized fund) of the existent enterprise |  |
|  | Purchase of the enterprise as an asset complex |  |
|  | Additional issue of shares for selling to investor |  |
|  | Other (specify): | |
| … |  |
| … |  |
| … |  |

1. **Preliminary indicators of the project efficiency**

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| --- | --- |
| Indicator | Value |
| Time horizon (settling period, the number of years)\* |  |
| Annual revenue (excluding VAT, after reaching the project capacity), USD |  |
| Period for reaching the project capacity, years |  |
| Pay-back period, years | 7 |
| Dynamic pay-back period, years |  |
| NPV\*\*, USD |  |
| IRR\*\*, % |  |
| Discount rate\*\*\*, % |  |
| Base period / year |  |

|  |
| --- |
| **\* Time horizon** **validation:** |
|  |
|  |
| **\*\*** IRR and NPV are indicated as of year       of the project implementation. |
|  |
| **\*\*\* Discount rate validation:** |
|  |

**Date of calculations conducting:**

1. **Contact information**

**Contact person (name, position)\***: Zinkevich Olga Vladislavovna.

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**Date of the investment offer preparation**: 01.02.2019

\* If the form is filled in by another person, please, indicate contact information of the executor as well