



NATIONAL AGENCY
OF INVESTMENT
AND PRIVATIZATION
REPUBLIC OF BELARUS



THE
WORLD
BANK



OJSC «8 MARTA» Investment opportunity

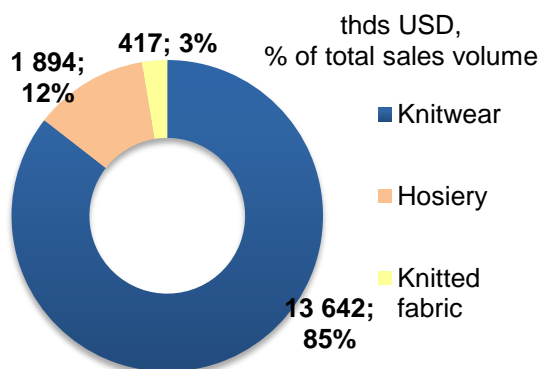
September, 2018

OJSC «8 MARTA»

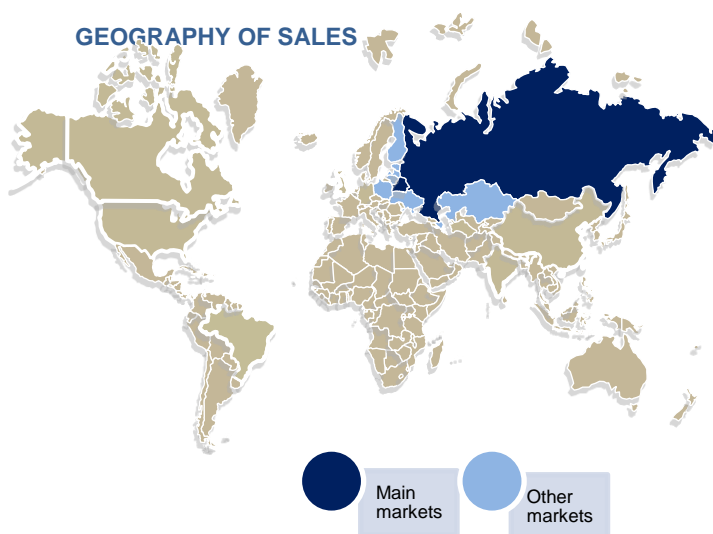
State institution "National Agency of Investments and Privatization" (NAIP) with support of the World Bank is implementing the project of attracting strategic investors to Belarusian light industry enterprises and invites you to consider investing in OJSC "8 Marta" – the leading Belarusian manufacturer of knitted goods.

The purpose of this document is to present the Company to potentially interested investors. The recipients of this document are invited to sign a confidentiality agreement to obtain more detailed information about the Company.

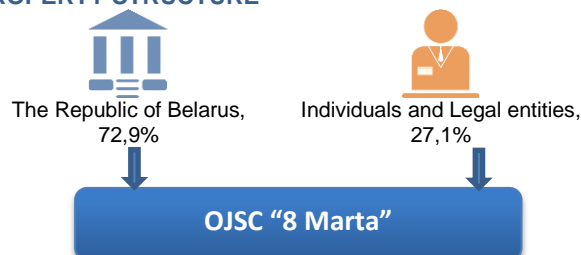
VOLUME AND STRUCTURE OF SALE OF GOODS



GEOGRAPHY OF SALES



PROPERTY STRUCTURE



COMPANY OVERVIEW

- ✓ The company was founded in 1926 and for more than 90 years of its history has formed a stable tradition of producing high-quality products and has emerged as a leader of industry in the Republic of Belarus.
- ✓ OJSC "8 Marta" produces a wide range of knitted products, including dyed and printed knitted fabrics, clothes, hosiery. The main priorities of the Company's assortment policy are quality and comfort of products, its environmental friendliness and compliance with the most relevant market trends.
- ✓ In 2017 the company produced knitwear and hosiery, knitted fabrics for the amount of 16 million US dollars. The sales profitability indicator was 7.1%.
- ✓ OJSC "8 March" products are mainly sold on the domestic market of the Republic of Belarus (85.2% of total sales in 2017). The main export markets of the Company are the Russian Federation and other members of the Eurasian Economic Union, Ukraine, Poland, Estonia, Lithuania, Latvia, Finland. In 2017 goods were exported to the amount of 2488 thousand US dollars.
- ✓ OJSC "8 Marta" conducts an active investment activity. Systematically conducted technical re-equipment of production forms a positive economic effect and ensures an increase in the level of competitiveness of the Company's products in the domestic and foreign markets.

PROPOSED TRANSACTION

The Government of the Republic of Belarus is interested in the partnership of OJSC "Lenta" with a strategic investor in order to further develop the Company. NAIP is ready to consider various forms of cooperation which may include purchase of state owned shares, purchase of additionally issued shares, a joint venture and/or other investment models.

FACTORS OF INVESTMENT ATTRACTIVENESS



ACCESS TO THE MARKET DEMONSTRATING SUSTAINABLE GROWTH

- ✓ In 2018, analysts forecast further development of the Belarusian economy – GDP growth is expected at 3%. This lays the foundation for further positive dynamics of revenue and profits of OJSC “8 Marta” as the Belarusian market is one of the key markets for the company's products' sale.
- ✓ Membership of the Republic of Belarus in the Eurasian Economic Union opens to the Company unimpeded access to the markets of Russia and other EEU's members, forming a significant potential for further expansion.



STRONG BRAND AND HIGH QUALITY OF PRODUCTS

- ✓ Long-term work experience and high business reputation of OJSC "8 March" allowed to form a strong brand that causes consumers' trust.
- ✓ In order to expand the consumer segment and take up free market niches, the Company developed the trademark VOSMAE.

- ✓ The assortment of goods produced under a new brand is aimed at young generation consumers and complements the classic assortment produced under the main brand.
- ✓ A significant aspect of Company's policy regarding the quality of products is priority using of natural materials such as cotton, rayon, linen, bamboo and wool.
- ✓ The Research Department of the Company constantly develops innovative materials and products, and the design team ensures that the products produced correspond to market trends and customer's needs.



- ✓ The quality management system according to the STB ISO 9001-2015 standard allows to maintain and strengthen Company's achieved results for the production of products with the highest consumer properties.

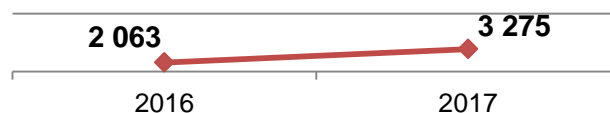
FINANCIAL RESULTS

HIGH INDICATORS OF YIELD



OJSC "8 March" achieved high indicators of economic efficiency and has a stable financial position.

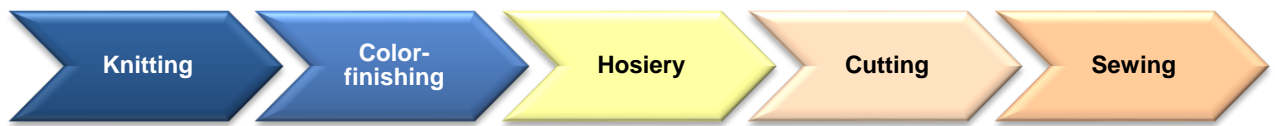
EBITDA,
thsd USD



PRODUCTION AND LOGISTICS

EFFICIENT TECHNOLOGIES AND DEVELOPED INFRASTRUCTURE

✓ The production structure of OJSC "8 March" includes five main workshops:



OJSC "8 Marta" owns 816 units of technological equipment, including by individual types:

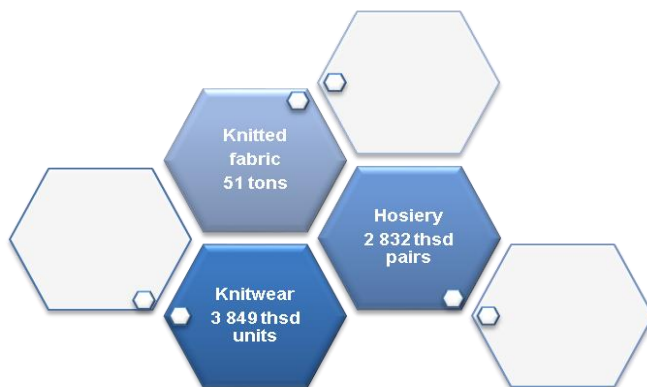
- hosiery – 241 units;
 - knitting – 39 units;
 - sewing, cutting – 512 units;
 - color-finishing – 24 units.
- ✓ The Company's equipment has been purchased from the best manufacturers in the relevant manufacturers segment, including First (Italy), DMS (Turkey), Lafer (Italy).
- ✓ On an ongoing basis investments are made in the renewal of fixed assets.

✓ The company is located in Gomel, the second most populous city in the Republic of Belarus, located in the south-east of the country, on the border with the Russian Federation and Ukraine.

✓ The factory of OJSC "8 March" covers an area of 3.9 hectares, the total area of production and auxiliary buildings and facilities is 55.2 thousand square meters. Part of the Company's areas is not involved in the current production process, so there is potential for expanding the scale of activities and developing new production areas.

WIDE ASSORTMENT AND MODERN PRODUCT DESIGN

Production in 2017
in physical terms



✓ The company continuously improves the assortment and develops new types of products. During the year specialists of OJSC "8 March" develop and introduce into production more than 400 models of knitted products and over 70 models of hosiery products. Drawings and colors of produced knitted fabrics are updated constantly.

✓ The combination of modern design and practicality ensures a consistently high demand for the Company's products.



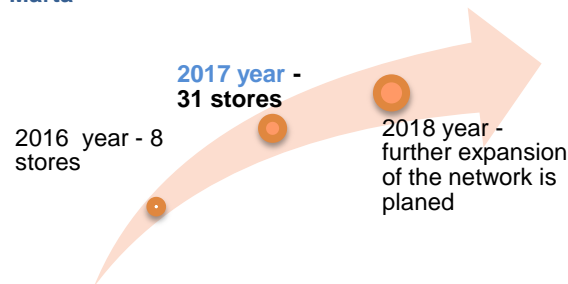
DEVELOPED COMMERCIAL DISTRIBUTION NETWORK

- ✓ The Company has formed an effective distribution network both in Belarus and abroad, and considerable efforts are being made to further develop it. In the Republic of Belarus, OJSC "8 March" has thirty-one company stores and three warehouses. The Company also owns 4 trading houses located in Russia, Ukraine and Kazakhstan.

The network of firm stores of OJSC "8 Marta" in the Republic of Belarus



Development of the distribution network of OJSC "8 Marta"



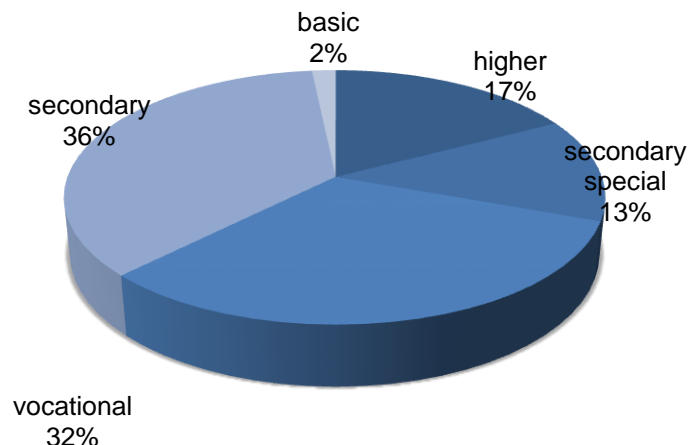
- ✓ The most active phase of the expansion strategy for the distribution network was implemented by the Company in 2017 – 23 new retail outlets were opened.
- ✓ At present, OJSC "8 March" is creating its own online store.

SKILLED STAFF



- ✓ The number of employees of OJSC "8 Marta" directly engaged in the production process is 1513 people.

Personnel structure by level of education



- ✓ About 50% of the total staff has been working in the Company for more than 10 years.
- ✓ Human Recourse policy of OJSC "Lenta" provides for a program of continuous staff development.
- ✓ The average monthly salary of the Company's industrial and production personnel in 2017 was 283 USD.

FURTHER STEPS OF THE INVESTOR AND CONTACT INFORMATION

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In case of interest, you can contact the contact persons at the addresses and phone numbers listed below.



CONTACTS

Palina Toustsik

Head of Privatization Department

■ 14, Bersona str.,
220030 Minsk, Belarus

☎ +37517 2000549
+37529 3583724

✉ pt@investinbelarus.by
investinbelarus.by



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REPUBLIC OF BELARUS

Ruslan Vasileuski

Deputy Head of Privatization Department

✉ 14, Bersona str.
220030 Minsk, Belarus

☎ +37517 2002219
+37529 1915762

✉ rv@investinbelarus.by
investinbelarus.by



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