



**Priority
investment projects of
Kabardin-Balkarian Republic**

Geographical location

Kabardin-Balkarian Republic is one of 89 subjects, of Russian Federation. It is located on the northern slopes of the central part of Caucasian Mountains with adjoined plains and it's territory covers 12,5 thousand square kilometers. Population of Kabardino-Balkaria is 896,9 thousand people.

KABARDIN – BALKARIAN REPUBLIC

RUSSIAN FEDERATION






**The project for development of
mountain-recreational complex
«Prielbrusie»**

In ancient times people already knew the existence of Mountain Elbrus, standing over ancient ways between Europe and Asia.



Elbrus – a volcano in the past is the highest peak of Russia and Europe and a unique glacial massif.





Construction of cable ways on the slopes of Elbrus mountain

Idea and characteristics of the project:

Idea of the project is to construct a modern chain of cable ways for quality service of skiers and tourists.



Scheme of cable ways and
ski routes



Brief summary of the project:

It is planned to finance the construction of two cable ways on the slopes of Mountain Elbrus:

- cable way (from the upper station of the functioning cabin lift) with service capacity for 2 400 persons per hour from «Stariy Krugozor» station to «Mir» station;

- cable way chair lift with service capacity for 1 500 persons per hour from «Mir» station to «Garabashy» station.

Mountain Elbrus the highest summit of Europe is the favorite place for skiers, tourists and mountaineers from all over the world. Wide skiing slopes of Mountain Elbrus present marvelous opportunities for amateur and expert skiers more than half of a year and eternal glassier Garabashy starting from «Mir» station is covered with snow all around the year.

The existing old fashioned cable ways cannot satisfy the growing demand for this service and new cable way system will become popular from the start up day. Thus new cable ways will reach full service capacity in the first year of their work.

Station «Stariy Krugozor»



Investment volume:

Total amount of investment is 21,7 million Euro.





Effectiveness index of the project:

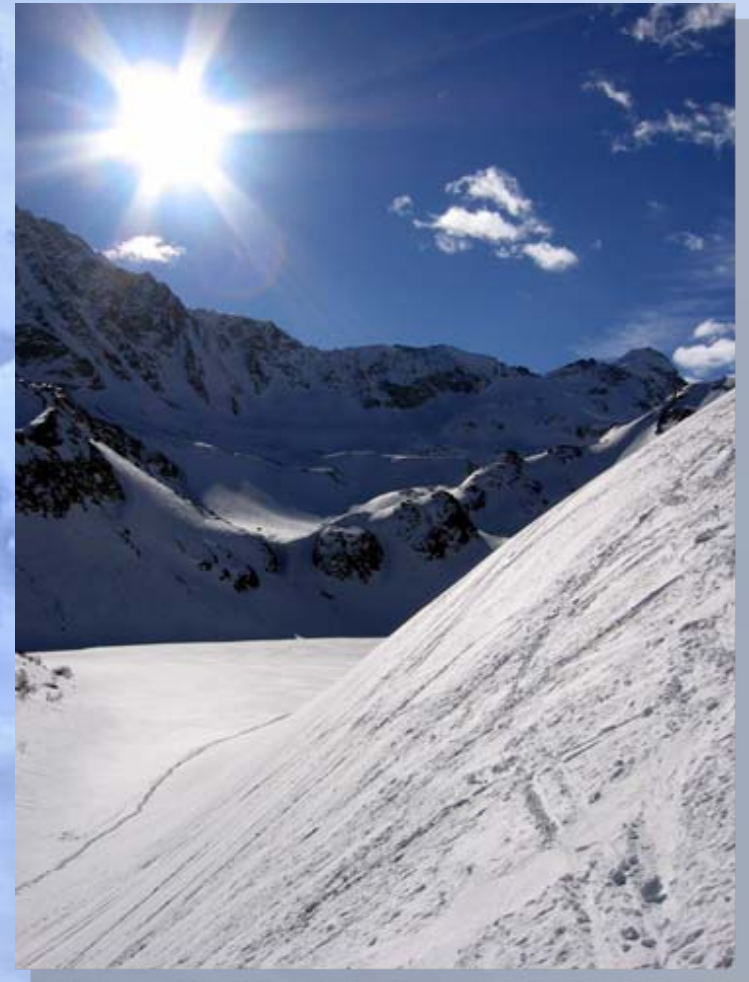
- Rate of discount 15,0%
- Pay-back period - 70 months
- Discounted pay-back period 98 months
- Net present value 1,5 million Euro
- Profitability index 1,08
- Average profitability rate 22,18%
- Internal rate of return 17,27%
- Modified internal rate of return 15,86%



**Construction of chair lifts on the
slopes of Mountain Cheget**

Idea and characteristics of the project:

Idea of the project is to construct a modern of cable way net for quality service of skiers and tourists on the slopes of Cheget Mountain according to the highest world standards.



Brief summary of the project:

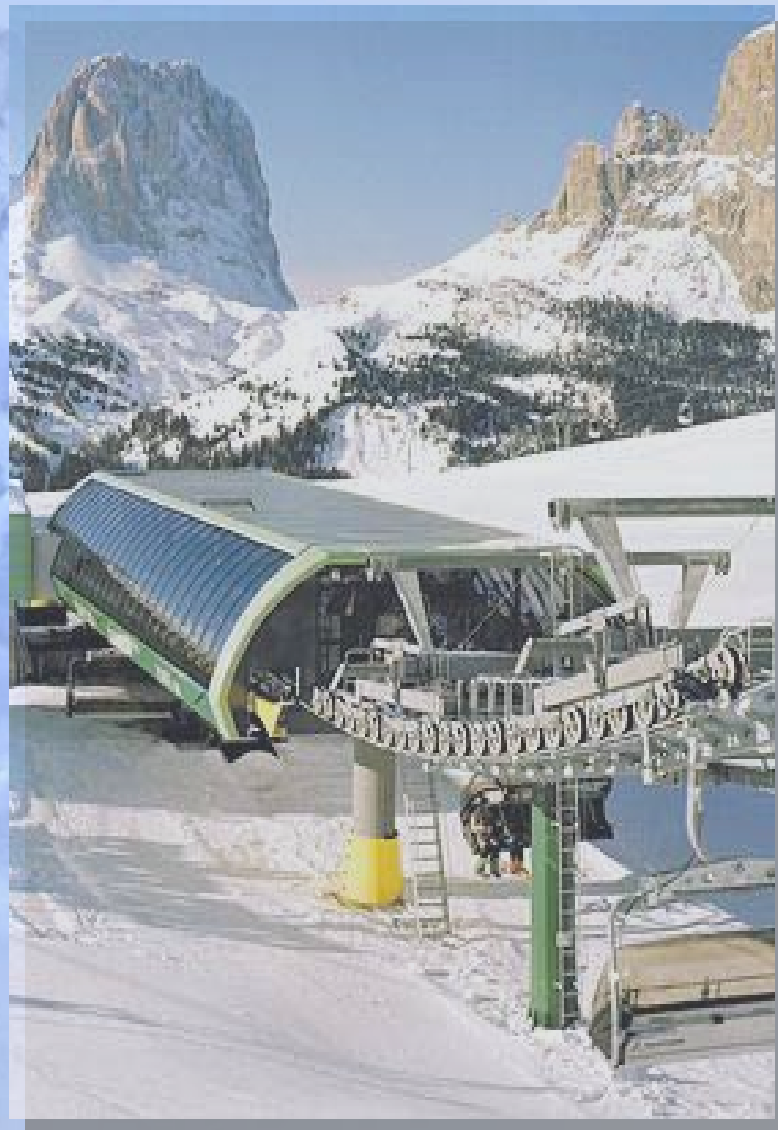
It is planned to purchase and install two chair lifts, artificial snow producing machines, and to make necessary construction works.

Mountain Cheget is very popular among thousands of skiers and snowboarders coming to Elbrus region from all parts of the country and abroad. Limited capacity of the existing chair lifts can not satisfy growing demand for this service. That guarantees full capacity of new chair lifts from the start up moment.

Federal and republic authorities plan budget financing of the construction of infrastructure objects on the slopes of Cheget Mountain.

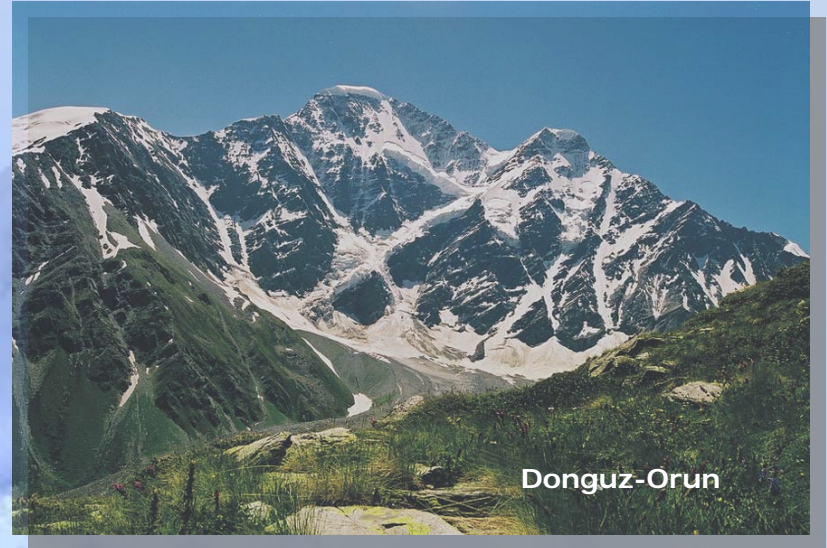
Due to big amount of snow covering Cheget more than half of a year and different skiing routs this mountain has already become popular among amateur and expert skiers and snowboarders. Mountain Cheget has a certified by FIS giant slalom rout.

Following abovementioned it is expected to utilize 80% of annual capacity of new chair lifts from the first year of their functioning.



Investment volume:

Total amount of investment is 12,4 million Euro.



Mogul on Cheget →

Effectiveness index of the project:

Rate of discount 15,0%

Pay-back period - 44 months

Discounted pay-back period 48 months

Net present value 3,7 million Euro


Profitability index 1,34

Average profitability rate 37,96%

Internal rate of return 29,96%

Modified internal rate of return 21,63%





**Development of the north-eastern
slopes of the mountain Elbrus in
the Jily-Su area**

Idea and characteristics of the project:

Main target of the project is the creation of the unique tourist and SPA center «Jily-Su» on the North-Eastern slopes of Mountain Elbrus



Hotel "Jily-Su"



Hotel "Jily-Su"



Brief summary of the project:

This is a project of creation of a new modern world first class skiing and SPA resort in practically wild area adjoining the North-Eastern slopes of Mountain Elbrus.

Competitive advantages of this recreational area are: close distance to the towns of Caucasian Mineral Springs Resort (85 km. to Kislovodsk the most popular Russian SPA resort), unique mineral springs of Jily-Su, possibility to construct alpine skiing routs with general length more than 200 km. with more than 1 500 m. drop, with long lasting rich snow period (all year round above 2 500 m. height).

Absolutely free space of the construction sight presents perfect opportunity for planning resort facilities and hotels here.

Seven future resort sights are covering the territory of 700 hectares. It gives opportunity to invite simultaneously 10 000 guests. It is planned to construct hotel facilities for 10 000 people, 17 lifts and 200 km of ski slopes. The infrastructure construction is financed by the state budget.



Investment volume:

Total amount of investment is 528 million Euro.



Effectiveness index of the project:

Pay-back period 81 months

Net present value 107 million Euro

Profitability index 1,2





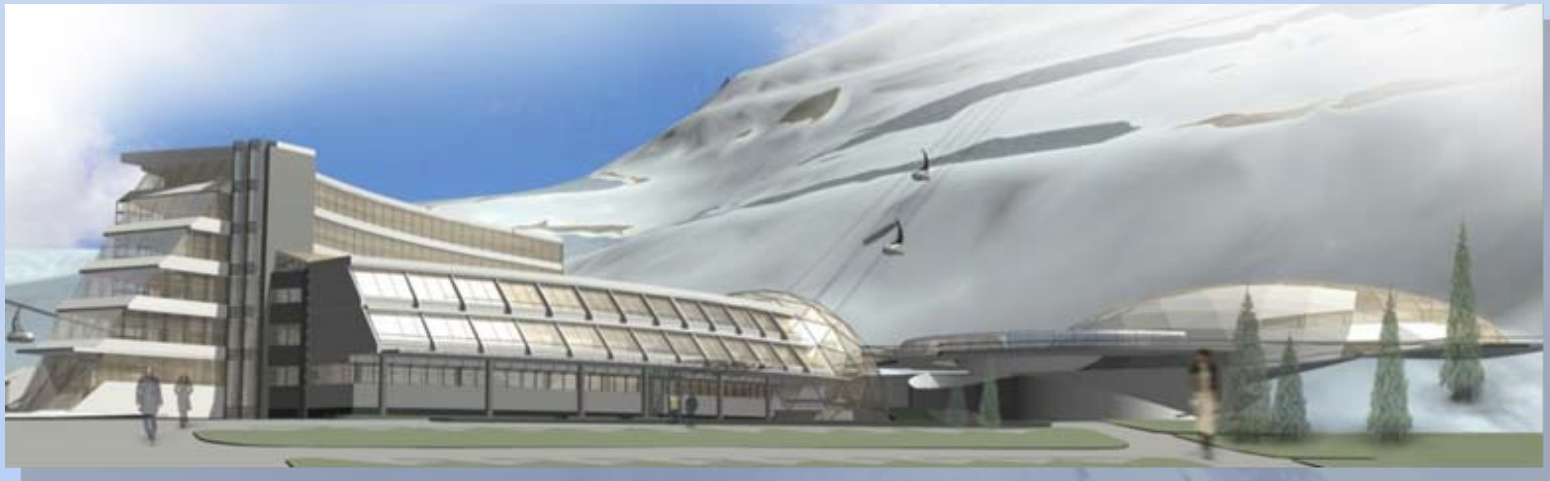
**Development of new ski and tourist area
«Chiperazau»**

Brief summary of the project:

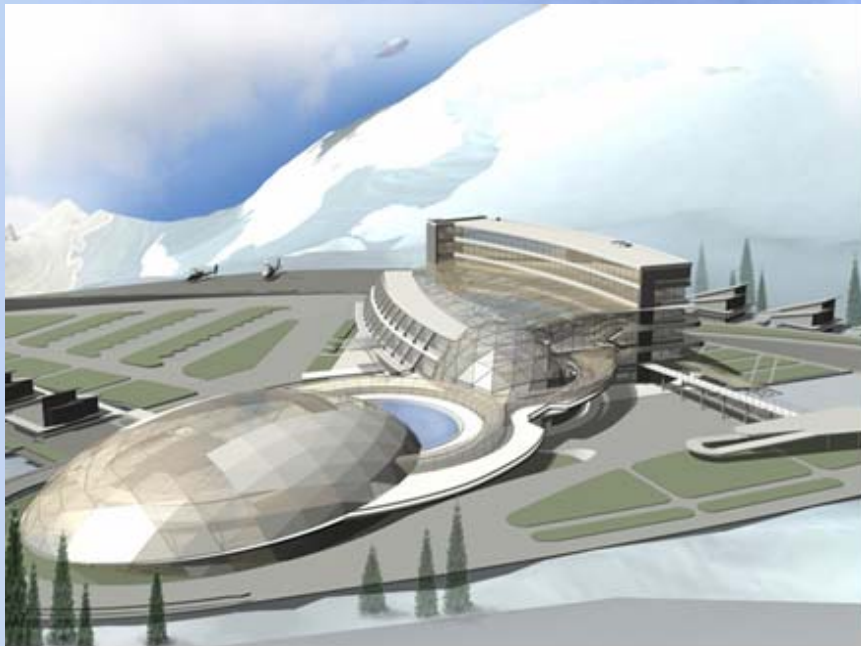
Alpine skiing area of Chiperazau is located close to popular skiing slopes of Elbrus Mountain. The area has a perfect climatic and skiing potential.

It is expected to build a road to the mountain plateau, construct a cabin lift from «Stary Krugozor» to «Chiperazau» station with capacity 2 000 persons per hour, and construct 3 chair lifts with general capacity of 6000 persons per hour. The construction of three skiing slopes, cafes and other skiing facilities is also planned. The general capacity of this skiing area will be 6 000 persons per day.





Sandy hotel, cable way station



Investment volume:

Total amount of investment is 38 million Euro.

Effectiveness index of the project:

Pay-back period 46 months
Net present value 40 million Euro
Profitability index 2,23



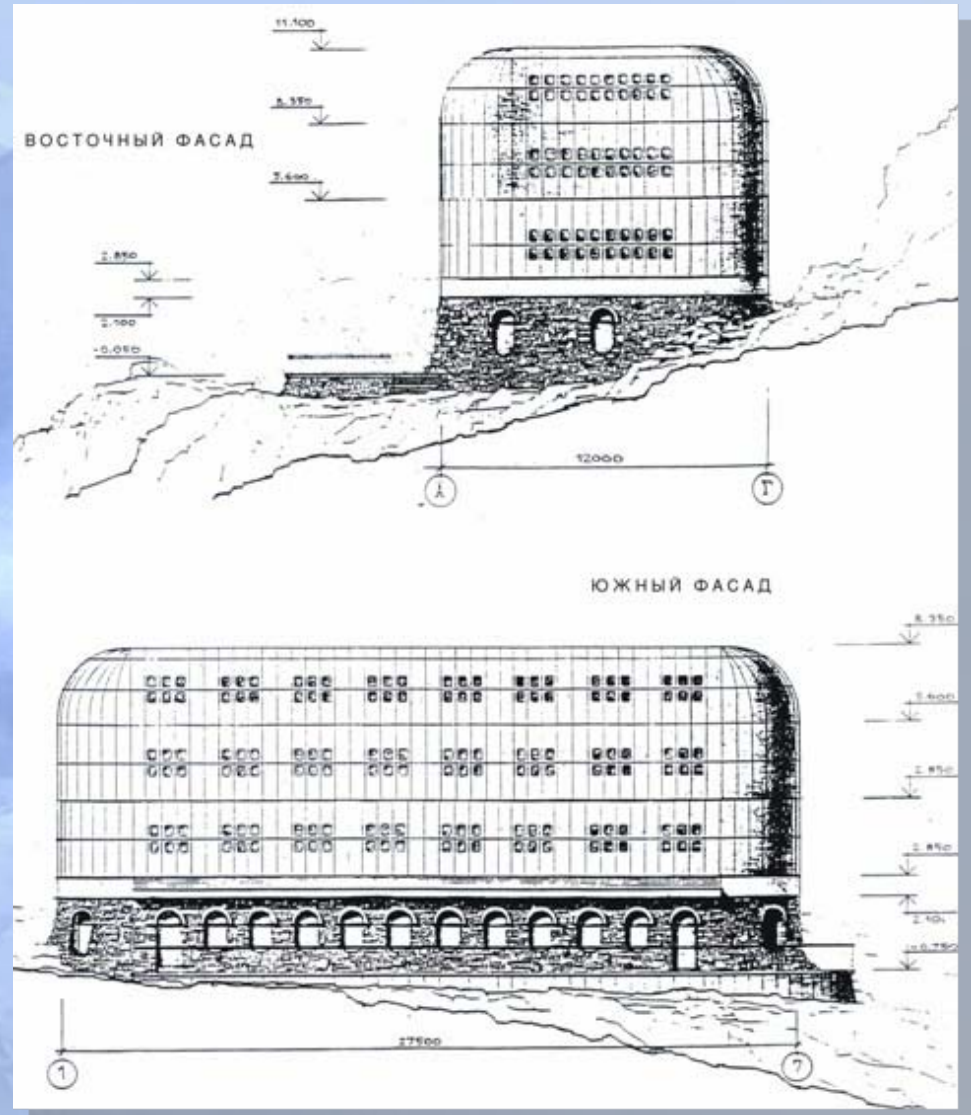


**Reconstruction of the alpine hotel
«Priyut-11» (shelter of eleven)»**

Brief summary of the project:

This is a project of reconstruction of high mountain hotel «Priyut-11» on the height of 4 200 m. above sea level on the Eastern slope of Mountain Elbrus. Functioning from 1940th popular mountaineering hotel «Priyut-11» was completely destroyed by fire some years ago.

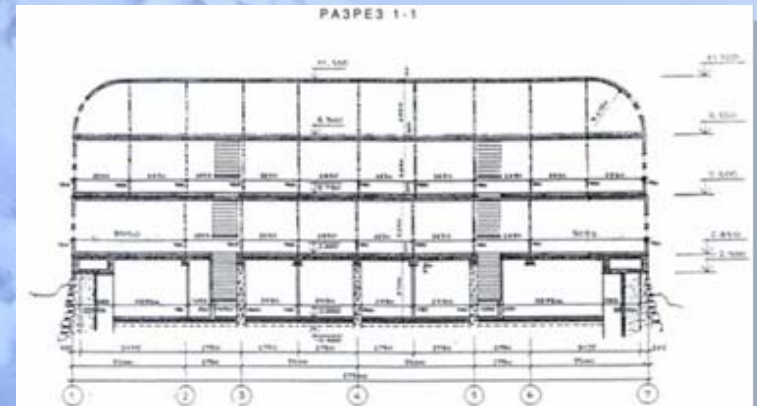
It is planned to reconstruct the hotel close to its former shape using parts of aircrafts fuselage that shortens the reconstruction period (up to one season). The hotel capacity will be 125 guests per day.



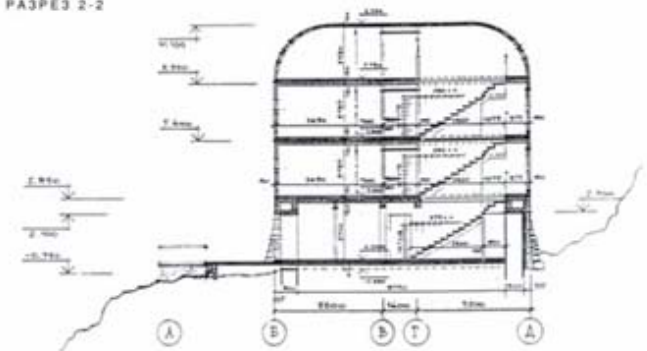


Investment volume:

Total amount of investment is 2,46 million Euro.



РАЗРЕЗ 2-2



Относительная отметка 0,000 чистого пола первого этажа трехэтажной части здания соответствует абсолютной отметке 4056,40.

Отметка чистого пола поднята против существовавшей ранее - (4055,96) на 440мм в связи с проектируемыми мероприятиями по гидроизоляции и теплозащите стен и основания северной части



Effectiveness index of the project:

Pay-back period 47 months

Net present value 1,4 million Euro

Profitability index 1,6

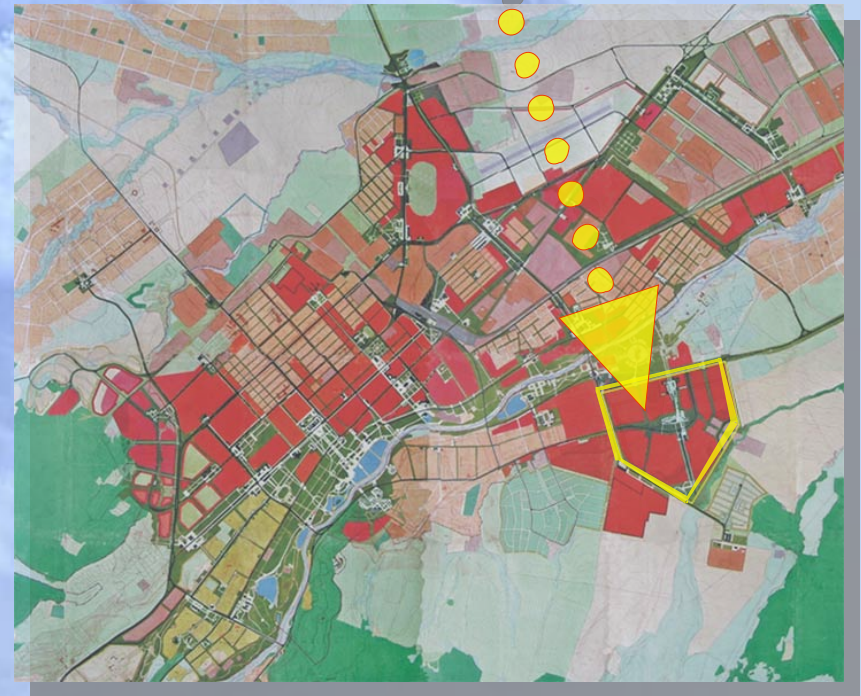


**Construction of a housing estate «Eastern»
in Nalchik**

Brief summary of the project:

It is a project of construction of a new housing estate area for 35 thousand people in Nalchik, the capital of Kabardino-Balkar Republic. Construction area is located on the territory of 300 hectares. House building square is 649,5 thousand square meters. It is planned to construct different type of buildings: 2-3 storey cottages, 4-5, 7, 9 and higher than 10 storey buildings. General amount of flats in this housing estate is 10 000 apartments. Average apartment square is 65-70 sq. meters.

Housing estate «Eastern»





Investment volume:

Total amount of investment is 282,5 million Euro.



Effectiveness index of the project:

Pay-back period 84 months

Net present value 16,5 million Euro

Profitability index 1,05.





Thank you!