

<b>A. Project Opportunity Description:</b>
<b>A1. Project Name:</b>
Organization and development of women hygienic tampons production on FEZ Gomel-Raton territory
a. Short name:
Organization and development of women hygienic tampons production on FEZ Gomel-Raton territory
b. Full name:
Organization and development of women hygienic tampons production on FEZ Gomel-Raton territory
c. Summary description:
The purpose of this project is to organize and develop production of women hygienic tampons
<b>A2. Progress Status:</b>
The project is on pre-investment stage: feasibility study of the project is done business plan has been developed, production technology and the list of necessary equipment are defined. 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. Tel. (+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 is supposed to be carried out through creating a foreign enterprise with its further registration as FEZ Gomel-Raton resident. The project will be financed through foreign investments and the own funds of the enterprise.</p> <p>There are available production premises with all necessary infrastructure and engineer communications on the territory of FEZ Gomel-Raton (2 500 sq. meters).</p> <p>It is supposed to introduce modern technologies of women hygienic tampons production and packing. New modern equipment is planned to be bought for raw materials processing as well as a carding machine, three CL-3M lines for tampon production, metal detector and testing laboratory.</p> <p>During the project realization a range of women hygienic tampon modifications is planned to be produced. Tampons of 11-17 mm in diameter and 45-50 mm in length (Comfort, Mini, Normal, Super, Super plus) of different absorbing characteristics are meant for production.</p> <p>When the enterprise reaches its full capacity (the third year from the beginning of the project realization), the annual production in volume terms will reach 31.52 mln. items.</p> <p>To provide the product high quality raw materials will be bought in EU countries.</p>
A4a. Project cost (mln. EUR):
<b>3,062</b>
<b>A5. Background / history / overall program / related or similar projects:</b>
In the Republic of Belarus “Program of measures for production organization of sanitary-hygienic and other single use items” is being realized. Relevance of the project is stipulated by absence of the alike production in the republic and large annual import volumes of the product

for the local market. This product is import substituting and will be sold locally in Belarus.
<b>A6. Environmental impact summary:</b>
The project does not have negative ecological impact.
<b>A7. Possible obstacles / problems / risk assessment:</b>
The risk is minimal and could be influenced by a rise in cost of raw materials used for production. Project realization in the conditions of FEZ Gomel-Raton residency minimizes the risks.
<b>A8. Term of realization / term of recoupment (years):</b>
5 / 4
<b>A9. Project's branch:</b>
Pulp-and-paper industry

<b>B. Capital Cost Items (additional requirements for project):</b>	
<b>B1. Project physical components:</b>	<b>B2. Capital cost (mln EUR):</b>
Equipment purchase and assembling (Switzerland, Slovenia)	2,412
Working capital formation costs	0,157
Other costs	0,493
Total:	<b>3,062</b>
<b>B3. Sub-projects on allocation:</b>	<b>B4. Project cost (mln EUR):</b>

<b>C. Capital Resources Available from Project Initiators (owners, co-partners, sponsors):</b>		
<b>C1. Resources "in kind", grants, investments, equity / ownership, etc.:</b>	<b>C2. Amount (mln EUR):</b>	
Own funds	-	
<b>D. Required Financial Assistance:</b>		
<b>D1. Financing gaps, type of financial assistance required:</b>		
The creation of foreign enterprise and financing the costs		
<b>D2. Sources of finance:</b>	<b>D3. Type of investment:</b>	<b>D4. Amount (mln EUR):</b>
Investor's funds	Direct investments, credit	3,062
<b>D5. Finance institutions-participators on the project realization:</b>		

<b>E. Demand (users) and revenues:</b>	
<b>E1. Type of consumers, volumes, pricing, revenues, estimated benefits / savings:</b>	
Women hygienic tampons will be sold on the local market. Women tampons hold 9% of the market share of women sanitary-hygienic products and there	

is annual consumer growth on the products. The annual demand of the local market in hygienic tampons is estimated in 40,0 mln. items, satisfied by import delivery. Legal as well as physical persons will be the product buyers. Finding of effective sales channels will become the main goal of the enterprise when starting marketing. Pricing policy of the enterprise will depend on the existing market prices (0,119 euro/item).

At the beginning the prices are supposed to be set 40% lower than the average ones. 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 5,817 mln.

<b>E2. Sources of investment:</b>	<b>E3. Revenues (Sales)</b>
Earnings from product sales	12,808

<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	1,546
Staff expenses	1,086
Amortization	0,973
Others	3,386
<b>Total:</b>	<b>6,991</b>
<b>G. Net Income Value:</b>	
<b>G1. Net Income Value:</b>	<b>G2. Amount (mln EUR):</b>
Net profit	5,817

<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.
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<b>H4. Date:</b>
May, 2009
<b>H5. Supreme organization:</b>
State Establishment FEZ Gomel-Raton Administration