



ГОСТИНИЧНЫЙ КОМПЛЕКС

Уртыш

**SELLING OF READY-MADE AND COST-EFFICIENT
BUSINESS IN KAZAKHSTAN**

About the Hotel Resort

Hotel Resort "Irtysh" represents an eleven-floor resort located in a business part of Ust-Kamenogorsk. .

Hotel Resort "Irtysh" is considered an extremely popular place among city residents and its guests.



HOTEL RESORT "IRTYSH"

hotel startup

1997

total area

5 777
SQUARE
METERS

key count

88
APARTMENTS

HOTEL RESORT "IRTYSH" INCLUDES:



Two-hall restaurant



Night club "Staver" also includes lounge bar "Ampir",
karaoke hall in the style of "Disco of 80s"



Total acquiring - MASTERCARD, VISA



Optional hotel services: free guarded parking, laundry
room, conference hall, business center services



Wi-Fi



facade hotel resort "Irtysh"



façade Night Club





hall in hotel resort "Irtysh"



conference hall

HOTEL OCCUPANCY AND GROUPS OF GUESTS

40-50%
hotel occupancy
(for 2015r.)

Given the averaged parameter of hotel occupancy in other regions of Kazakhstan that is 20-30% the occupancy of Hotel Resort "Irtish" is high at the moment.



Guest groups

70%
GUESTS FROM
KAZAKHSTAN

30%
FOREIGN GUESTS
(60% - RUSSIA,
40% - CHINA AND GERMANY)



flow of guests

1.
BUSINESS SECTOR - TREATIES
ARE CONCLUDED WITH MAJOR
CORPORATE CUSTOMERS

2.
GOVERNMENT REPRESENTATIVES
AND DELEGATIONS VISITS

3.
TOURISTS FROM
NEIGHBORING
COUNTRIES

OUR BUSINESS PARTNERS

Hotel Resort "Irtys" is already armed with concluded contracts for members and clients accommodation with following companies:

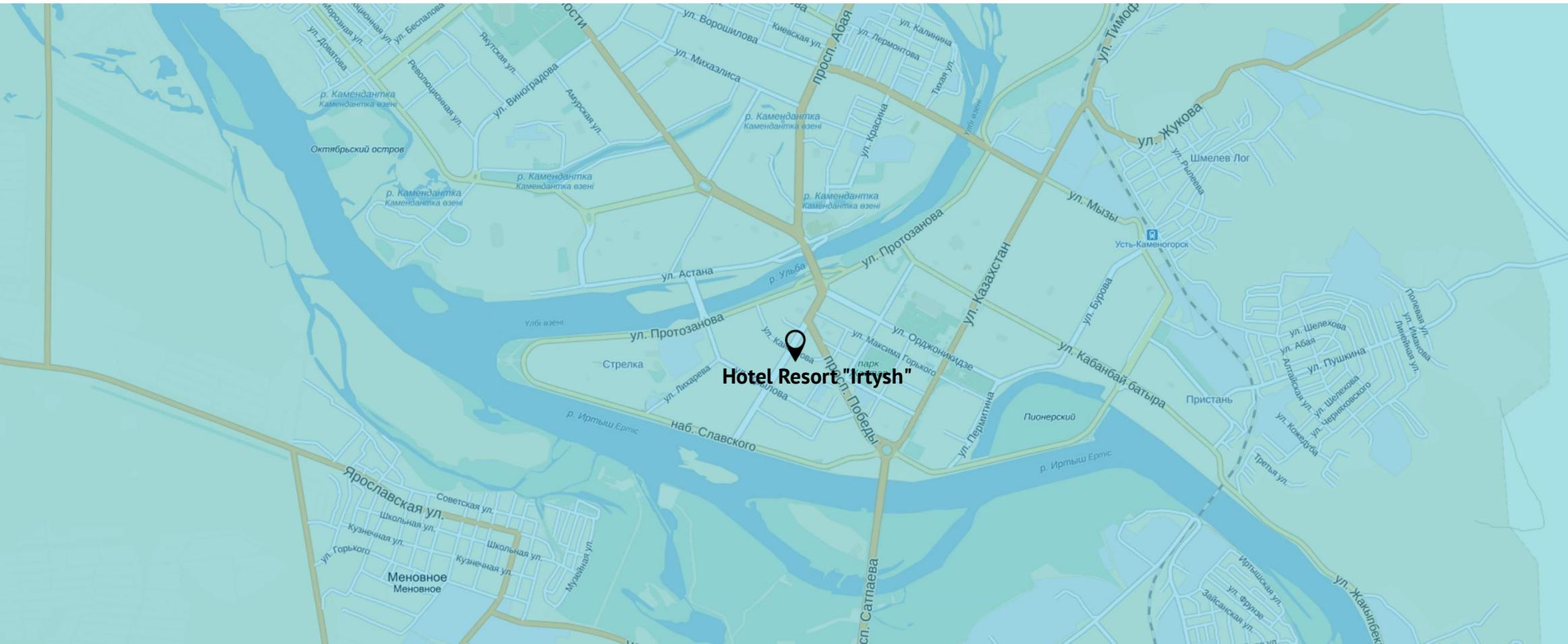


FAVORABLE LOCATION AND TRAFFIC INTERSECTION



The hotel is located in a business part of the city.

300 meters far from the hotel there is a central traffic intersection including direct routes to the railway station and the airport that makes it attractive to guests.



WELL-DEVELOPED INFRASTRUCTURE

NEAR THE HOTEL IN A STEP ACCESSIBILITY

you can find:



air and railway ticket
offices



malls



banks



trade centers



a park



river bank



museums



entertainment
clubs



cinemas



cafes and restaurants

CONSTRUCTION AND COMMUNICATIONS



1 CONSTRUCTION MATERIAL ———  **BRICK**

2 BUILDING CONDITION ———  **PERFECT**

Most recent capital repair. Additional deposits into building repairing are not required. Full reparation of exterior and interior appearances including club and restaurant was made in 2014 at the cost of 2 million dollars.

3 COMMUNICATION ———  **ALL**

Hotel Resort possesses all required engineering communication facilities.

4 TERRITORY ———  **ENCLOSED**

The territory of the Hotel Resort is enclosed across the area. During night time an ambient hotel area is totally illuminated

HIGH QUALIFICATION OF STAFF

Solid team will be able to provide further work of the hotel even without direct participation of a further business owner.

HIGH-QUALIFIED STAFF OF THE HOTEL RESORT "IRTYSH"

*service area
more*

15
YEARS

*number of
personnel*

140
MANS

*manager
staff*

8
MANS

STAFF ARE FULLY TRAINED AND READY TO GO UNDER YOUR:



Additional investment into staff training is not required. Staff of the hotel is qualified with work experience in hotel business and service area more than 15 years.



High-qualified staff of the hotel satisfies most demanding clients, hotel's own security service provides calmness and safety of guests.



Total number of personnel is 140, among them 8 are from manager staff.

KEY FINANCIAL AND ECONOMIC INDICATORS



Profit (during 2015):

- Total profit = 90300\$ **per month**
- Wages fund : 32300\$
- Community charges: 8000\$

 Clean profit = 50000\$ **per month**

Capital asset :

- Building :
11 floors, area of 5777 square meters (including facilities) = 6 932 000\$
- Land parcel :
6332 square meters = 1 200 000\$

CUSTOMER CAPTURE CHANNELS

Perspectives of tourism development in the region give the possibility of forecasting during nearest 2 years increase of a number of guests among private actors

MAJOR CUSTOMERS OF THE HOTEL



Are business customers (contracts with large-scale enterprises and big business).

we define

3

channels of
customer
capture

1

Strong telemarketing and face-to-face meetings

with corporate customers interested in the region provides constantly extension of regular clients base.

2

Effective Internet-promotion

provides client flow both from private and corporate sectors reaching additionally foreign audience interested in the region.

3

Partner agreements with hotels ,

covering similar segment in Kazakhstan and neighboring countries.

COMPETITORS AND BIG MARKET PLAYERS

Hotel Resort "Irtysk" is one of the best hotels in the city and has no direct competitors in the same price segment

ONLY HOTEL CHAINS AND HOTELS OF A HIGHER CLASS CAN GIVE A RUN FOR MONEY FOR HOTEL RESORT "IRTYSH" BUT SUCH HOTELS OCCUPY HIGHER PRICE RANGE THUS THEY ARE NOT CONSIDERED AS DIRECT COMPETITORS.



In comparison with competitors Hotel Resort "Irtysk" has the advantages of:

- ✓ more economically advantageous location - in a business part of the city
- ✓ free parking for hotel guests
- ✓ possibility of corporate events staging — the resort offer the restaurant with two halls and three-hall night club
- ✓ availability of a conference hall for business meetings
- ✓ business center services
- ✓ large key count
- ✓ well-developed infrastructure

INVESTMENT ATTRACTION OF THE REGION

up to

60-70%

In 2 years to come the parameter of hotel occupancy will increase

During the period 2015 - 2017 years volume of investment in East Kazakhstan region is proposed to increase, industrial and tourism area development rates will raise.

The presented factors will influence straightly increasing volume of client flow in a hotel sector.

THE HOTEL RESORT IS SITUATED IN AN INVESTMENT ATTRACTIVE REGION WITH WELL-DEVELOPED INFRASTRUCTURE, INDUSTRY AND TOURIST BUSINESS.

Hotel Resort "Irtysk" is located in Ust-Kamenogorsk, administrative center of East Kazakhstan region, big industrial and business center of Kazakhstan.

we define

3

factors providing client flow today

1

East Kazakhstan region is one of the most economically developed and investment attractive regions of Kazakhstan.

Since the beginning of 2015 capital investments volume into the economy of East Kazakhstan region has reached 1.106 billion dollars. Equity contribution has raised from 5.4 up to 7.6% of the total republic volume.

2

East Kazakhstan region is one of the most industrial developed regions of Kazakhstan.

More than 1000 medium and big industrial enterprises are active in the region.

3

Unique natural environment of the region

provides rapid development of tourism.

Ust-Kamenogorsk is considered as the main center of tourists routes in the region.

INVESTMENT ATTRACTION OF KAZAKHSTAN IS CAUSED BY

from **\$11,02** billion.
up to **\$24,67** billion.

Cumulative direct foreign investment
from China into Eurasian Union's
countries during 2009-2013 has
increased

\$22,57 billion.

(91.5% of the total sum) accrue to
Kazakhstan

INVESTMENT ATTRACTION IS CAUSED BY:

- ✓ economical and political stability
- ✓ rich natural and mineral resources availability
- ✓ developed industry
- ✓ favorable business climate
- ✓ government measures for investors endorsement
- ✓ favorable investment regulations and requirements
- ✓ attractive tax regulations
- ✓ reduced procedure of obtaining construction permit
- ✓ reduced procedure of property registration
- ✓ strong legal base protecting investor's interests

INVESTMENT ACTIVITY IN THE REGION

Since the beginning of 2015 the volume of investments into economy of East Kazakhstan region has reached 1.106 billion dollars that is twice bigger than the parameter of prior period.

Considering volume of obtained investments East Kazakhstan region takes the 5th place after regions where hydrocarbon production is the key sector and cities of republic appropriation - Astana and Almaty.



INVESTMENT ACTIVITY IN THE REGION

Increase of investments into East Kazakhstan region provides development of an industrial economical sector, increase of number of jobs, business activity in the region and entry of audience from a business sector into Hotel Resort "Irtish".

PRESENTLY:

- ✓ concession contracts with construction companies of Turkey and China at the total cost of 555.5 million dollars are concluded
- ✓ construction of Kazakhstan's largest auto industry cluster supported by JSC "ASIA AUTO Kazakhstan" is started in Ust-Kamenogorsk
- ✓ in Ust-Kamenogorsk during the period from 2011 to 2028 project for an increase of the production capacity of the photovoltaic panels plant will be implemented
- ✓ Kazakhstan - Korean project: construction in Ust-Kamenogorsk of plant JV "POSUK Titanium" for production of titanium ingots and slabs is implemented, in the nearest future the company will enter the world market
- ✓ establishment of Kazakhstan-Chinese joint venture for the production of ready nuclear fuel for nuclear power stations - fuel assemblies (FA) in Ust-Kamenogorsk (on the basis of JSC "Ulba Metallurgical Plant") is provided
- ✓ the concept and action plan of construction of "Economic Belt Silk Road" and "Marine Silk Road of the 21st century" conjunction with China is developed. It includes infrastructural facilities which will be implemented due to investments from China: Almaty - Ust-Kamenogorsk road, the road to the border with China, car factory in Ust-Kamenogorsk, and others
- ✓ by means of Chinese investments construction of 6 kindergartens in Ust-Kamenogorsk at the cost of 4 billion tenge

INDUSTRIAL DEVELOPMENT OF THE REGION

Key branches of industry are color metal and engineering industries.

Metal-work manufacturing, power, wood-working, consumer goods, food-processing industries are developed.



NEW CITY-FORMING PROJECTS

3 new city-forming projects

have been implemented since the
beginning of 2014 or end of 2017.



1

ASSEMBLY LINE "TOGLIATTI - FAR EAST"

By 2017 the first line of automobile factory of a full cycle "AsiaAuto Kazakhstan" will be launched at the territory of the region on the base of a functioning factory "AsiaAuto Kazakhstan" to assemble Lada, Chevrolet, Renault, Nissan. Starting the project takes place in cooperation with major Russian concern "AvtoVAZ".

This will be one of the 3 major plants built under the interstate program of cooperation in the field of mechanical engineering.

2

«KAZPV»

Construction of the joint Kazakhstan-French plant for production of photovoltaic panels in the cities of Astana and Ust-Kamenogorsk. Project is implemented within the framework of the state program of production the silicon industry in the Republic of Kazakhstan, aimed to turn the country's economy from the production and sale of cheap raw materials to the production of quartz valuable import-substituting products, i.e. to production of metallurgical, polycrystalline silicon and solar cells.

3

"UKTMK" - PRODUCTION OF TITANIUM ROLLS (BOING)

UKTMK is a world leader in production of titanium sponge. It is planned to open an additional workshop on the basis of "Titanium-Magnesium Plant" for production of titanium forgings for concern "Boing and" and "Suhoy."

TOURISM IN THE REGION

East Kazakhstan region is a perspective tourist region.

The main center of tourist routs in the region is Ust-Kamenogorsk city.

30 kilometers far from the city a number of ski resorts and tourist hotels is located. Additionally 100 kilometers from the city it is spreaded pictural Bukhtarma reservoir, famous summer holiday place among Kazakhstan residents and visitors from Russia.

MEMORANDUM ON COOPERATION IN TOURISM FIELD

On February, 25, 2014 the memorandum on regional cooperation in the field of tourism was signed in Ust-Kamenogorsk.

Under the memorandum it was made a decision to create "East Kazakhstan" cluster as a center of ecological tourism development.

over

15 THOU.
NEW JOBS

will allow to create the implementation of a master plan for the cluster development program of the East Kazakhstan region until 2020

the demand will be

454 THOU.
PEOPLE PER YEAR

Total potential demand for the domestic and international market

Will be more

600 MIL.
DOLLARS

It is expected that the total amount of private investment in the considered projects

UST-KAMENOGORSK CITY WILL BE THE CENTER OF THE CLUSTER IN WHICH 6 KEY TOURIST PLACES OF INTEREST ARE DEFINED:

- ✓ Buhtarma reservoir
- ✓ River Irtysh - Lake Zaisan
- ✓ Caton-Karagayskiy SSPE
- ✓ Lake Markakol and the Kalzir canyon
- ✓ Ridder-Anatai and Ivanovo mountains
- ✓ Semipalatinsk city.

FORECAST OF HOTEL RESORT'S PARAMETERS UNDER CONDITIONS OF COMPLEX DEVELOPING OF THE REGION

Given the rapid development of the region, the flow of investment and the creation of a large number of jobs, the flow of visitors to the city over the next 2 years will increase by more than 2 times.

This is confirmed by the dynamics of the average occupancy rate of hotels in East Kazakhstan region: it increased from 13.7% in 2013 to 27.5% in 2015

FORECAST OF BUSINESS PARAMETERS IN THE NEXT 2 YEARS:

60-70%	——	Percentage of hotel occupancy
70\$	——	Average hotel bill
210000\$	——	Average turnover per month
70000\$	——	Charges per month
110000\$	——	Average profit per month

BENEFITS

Investing today in purchase of the successful and perspective Hotel Resort "Irtysk" you get not only profitable business, constantly price growing commercial property in the business part of Ust-Kamenogorsk city but also the guarantee of increase of the profitability of the asset in the next 2 years.



CONTACTS

We are happy to provide full information about Hotel Resort “Irtysk” and sales terms in details.

The price will be a welcome surprise to you.

SEEING ONCE IS BETTER THAN HEARING OR READING TWICE

Therefore we invite you to visit Hotel Resort “Irtysk”, observe everything with your own eyes, ensure personally in effectiveness, well establishing of business processes and evaluate volumes and the quality of assets.

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