

We invite you to invest in capacity expansion of a profitable chemical business



Project overview

Project scope

- Expansion of **ammonia, urea, ammonium nitrate, nitric acid, and thread acetate** manufacturing facilities
- Launch of **acetate fibers** manufacturing

Geography

- **Farg'onaazot**, one of the largest chemical manufacturers in Uzbekistan

Financing

- **173 USD mn** (73% of which are foreign investment)

Timeline

- 2018-19 – pre-implementation stage
- 2020-21 – equipment procurement and installation
- 2022 and beyond – ramp-up to designed capacity, continued production

Investment terms

- The investor will have an ownership stake in the company and will be entitled to an annual dividend paid from net income

Risk adjusted investor NPV **30 USD mn**

IRR USD **21%**

Company Profile: Farg'onaazot is a rapidly growing company well-established in the market

Company milestones



Management and ownership structure

Management	Abdupatto T. Salijanov <i>Chairman of the Management Board</i>	
	Fayzullo A. Abdurahmonov <i>COO</i>	
	Akmal H. Kholmatov <i>CFO</i>	
Ownership Structure	The Government	48.05%
	AO O'zbekimiyosanoat	51.00%
	Other shareholders	0.95%

Location

Flight from Tashkent (the country's capital and a major transport hub offering **flights to over 40 destinations worldwide**) to Fergana takes **under one hour**



Contacts

State Investment Committee will be happy to answer any questions you may have

Contact person: Saidkomil Nasriddinov, Leading specialist

Telephone: +998 71 238 52 95

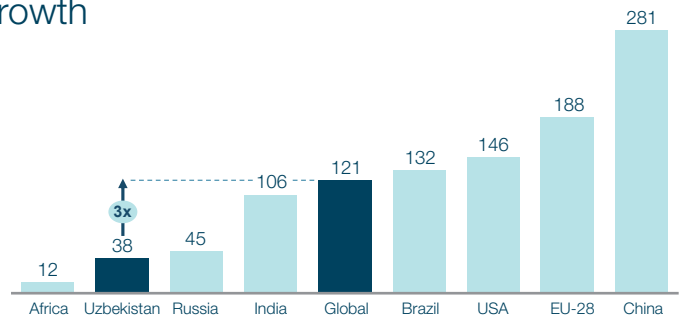
Postal address: 100029, Tashkent, Islam Karimov street, 1

E-mail: s.nasriddinov@invest.gov.uz

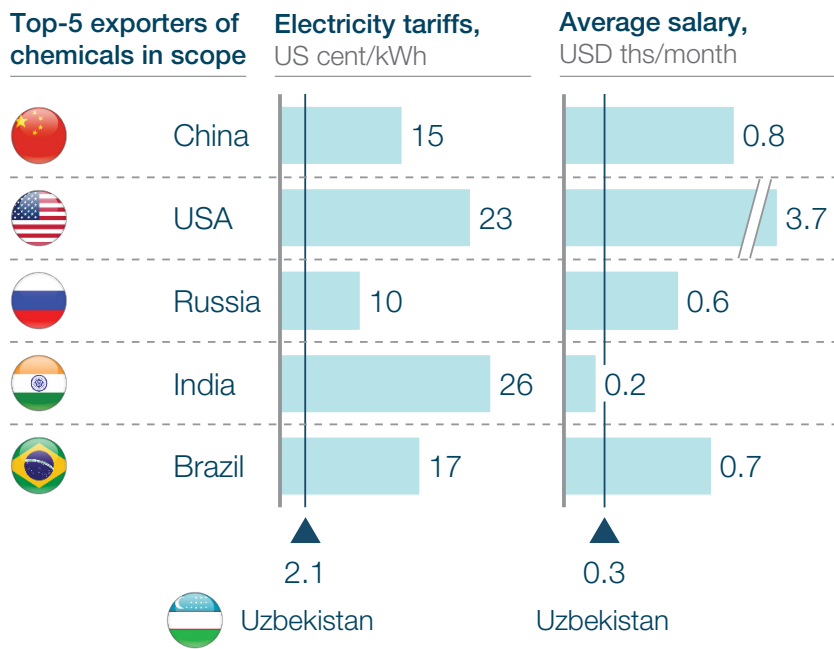


Domestic demand: current fertilizer application rates in Uzbekistan offer considerable potential for future demand growth

Global fertilizer application rates (for all agricultural land) in 2015, kg/ha

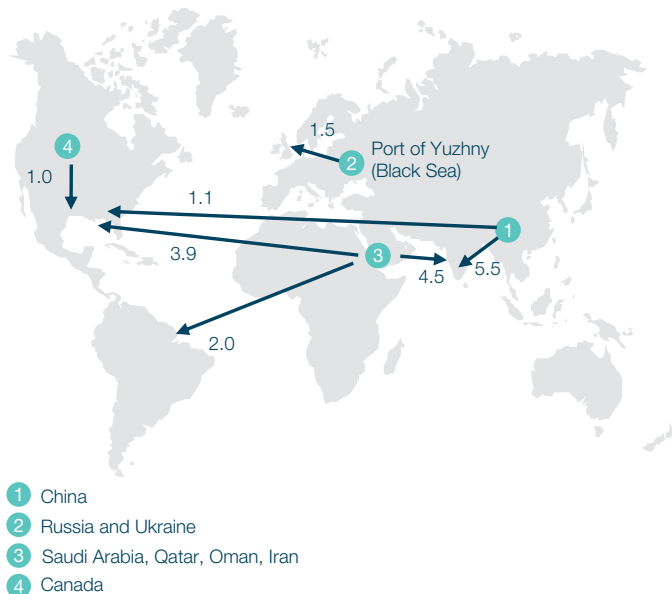


Resource base: Uzbekistan offers significant resource advantages to manufacture the chemical products in scope



Logistics: The largest urea export hubs are located in China, on the Black Sea (Port of Yuzhny), and in the Persian Gulf, all of which are far away from Uzbekistan
2015, million tons of urea

Major urea trade flows



- The products are shipped from Uzbekistan to key markets by sea; however Uzbekistan has no direct sea access
- Estimated costs of rail transportation to the nearest sea port are ~95 USD per ton¹
- These costs significantly limit the opportunities to export to other regions in case of global price decrease; however, the local market offers a vast potential

¹ The cost of rail logistics is 2 USD ths per container (20 feet) to the port of Bandar Abbas