

EBRD Your Partner in North- West Russia

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10 November, 2005



North-West Federal District

Region:	NORTH-WEST
Area:	1.68 mln km ²
Population:	15 mln
Cities:	152
Capital:	St. Petersburg

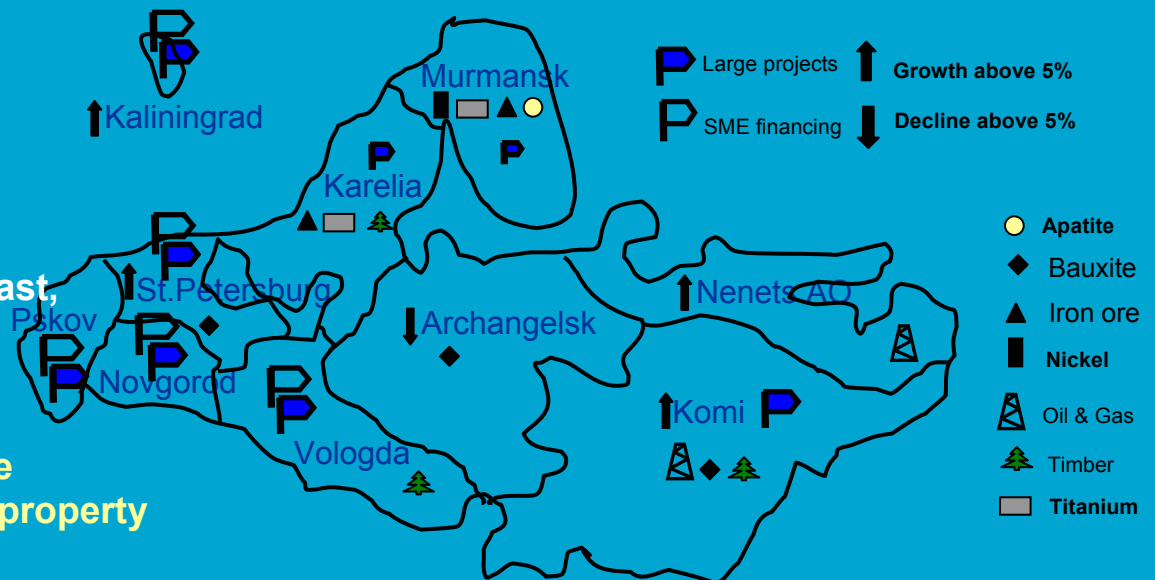
- 10% of Russian population
- 28% below poverty line
- 12% of workforce in SME
- 9% of GDP
- 7% of FDI
- 80% of shipbuilding
- 40% of timber production
- FDI grows in Leningrad Oblast, St. Petersburg, Novgorod.

Current agenda

- Key transport hub to Europe
- St. Petersburg tourism and property

Potential: Agribusiness, general industry, infrastructure, tourism and property

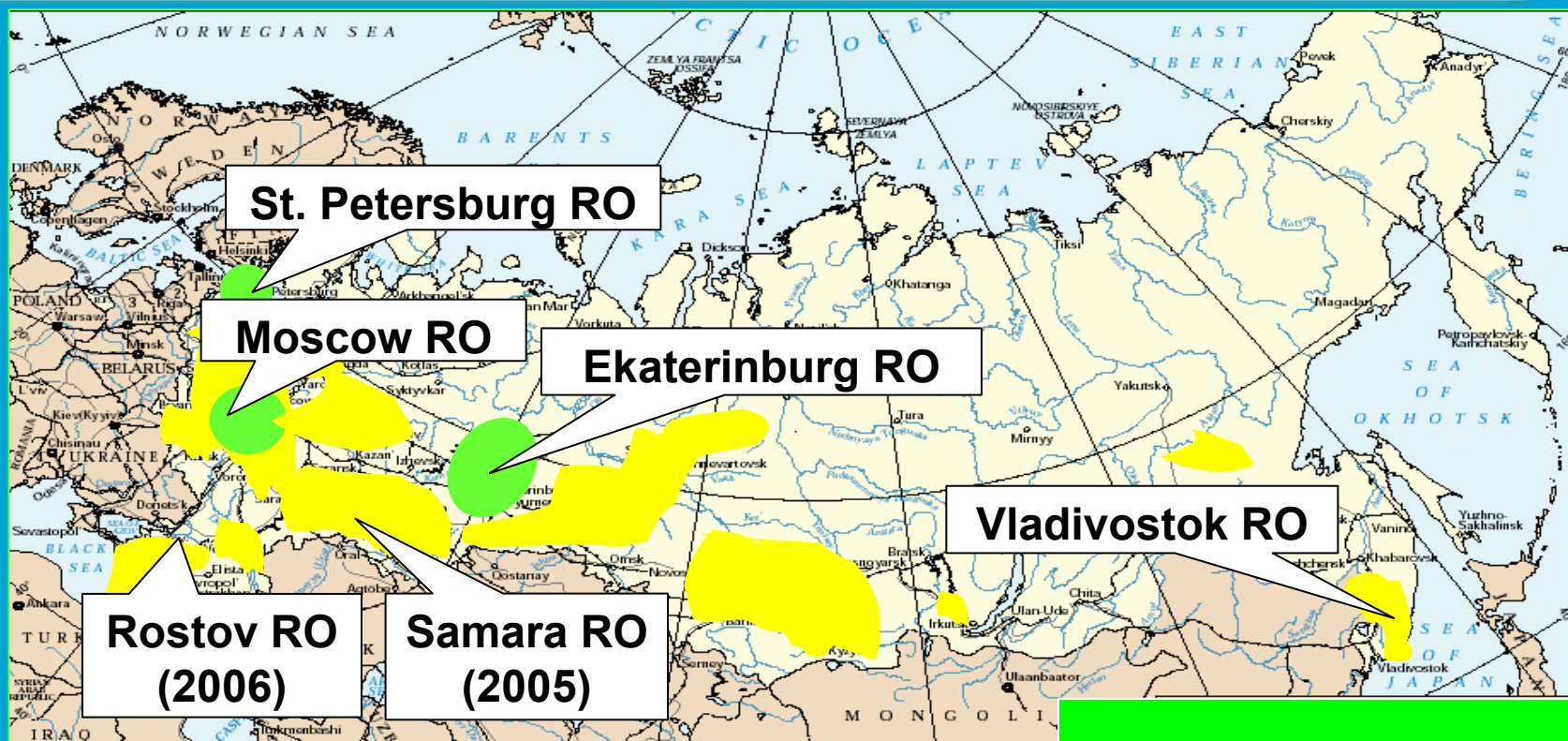
Risk: Average risk area
Lower risk in Novgorod and St. Petersburg
Higher risk in Komi



A network of 32 offices in 27 countries



EBRD Resident Offices



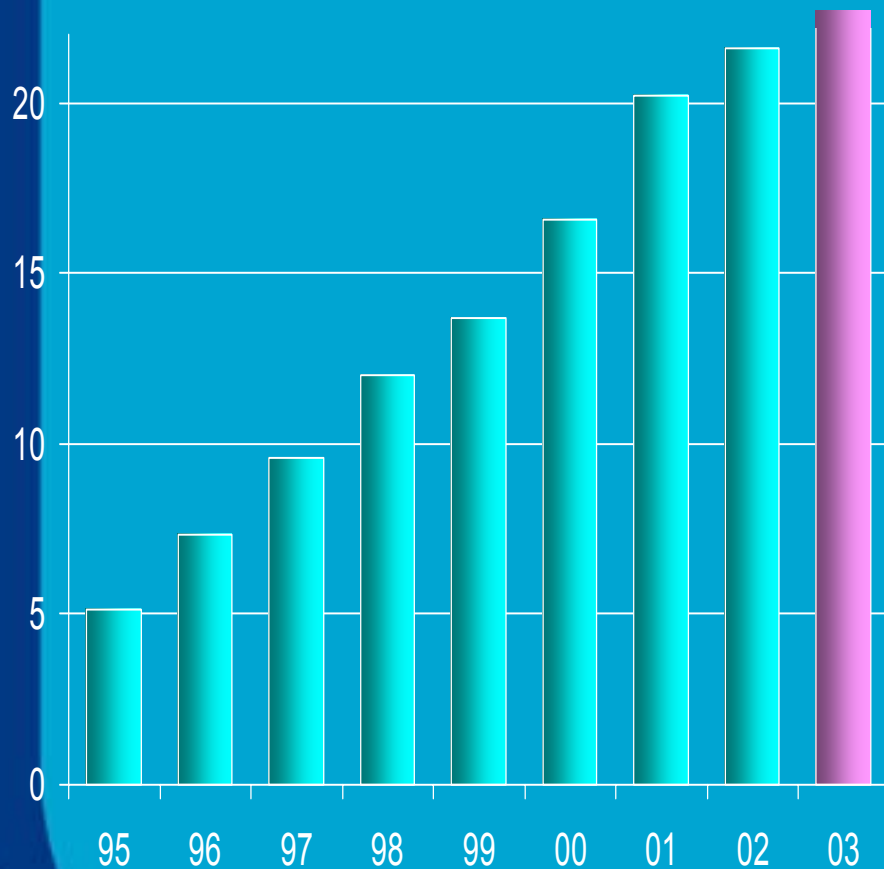
- EBRD has presence in 47 out of 89 regions.
- A “real” presence is maintained in 19 regions in which the Bank has 4 or more big projects.

High Market Potential

Good Market Potential



What is EBRD?



- International financial institution est. 1991, owned by 62 national and supranational shareholders
- Promotes market-based economies in 27 countries in central & eastern Europe and the former Soviet Union
- Committed cumulatively €26.2 billion for 1,167 projects to date
- Mobilized additional €55.7 billion of cumulative business
- Capital base of €20 billion



Audited May 2004

www.ebrd.com

EBRD offers a wide variety of products

Guarantees 14%

- Specific risk guarantees (i.e. political, commercial risk participations)
- Commodity-backed instruments (i.e. warehouse receipts)
- Trade facilitation program (with participation of local banks)

Loans 81%

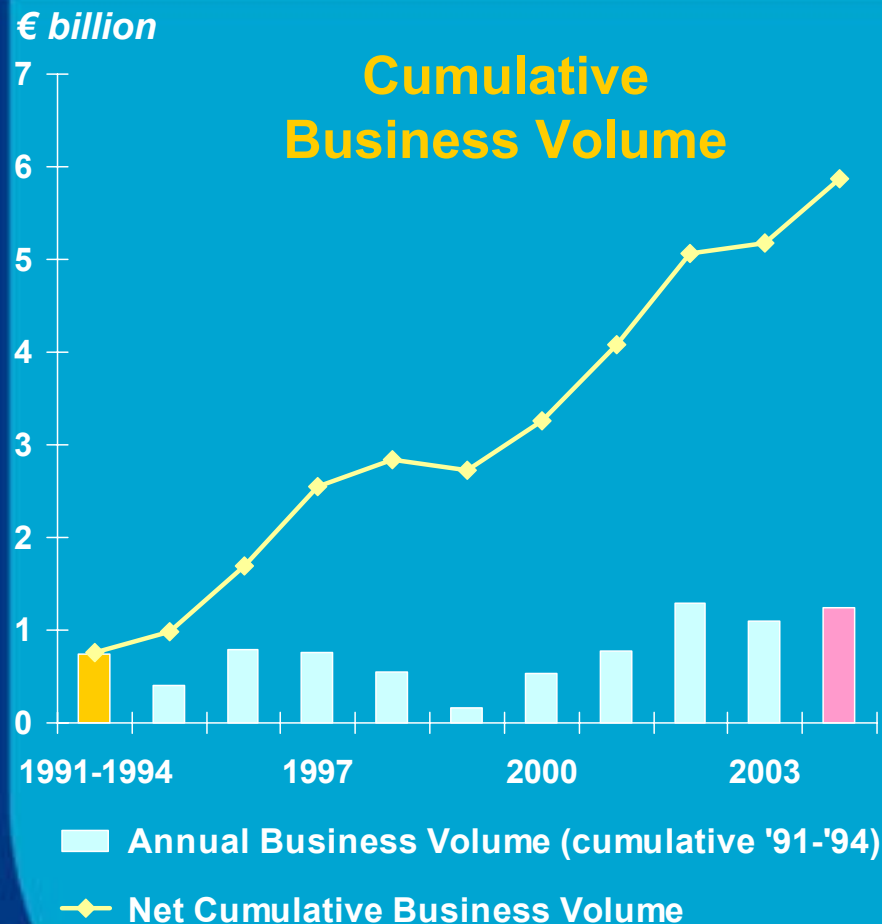
- Corporate or Project specific
- Non or limited recourse to sponsors
- Syndicated loans (w. underwriting)
- Parallel with ECA's, other IFI's or Banks
- Hard / local currency
- Floating/fixed rates

Equity 5%

- Venture Capital
- Privatisations
- New Equity
- Quasi-equity
- 'Portage'



Business volume, Portfolio and Pipeline in Russia

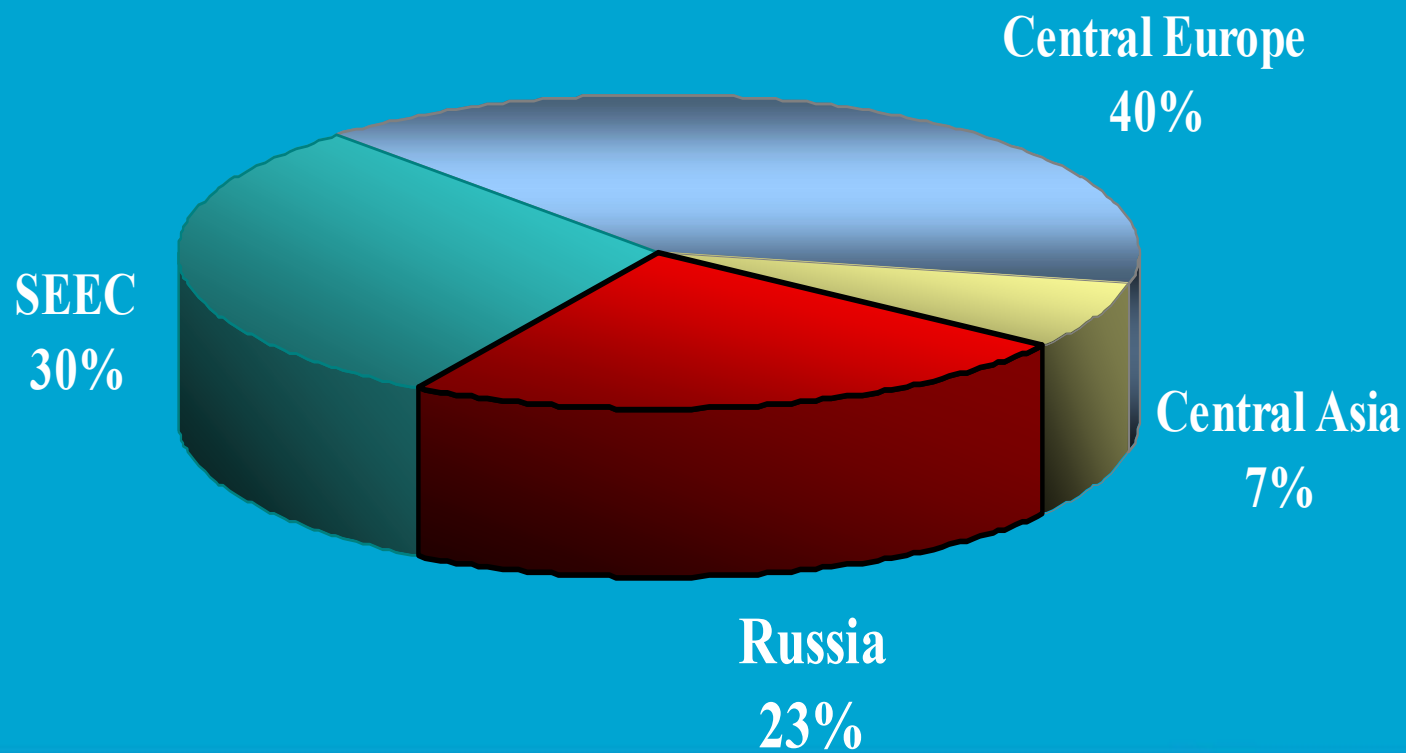


- Largest investor in Russia
- Since 1991 the EBRD's a Cumulative Business Volume is €5.9 billion (this is 23% of all projects financed by EBRD)
- At the end of 1st quarter 2005 the Portfolio Stock was at €3.9 billion and Pipeline projects were at €3.8 billion
- 76% of the Bank's portfolio in Russia was the private sector, while 81% was debt, 14% equity and 5% guarantee



Russia Becoming the Biggest Focus

*Net cumulative commitments €26.2 billion
of which €5.9 billion in Russia*

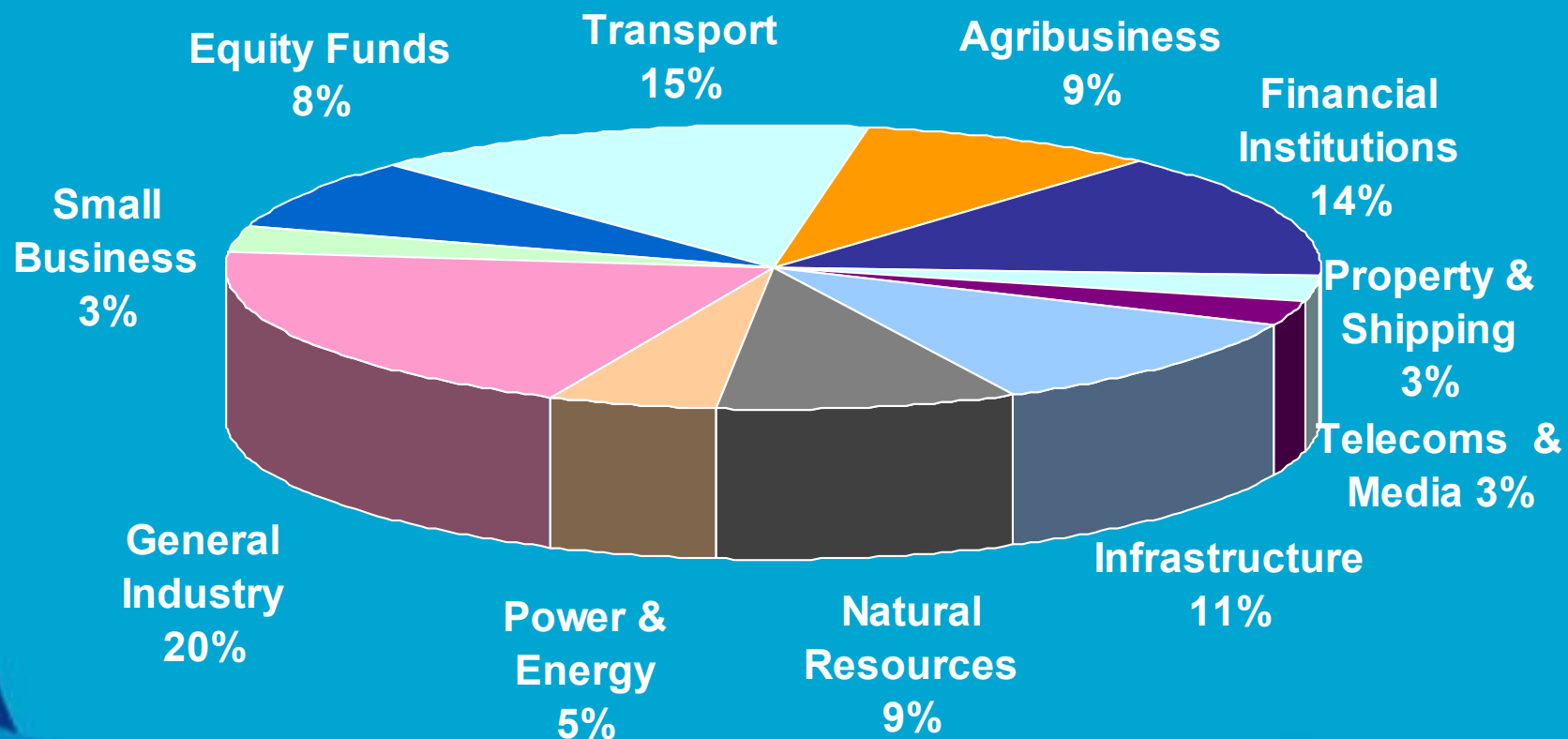


Russia Portfolio by Region



Russia Portfolio Stock by Sector

**Portfolio Volume
€3.75 billion**



EBRD in North-West Russia

- Priority region for the Bank
- Total cumulative portfolio of signed projects – EUR 1.5 billion (2005)
- Well diversified portfolio: municipal, food processing, general manufacturing, forestry, telecommunications, property etc
- 70% of the portfolio concentrated in St. Petersburg and Leningrad oblast



Major projects in North-West Russia 1

- **Municipal & Infrastructure**

- St.Petersburg:
 - Municipal Support Project;
 - Toxic Waste Clean-Up Project;
 - South Waste Water Treatment Plant (22 September 2005- opening ceremony);
 - Flood protection barrier;
 - Ring Road
- Arkhangelsk Municipal Services Improvement Programme

- **Food Processing**

- Dirol Chewing Gum Factory (Novgorod)
- Baltika Brewery
- Vena Brewery



Major projects in North-West Russia 2

- **Property & Tourism**

- Nevsky 25 Business Centre
- Radisson SAS Hotel

- **Other Industries**

- North-West GSM (telecommunications)
- Air Cargo Terminal Pulkovo (transport)
- Lenenergo (power & energy)
- Severstal-Arselor JV (steel making, Vologda region)
- Pestovo Novo Sawmill (UPM Kummene) (forestry, Novgorod region)



Projects signed in 2004 and pipeline 2005

Signed in 2004:

- Nokian Tyres (Leningrad oblast; 22 September 2005- opening ceremony)
- Uralkali II (Baltic Bulker Terminal, St. Petersburg)
- Pokrov Glass Plant (Vologda)
- Power Machines (St. Petersburg)
- Lenta cash & carry hypermarkets (S. Petersburg)
- Komi Municipal Water Services Improvement Programme (Komi)

Total signed in 2004 – EUR 160 million

Total pipeline 2005 is estimated at EUR 250 million

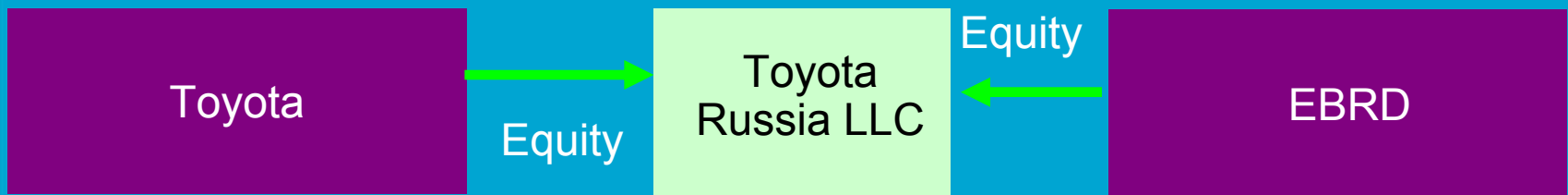


Strengths of the EBRD

- Strong, internationally recognised financial partner with long-term perspective and mission;
- Willing to share risks, **including political risks** (customised to each transaction);
- International institution;
- Preferred Creditor Status;
- Longer term perspective than that of many investors in the CEE & CIS region (i.e. medium- to long-term financing);
- One of the few sources of limited recourse finance for projects in Russia and Central Asia;
- Excellent working relationships with governments;
- Political leverage due to EBRD's unique mandate and shareholders' structure



Portage Equity Finance



- The EBRD purchased a 20% equity stake in the Russian company established by Toyota in the amount of EUR 15 million
- EBRD exits through a put and call arrangement to Toyota
- Diversify Russian economy
- Maturity 7 years
- Pricing equal Toyota's debt funding costs plus a margin

Note: details are simplified for case study



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