



INVESTMENT PROJECT: MINERAL WATER PRODUCTION IN BELYNICHI

OJSC VNN plus

Sovetskaya st., 23A-1

Belynichi, Mogilev region, 213051, Republic of Belarus

Phone/fax: +375 (0223) 25-17-04

E-mail: ooo_vnn@tut.by



WORLD WATER RESERVES

Fresh water constitutes only 3% of world water reserves

1,0 – 1,5% of fresh water is available

55% of surface fresh water is used

100 billion liters of drinking water are sold annually



- 1 thousand m³ of water per capita annually is the minimal standard
- 1 billion people don't have access to high-quality drinking water
- 400 million people suffer from lack of drinking water
- 15% of Europeans don't have access to drinking water

By the year 2030 demand for fresh water will increase by 60%



MINERAL WATER CONSUMPTION

VANplus

ANNUALLY WATER CONSUMPTION, LITRES PER CAPITA



The demand for mineral water achieves 1,1 billion liters per year



PROJECT PLACE



OJSC VNN plus, Belynichi

**WELL POWER
72 M³/HOUR**

**SUSPENDED
ARTESIAN WELLS
(FRESH WATER)**

WELL DEPTH – 248 M

**PRODUCTION PREMISES
(800 M²) AND (1000 M²)
WAREHOUSE**



PRODUCT CHARACTERISTICS

VANplus

Sulphate-chloride calcium-sodium water with increased concentration of magnesium, average salinity (M 11,4)



According to the expertise of Belarusian Research Institute of neurology, neurosurgery and physiotherapy the mineral water can be used as medicinal table water

TRANSPORT AVAILABILITY

BELYNICHI, 46 KM FROM MOGILEV

- most important automobile highways
- railway hub
- Mogilev aeroport

DISTANCE TO:

- ✓ border with Russia – 80 km
- ✓ Minsk – 220 km
- ✓ Vilnius – 385 km
- ✓ Kiev – 440 km
- ✓ Moscow – 610 km



Total investment costs – 1211 thsd USD

**Pre-investment
expenses
9 thsd USD**

**Building and
construction works
208 thsd USD**

**Capital costs
818 thsd
USD**

**Equipment from
company
«Aquacultura» 695,2
thsd USD**

**Equipment for
boiler room
25 thsd USD**



COSTS AND FINANCING SOURCES, thsd USD



INDICATOR	OVERALL	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Total investment costs:	1211	1082	77	52	0	0	0	0	0	0	0	0
Capital costs (without VAT)	818	818	0	0	0	0	0	0	0	0	0	0
VAT	164	164	0	0	0	0	0	0	0	0	0	0
Increase of net working capital	129	0	77	52	0	0	0	0	0	0	0	0
Financing sources	1211	1082	77	52	0	0	0	0	0	0	0	0



PROJECT INDICATORS, thsd USD



INDICATOR	OVERALL	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
The year of reaching the project capacity				2019								
Sales proceeds (with VAT)	-	0	2020	3029	3029	3029	3029	3029	3029	3029	3029	3029
Sales proceeds per worker (without VAT)	-	0	112	168	168	168	168	168	168	168	168	168
Added value per worker	-	24,11	42,54	42,54	42,54	42,54	42,54	42,54	42,54	42,54	42,54	42,54
Sales profitability, %	-	8,27	14,65	14,65	14,65	14,65	14,65	14,65	14,65	14,65	14,65	14,65
Product profitability, %	-	11,30	22,37	22,37	22,37	22,37	22,37	22,37	22,37	22,37	22,37	22,37
Break-even level, %	-	51,1	29,1	29,1	29,1	29,1	29,1	29,1	29,1	29,1	29,1	29,1



EFFICIENCY INDICATORS



2,818 MILLION USD
NET PRESENT VALUE

4
PROFITABILITY INDEX

45%
INTERNAL RATE OR RETURN

36 MONTHS
SIMPLE PAYBACK
PERIOD

38 MONTHS
DYNAMIC PAYBACK PERIOD



MARKETING GOALS

Initial work under already well known borrowed trademark

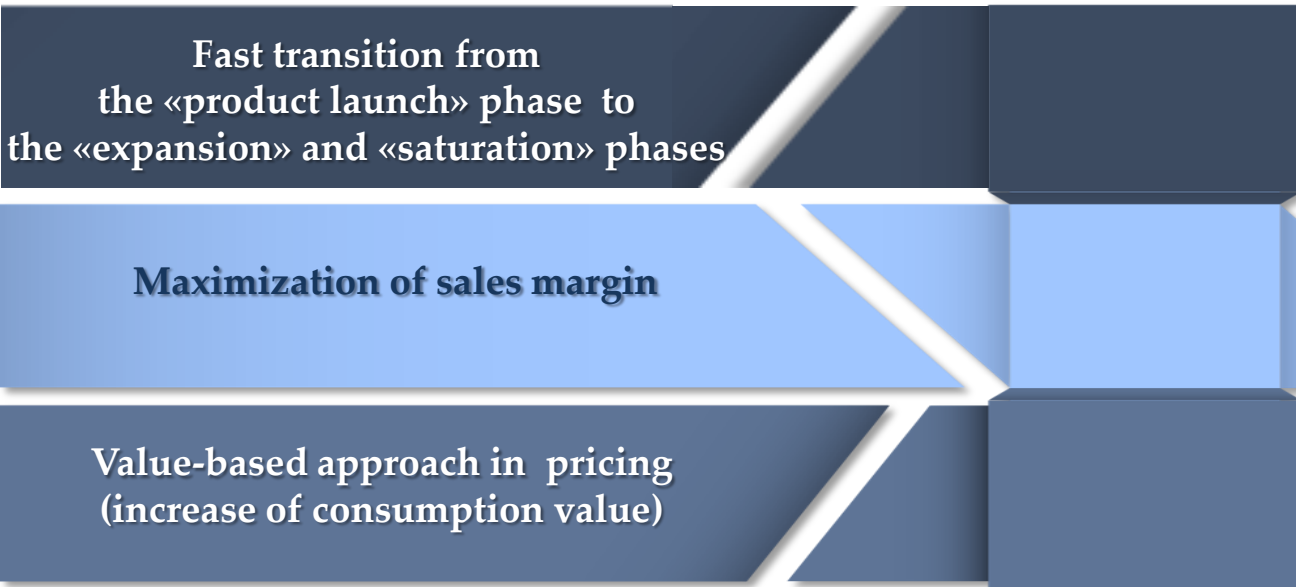
Market launch of own brand «Mineralka»

Increase of stock reserves in existing sale points, delivery to the new ones

Direct delivery to the customer



GOALS AND TOOLS



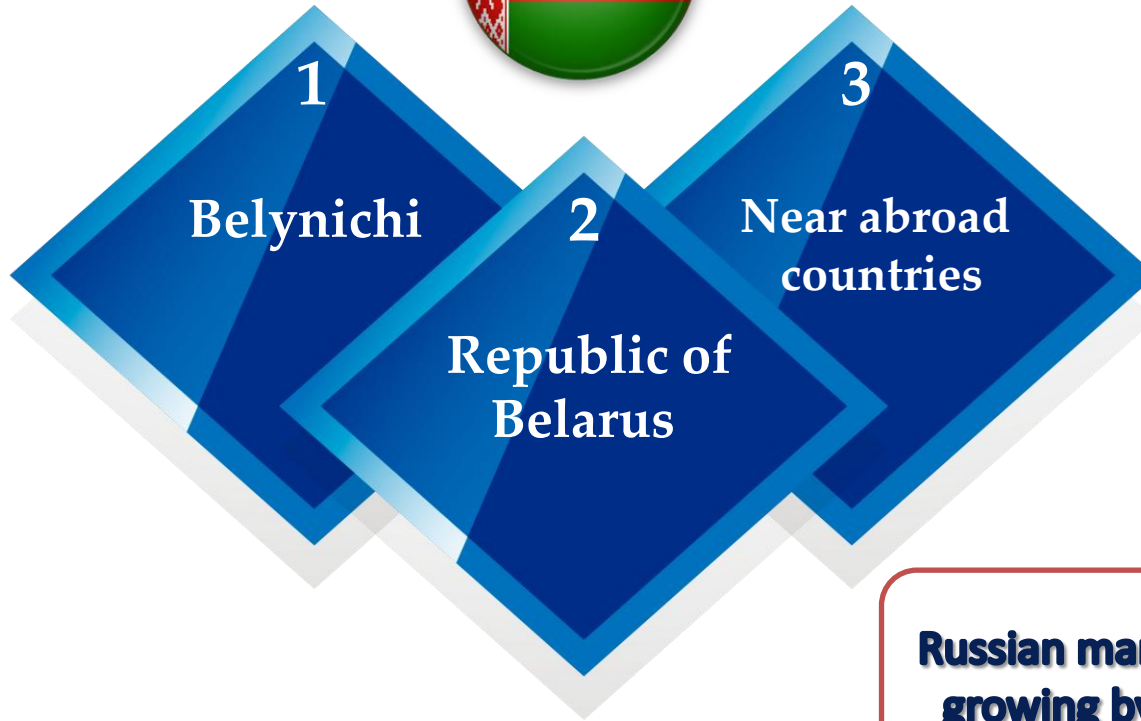
GOALS

TOOLS

- 1 Modern design
- 2 Effective advertising
- 3 New distribution channels and territories
- 4 Special price to enter the market



SALES MARKETS



In 2016 sales of mineral water in Belarus increased by 5%

173 thsd m³ per year – volume of mineral water for bottling

Russian market of mineral and drinking water is growing by 14-15% in volume terms annually



TARGET SEGMENTS

Planned shares of sales

30%



GROCERY STORES

50%



SUPERMARKETS



20%

**PUBLIC CATERING
ENTERPRISES**



PRODUCTION PROGRAM AND PRODUCT VALUE



Product	Production program									
	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Mineral water, thsd bottles (1,5 l)	8755	13133	13133	13133	13133	13133	13133	13133	13133	13133

PLANNED PRODUCT VALUE

**0,19 thsd USD/
thsd bottles 1,5 l**



COMPETITIVE ADVANTAGES



CONTACT INFORMATION

OJSC VNN plus

Sovetskaya st., 23A-1

Belynychy, Mogilev region, 213051, Republic of Belarus

Phone/fax: +375 (0223) 25-17-04

E-mail: ooo_vnn@tut.by



NATIONAL CENTRE
FOR MARKETING
REPUBLIC OF BELARUS