

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Children diapers production organization on FEZ Gomel-Raton territory
a. Short name:
Children diapers production organization on FEZ Gomel-Raton territory
b. Full name:
Children diapers production organization on FEZ Gomel-Raton territory
c. Summary description:
The purpose of this project is to attract the investor to start import substituting children diapers production on FEZ Gomel-Raton territory
<b>A2. Progress Status:</b>
The project is on pre-investment stage: feasibility study of the project is done, a business plan is developed, and a production technology and a list of necessary equipment are defined. The investor is needed.
<b>A3. Organizations involved and their roles: (contacts, telephones, faxes, e-mail, web-site):</b>
<ol style="list-style-type: none"> <li>1. The search of foreign investor to proceed the project realization is continued.</li> <li>2. The initiator - State Establishment Free Economic Zone Gomel-Raton Administration 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus. Ludmila P. Bubeshko, Investment Development Dpt. of FEZ Gomel-Raton Administration. (+375-232) 68-24-61, fax. (+375-232) 68-27-21; e-mail: <a href="mailto:invest@gomelraton.com">invest@gomelraton.com</a></li> </ol>
<b>A4. Project Description :</b>
<p>Project realization will be carried out as a creation of a foreign enterprise which later will be registered as a FEZ resident. Project financing is planned through foreign investments and enterprise own funds.</p> <p>On FEZ Gomel-Raton territory there are vacant production premises (880 square meters) with all necessary infrastructure and pipelines.</p> <p>New technologies of production and packing of children diapers will be carried out through the purchase of new equipment.</p> <p>During project realization children diapers of three modifications Small (till 5 kg), Medium (4-10 kg), Large (9-18 kg).</p> <p>When the enterprise reaches its full capacity (third year of project realisation) annual production volume will be 49.15 millions diapers. To provide highest quality of diapers raw materials will be bought in EU countries.</p>
A4a. Project cost (mln EUR):
<b>3.436</b>
<b>A5. Background / history / overall program / related or similar projects:</b>
<p>In the Republic of Belarus there is a Program of measures of sanitary-hygienic and other single use items. There is no production of such items in Belarus now.</p> <p>This product is an import substituting and will be sold exclusively in Belarus.</p>
<b>A6. Environmental impact summary:</b>
The project does not have negative impact upon ecology.
<b>A7. Possible obstacles / problems / risk assessment:</b>

The risk is minimal. Mostly it is connected with rises of the costs of raw materials used for production.

Project realization as a FEZ Gomel-Raton resident minimizes the risks.

**A8. Term of realization / term of recoupment (years):**

**5 years / 2 years 6 months**

**A9. Project's branch:**

Pulp-and-paper industry

**B. Capital Cost Items (additional requirements for project):**

<b>B1. Project physical components:</b>	<b>B2. Capital cost (mln EUR):</b>
Equipment purchase and assembling (Germany)	2.31
Working capital formation costs	0.856
Other costs	0.27
Total:	<b>3.456</b>
<b>B3. Sub-projects on allocation:</b>	<b>B4. Project cost (mln EUR):</b>

**C. Capital Resources Available from Sponsors / Proposers:**

<b>C1. Resources "in kind", grants, investments, equity / ownership, etc.:</b>	<b>C2. Amount (mln EUR):</b>
Own funds	-

**D. Required Financial Assistance:**

<b>D1. Financing gaps, type of financial assistance required:</b>		
The creation of foreign interprise and financing of the costs of its creation		
<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln EUR):</b>
Investor's funds	Direct investments, credit	3.436
<b>D5. Finance institutions-participators on the project realization:</b>		

**E. Demand (users) and revenues:**

**E1. Type of users / markets, volumes, pricing, revenues, quantifiable benefits / savings:**

Children diapers will be sold in Belarus market. At present all need in diapers is covered by import from abroad. 80 millions diapers are imported per year from 17 different countries. Demand on diapers market is heavily dependant on social and geographical particularities (quantity and gender of children, incomes, etc.) Both fisical and legal entities will act as buyers. Forming of effective sales chanells is one of the most important tasks for the new enterprise. Pricing policy of the enterprise will depend on current market prices. In the beginning the price

will be 25% lower than the average. Marketing research shows that such strategy will allow the enterprise to enter the market, find its niche, and take over it.

Net sales profit will reach EUR 14.7 millions.

<b>E2. Sources of investment:</b>	<b>E3. Revenues (Sales)</b>
Profit earned from product sales	34.333

<b>F. Operating and Maintenance Costs:</b>	
<b>F1. Cost components, strategies for cost recovery, operating organizations, subsidies, etc.:</b>	
<b>F2. Cost Item:</b>	<b>F3. Amount (mln EUR):</b>
Raw materials, materials, fuel, energy for technological purposes	15.809
Staff expenses	0.633
Amortization	0.858
Others	2.333
<b>Total:</b>	<b>19.633</b>

<b>G. Net Income Value:</b>	
<b>G1. Net Income Value:</b>	<b>G2. Amount (mln EUR):</b>
Net profit	14.7

<b>H. Project information source:</b>
<b>H1. This form was completed by:</b>
Ludmila P. Bubeshko, Investment Development Dpt. of FEZ Gomel-Raton Administration.
<b>H2. Organization (address):</b>
State Establishment Free Economic Zone Gomel-Raton Administration 17, Fedyuninskogo str., 246061, Gomel, Republic of Belarus, <a href="http://www.gomelraton.com">www.gomelraton.com</a>
<b>H3. Tel / Fax / E-mail:</b>
Tel. + 375 (232) 68-24-61, Fax. + 375 (232) 68-27-21, e-mail: <a href="mailto:invest@gomelraton.com">invest@gomelraton.com</a>
<b>H4. Date:</b>
April, 2009
<b>H5. Supreme organization:</b>
FEZ Gomel-Raton Administration