



MINISTRY OF INFRASTRUCTURE
OF UKRAINE

UKRAINIAN INFRASTRUCTURE: OPEN FOR INVESTORS

August 2017

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UKRAINE AT GLANCE

Location:

Borders Poland, Romania, Slovakia, Hungary and Moldova in the west, with Belarus and Russia to north and east, and via the Black Sea, Bulgaria, Georgia and Turkey to the south

Area:

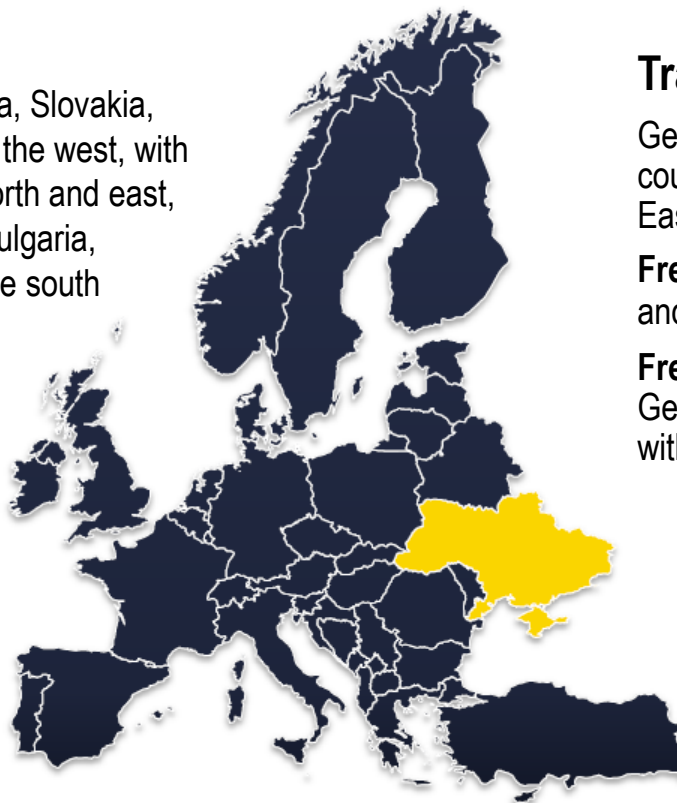
603 500 square kilometers.
Largest country within Europe

Population:

42.8 million people.
70% urban-based

Workforce:

20 million people.
#1 country in the CEE by the number of engineering graduates



Trade:

Geographical **center of Europe**, making the country an ideal trade hub to the EU, Middle East and Asia

Free trade agreement (DCFTA) with the EU and member of the WTO

Free trade: EU, CIS, Canada, EFTA, FYROM, Georgia, Montenegro. Ongoing negotiations with Israel, Turkey

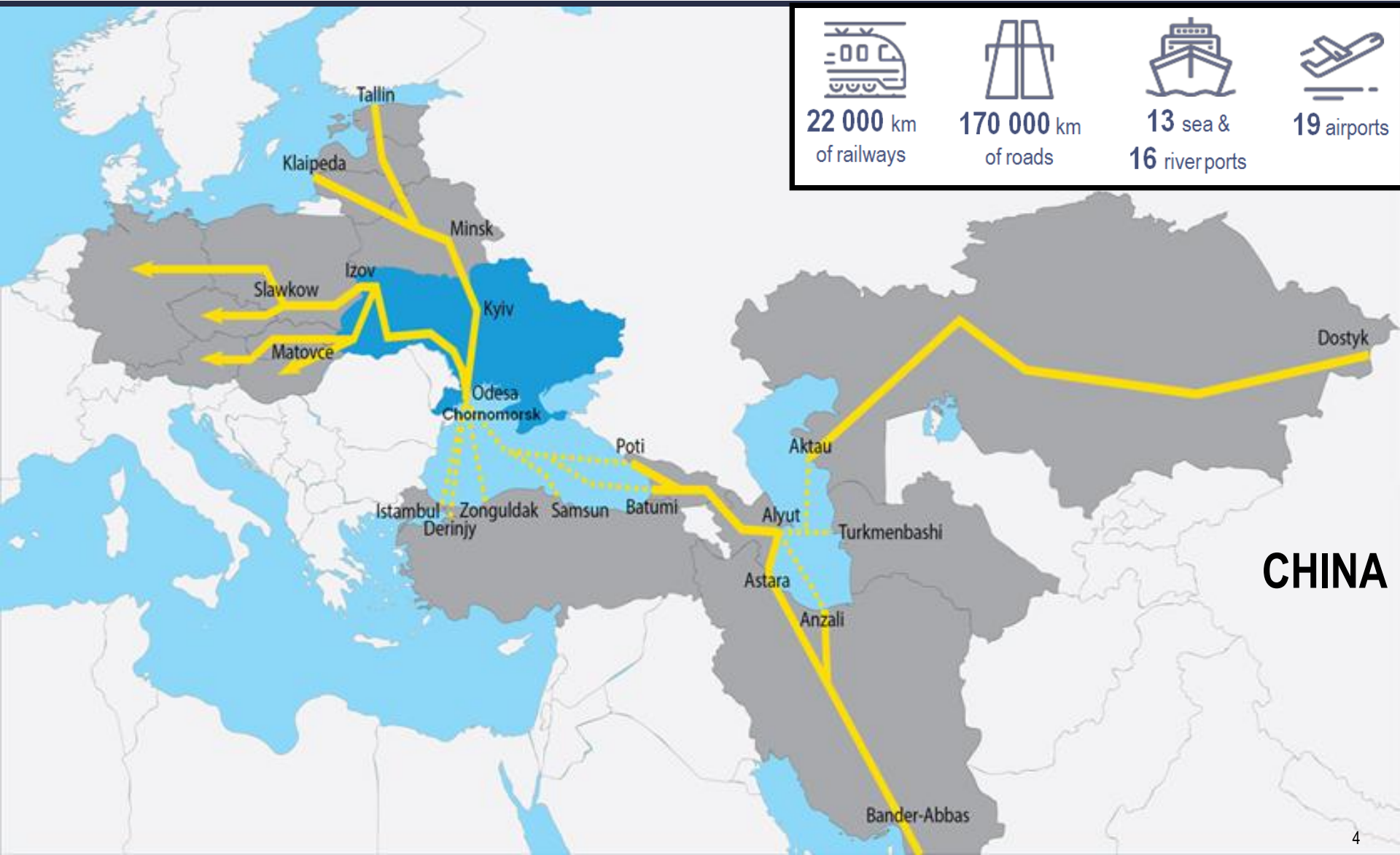
GDP (PPP):

\$341 billion in 2015.
Top-50 economy globally

Average salary:

\$250 per month.
Most cost-competitive manufacturing platform in Europe

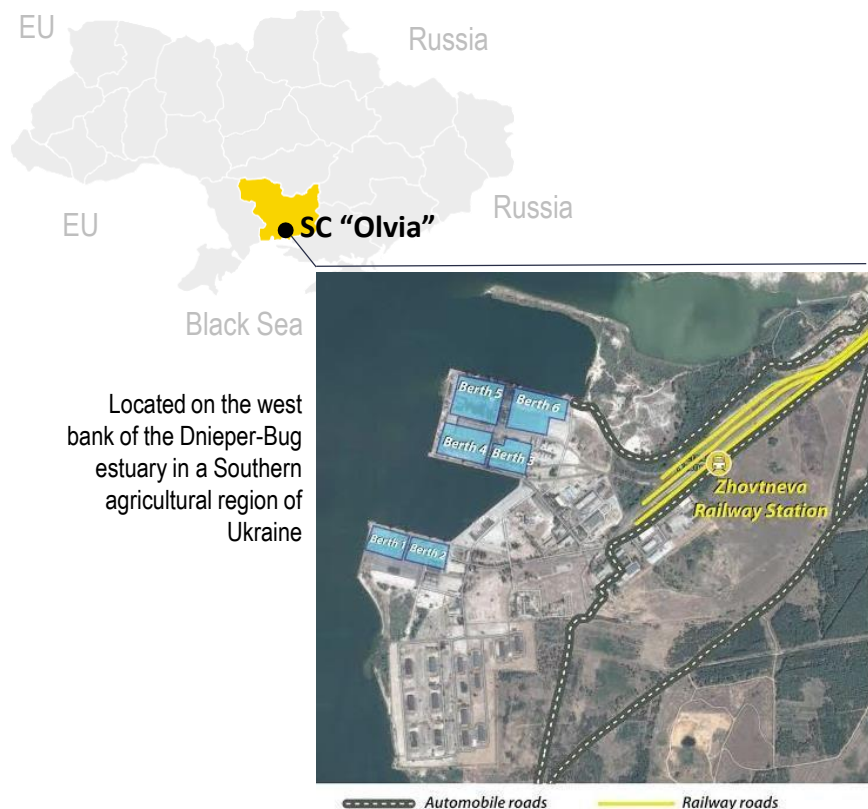
UKRAINE – transit bridge between the EU and ASIA



SEA & RIVER

An aerial photograph of a large port facility, likely a container terminal. The foreground and middle ground are filled with numerous stacks of colorful shipping containers in various colors including blue, red, yellow, and green. Several large gantry cranes are visible, some with the 'HITACHI' logo. A road with a few vehicles, including a white truck, runs through the terminal. In the background, a body of water is visible under a hazy sky.

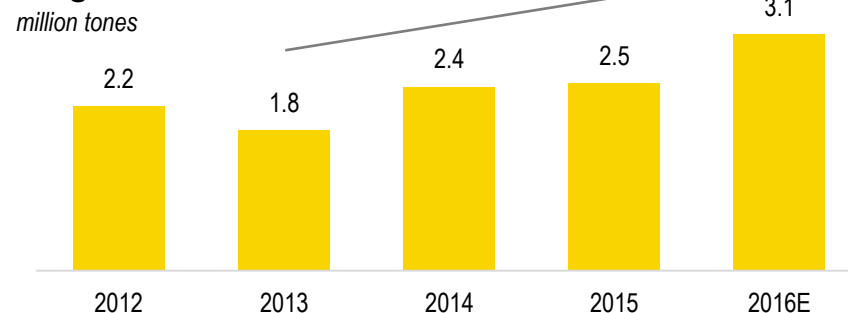
CONCESSION OF STEVEDORING COMPANY “OLVIA”



Key facts

- Total area of the seaport: 178.8 ha
- Outdoor storage: 277 200 m²; indoor storage: 41 135 m²
- Total berth length (7 berths): 1.53 km Depth near berths: 9.75-11.5 m
- Total processing capacity of the port is about 3 mln tones
- Main cargos: construction materials, ferrous metals, grain
- Train station capacity is 828 wagons / day

Cargo turnover



Revenue (2016)
\$15.4 mln

EBITDA margin (2016)
47%

Cargo turnover (2016)
3.1 mln tones

Unique opportunity for the concession in Black Sea region

CONCESSION OF COMMERCIAL SEA PORT KHERSON



Located on both banks of the Dnieper river (key inland waterway in Ukraine) 15 km away from its mouth, 28 km from the Dnieper-Bug estuary and 90 km from the Black Sea.

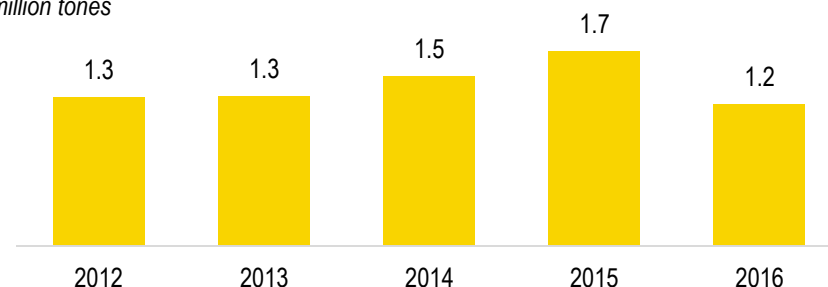


Key facts

- Total area of the seaport: 47 ha
- Outdoor storage: 38 560 m²; indoor storage: 12 328 m² including 3 silos of 608 m² and 12 000 tones capacity
- Total berth length (4 berths): 600 m
- Depth near berths: 6.9-8.2 m
- Total processing capacity of the port is about 2.5 mln tones
- Main cargos: grain, construction materials, food products, mineral fertilizers
- The port has a sand pit with total reserves of 12 mln tones

Cargo turnover

million tones



Revenue (2016)
\$7.9 mln

EBITDA margin (2016)
14%

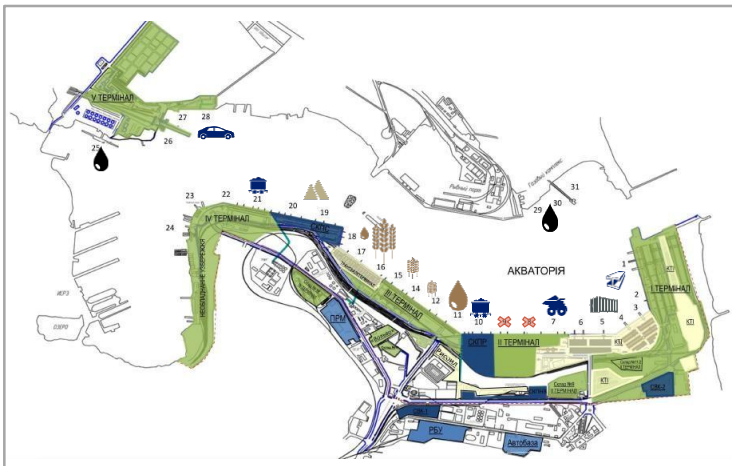
Cargo turnover (2016)
1.2 mln tones

Future potential for development of multimodal cargo hub

STATE STEVEDORING COMPANY "CHORNOMORSK"



Located at
Sukhoy
estuary, 12
miles to the
South-West
from Odessa



Revenue (2016)
\$44 mln

EBITDA margin (2016)
24%

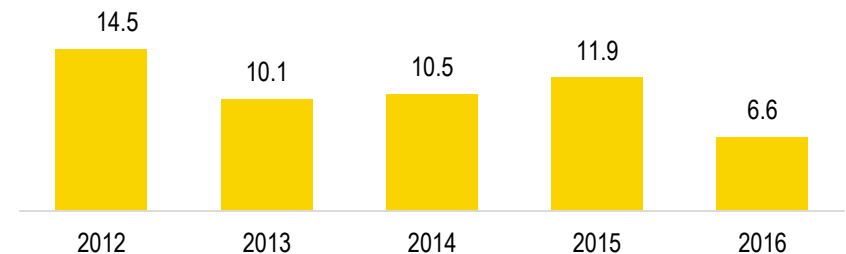
Cargo turnover (2016)
6.6 mln tones

Key facts

- Total area of the seaport: 302 ha
- Outdoor storage: 356 000 m²; indoor storage: 10 000 m²
- Total berth length (28 berths): 5.5 km
- The port has 5 deep-water berths with depth of 13-13.5 m, the other berths have depth 4.5-11.5 m
- Total processing capacity of the port is about 30 mln tones, 1.15 mln TEU, 254 000 auto vehicles
- Main cargos: grain, iron ore, autos

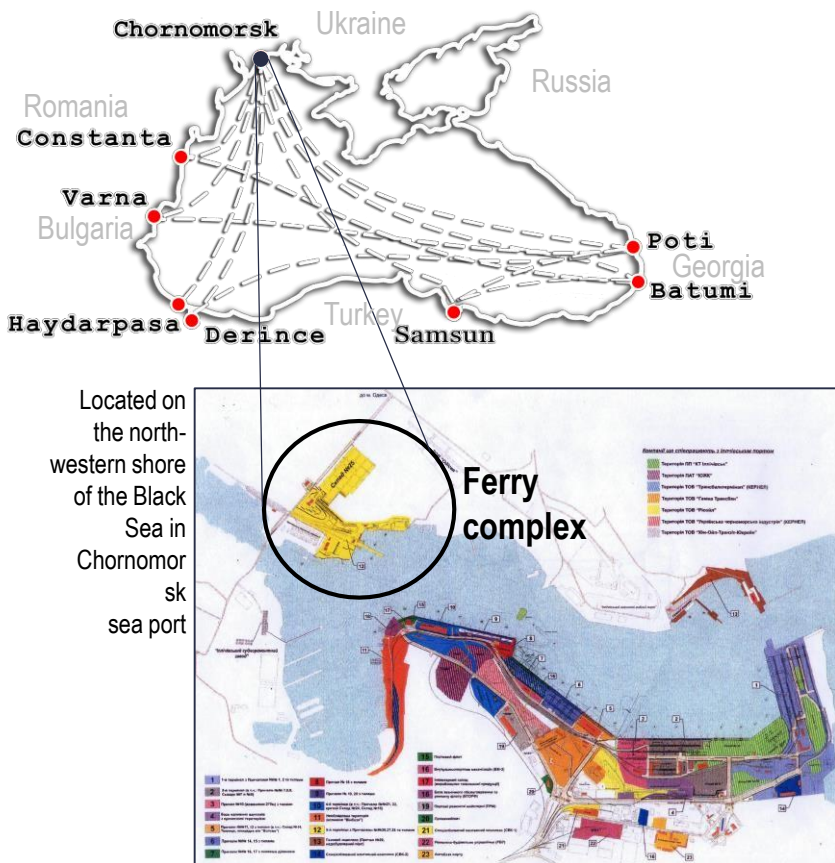
Cargo turnover

million tones



Terminal-oriented concession opportunities in the biggest sea port of Ukraine

CONCESSION OF THE RAILWAY FERRY COMPLEX OF CHORNOMORSK SEA PORT



Key facts

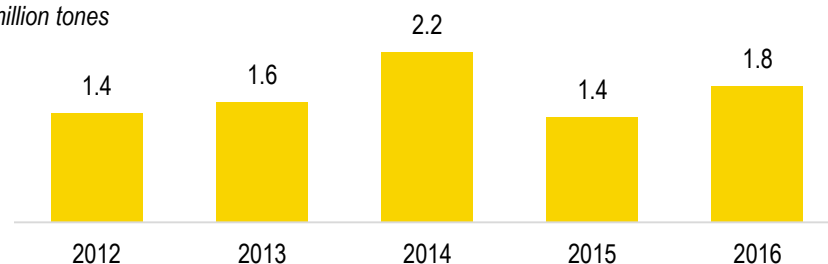
The Railway Ferry Complex is a part of Sea Commercial Port “Chornomorsk”

The only facility in Ukraine, which handles rail and auto ferry lines, as well as “ro-ro” vessels

- It has two berths (#26, 27) with total length of 210 m and one “ro-ro” berth with total length of 269 m (#28)
- The depth of port berths is 9.7 m
- Total handling capacity is 4.5 mln tones of cargoes in wagons, 150000 trucks and 250 000 vehicles per year
- The complex is a part of rail ferry lines functioning on the Black Sea and the “New Silk Road” trade corridor

Cargo turnover

million tones



Revenue (2016)

\$3.7 mln

EBITDA margin (2016)

37%

Cargo turnover (2016)

1.8 mln tones

Niche and unique potential for development of Silk Road logistic

CONCESSION OF YUZHNIY SEAPORT

The deepest port of Ukraine with export orientation



Located on the northwest coast of the Black Sea, in Small Adzhalyk (Grigorievsky) estuary, 30 km north-east from Odessa

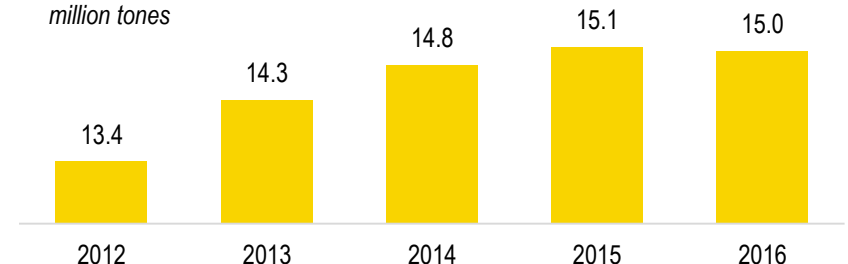


Key facts

- Totally handled in the port 48.6 mln tones in 2015, including 15 mln tones by the state seaport operating company
- The depth of the main piers is 14 meters, there are two deep-water berths with a depth of 18.5 meters capable of accommodating Capesize vessels
- It has 7 berths with anchorage capacity of 24 vessels
- Open storage yards cover 185 500 m², sheltered warehouses – 2000 m² (1 mln tones storage capacity)
- Loading intensity is 40 000 tones/day, 650 cars/day
- Main cargoes: chemicals, ore and general cargoes including coal, metal, cast iron, pellets, palm oil, carbamide, ammonia, methanol, crude oil and grain

Cargo turnover

million tones



Revenue (2016)

\$68 mln

EBITDA margin (2016)

49%

Cargo turnover (2016)

15 mln tones

** 20 April 2017 China Harbour Engineering company Ltd. has won the tender on dredging at berths № 23, 24, 25 on total \$40,2 mln.*

PRIVATIZATION OF UKRAINIAN DANUBE SHIPPING COMPANY



Key facts

- Danube Shipping Company is one of the largest shipping companies both in Ukraine and in the Danube region.
- It has sea and river vessels, operates close to Reni, Izmail and Ust-Danube ports, which allows it to create a transportation hub on the Black Sea
- The Company's fleet consists of 75 self-propelled and 245 non-self propelled vessels, including:
 - River barges with carrying capacity 1 000-2 300 tones
 - River push-tow boats with the capacity of 1 050-3 000 hp
 - Self-propelled vessels with the capacity of 1 814 tones
- It also operates a fleet of foreign JV companies consisting of 125 vessels
- Handles 2.7m tones of cargo per year and provides 20% of all Danube shipping

Revenue (2016)
\$25 mln

EBITDA margin (2016)
3.6%

Cargo turnover (2016)
2.8 mln tones

One of the largest shipping companies in the region

AIRPORTS

An aerial photograph of a large airport terminal building with a long, curved, glass-and-metal facade. Several aircraft are parked at gates along the terminal, including a large white jet with blue and yellow accents, a smaller white jet, and a small propeller plane. The tarmac is paved with yellow markings. In the background, there are green fields, trees, and some buildings under a clear sky.

CONCESSION OF BORYSPIL AIRPORT

The airport is located 18.5 km east from Kyiv city at an intersection of many air routes running from Asia to Europe and America



Revenue (2016)
\$131 mln

EBITDA (2016)
73%

Passengers (2016)
8.6 mln

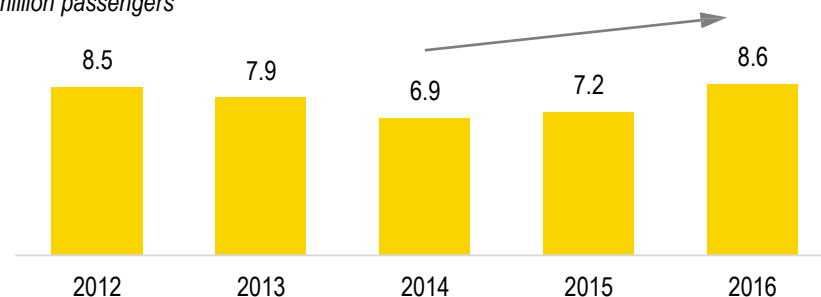
The largest airport in Ukraine

Key facts

- The largest by volume airport, serving 65% of passenger air traffic, all intercontinental flights and a majority of international flights
- It is among the top-3 best airports in East Europe
- It has 2 runways, 4 passenger terminals with total capacity of over 5000 passengers per hour and 1 cargo terminal with 9 warehouses and total area of 14 580 m²
- Facilities are used by 33 airlines, which provide 76 regular flights
- Passenger flow reached a record of 8.6 mln passengers in 2016
- Short-stay car parking facilities available at the terminals B and F, first multi-storey car park at the biggest terminal D is under construction

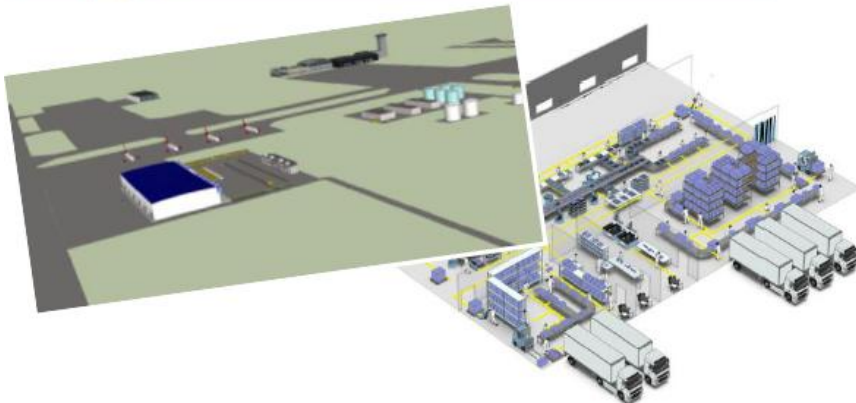
Passengers flow

million passengers



SUBPROJECT IN BORYSPIL AIRPORT

Cargo terminal



Key facts

- Total existing area of 14 580 m²
- 9 warehouses with total area of 5 072 m² Cold storage area of 450 m²
- Current capacity: 2 686 pallets, 805 tones/day
- Cargo transportation requires construction of new modern cargo terminal with:
 - New road access to the terminal
 - Parking places for TIRs
 - Special temperature storage facilities
 - Appropriate infrastructure for clients
 - New automated control system
 - IT systems, CCTV system, to comply with airlines requirements

Investments
~\$900 per m²

1st stage
up to 10 000 m²

Cargo turnover
30 100 tones

Development of modern cargo facilities in the biggest airport of Ukraine

LVIV AIRPORT



Located 6 kilometers from central Lviv, close to the western border of Ukraine

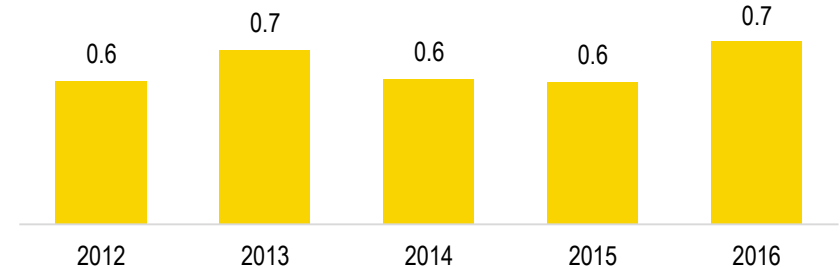


Key facts

- Lviv Airport is the biggest airport in the Western part of Ukraine with terminal area of 47 233 m² and runway of 3 305 m
- Airport has 9 departure gates and 1 125 parking places Hour
- capacity: 2 000 PAX
- 32 regular flights go through Lviv Airport and it provides up to 80% discount for new regular flights
- In 2013 Lviv Airport was awarded with the “Best CIS Airport” title on the forum “Development of Airports in Russia and CIS”
- Car parking has 238 parking spots

Passengers flow

million passengers



Revenue (2016)

\$11 mln

EBITDA (2016)

40%

Passengers (2016)

738 000

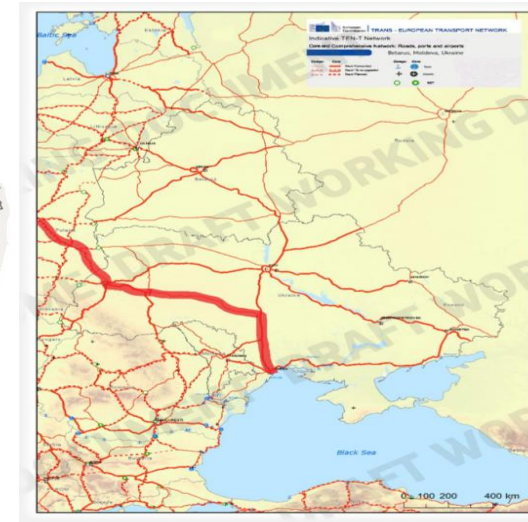
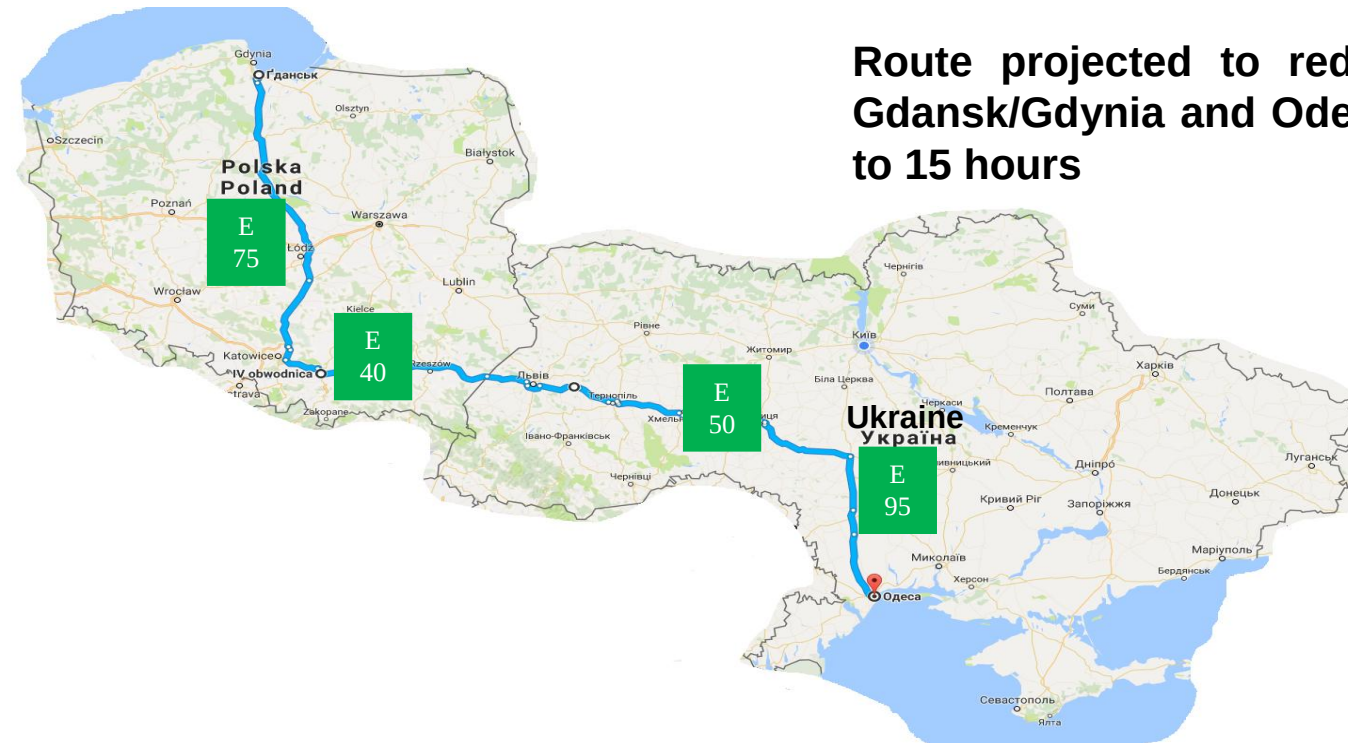
The biggest airport in Western Ukraine with close proximity to the EU



ROADS

ROAD CONNECTIONS GO 'GDANSK/GDYNIA-ODESA' HIGHWAY PROJECT

Route projected to reduce transit time between Gdansk/Gdynia and Odesa seaports from 23 hours to 15 hours

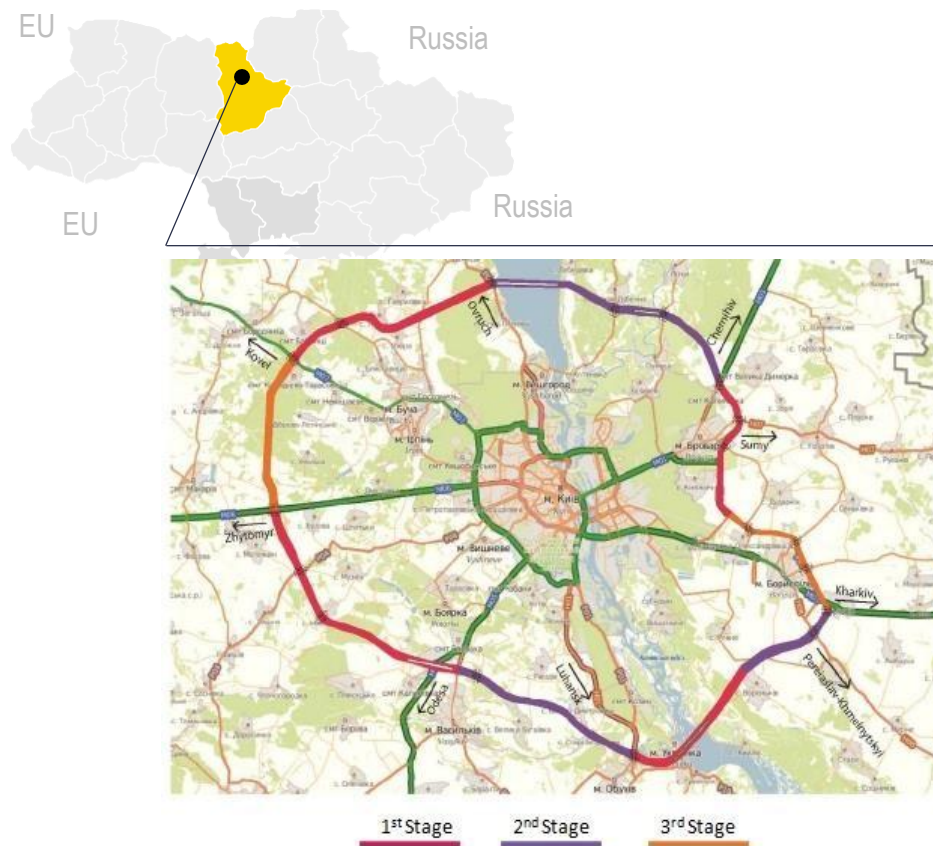


Benefits

- Improves speed rate for cargo flows
- Reconstruction of road from Category-2 upgrading to Category-1
- Includes construction of bypasses around residential areas

Total project cost:
1 889.3 mln. EUR

KYIV RING ROAD CONSTRUCTION



Key facts

- Kyiv region has the most intensive traffic
- The traffic flow across Kyiv reached 30 000 cars per day (2011 estimated)
- Today the freight traffic is moving from Odessa and Yuzhnyi seaports via Kyiv to Europe
- The 1st stage of the project will connect Odessa direction with the airport Boryspil, with the total road length of 93.5 km, category 1A with 4 lines, 3.75 m width, 12 transport interchanges in two levels, 1 bridge across Dnipro river and 3 small bridges
- Total road length to be build is 149 km with 35 interchanges, 50 overpasses, Norther and Southern bridges over the Dnieper river, Bridge over the Desna river, 42 roadside services
- The project is expected to unload Kyiv from freight transit transport

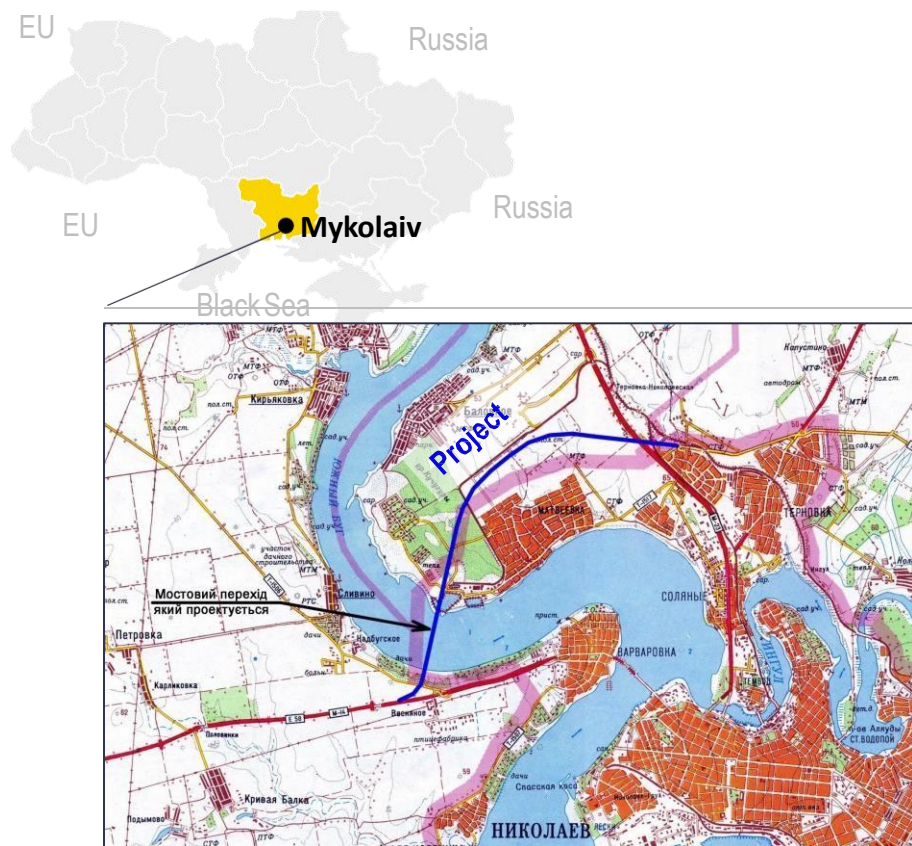
Total length
149 km

Timeline
4 years

Investments required (2009 est.)
\$6.8 bln

Traffic growth requires the construction of new roads and bridges to unload the city

CONSTRUCTION OF THE BRIDGE ACROSS THE SOUTHERN BUH RIVER IN MYKOLAIV



Key facts

- Existing road runs through Mykolaiv city across Southern Buh river by the city drawbridge
- The drawbridge was built in 1964 and is located on the main road M-14 Odessa-Melitopol-Novozavsk
- It hinders the traffic in the city while opening for ships passing and has limited capacity for cargo and urban traffic combined
- The nearest bridge across the river is 90 km upstream
- The axis of the new bridge is planned outside Mykolaiv city that will provide traffic unload
- The total length of the bridge with access roads – 13.2 km including 2.05 km of the bridge
- Category of the road is I (B) with: 4 traffic lanes, 2 road junction, 10 bridges
- Estimated total construction cost: \$130 mln (estimated based on average FX rate: 27.2 UAH/USD)

Total construction costs

\$130 mln

Timeline

5 years

Traffic

34 175 cars/day

An important bridge to bypass the city center designed to relieve commercial traffic

CONSTRUCTION OF THE BRIDGE AND M-22 APPROACH ROAD IN KREMENCHUK (POLTAVA OBLAST)



Road Network in the Project Area

Estimated construction costs

\$330 mln

Key facts

- 21 March 2017 MoU between State Road Agency of Ukraine and China Road and Bridge Corporation on project was signed
- Ukrainian side considering obtaining preferential loans and preferential PRC government export consumer loan to implement the project



Bridge Position over Dnieper River

An important bridge to bypass the city center designed to relieve commercial traffic

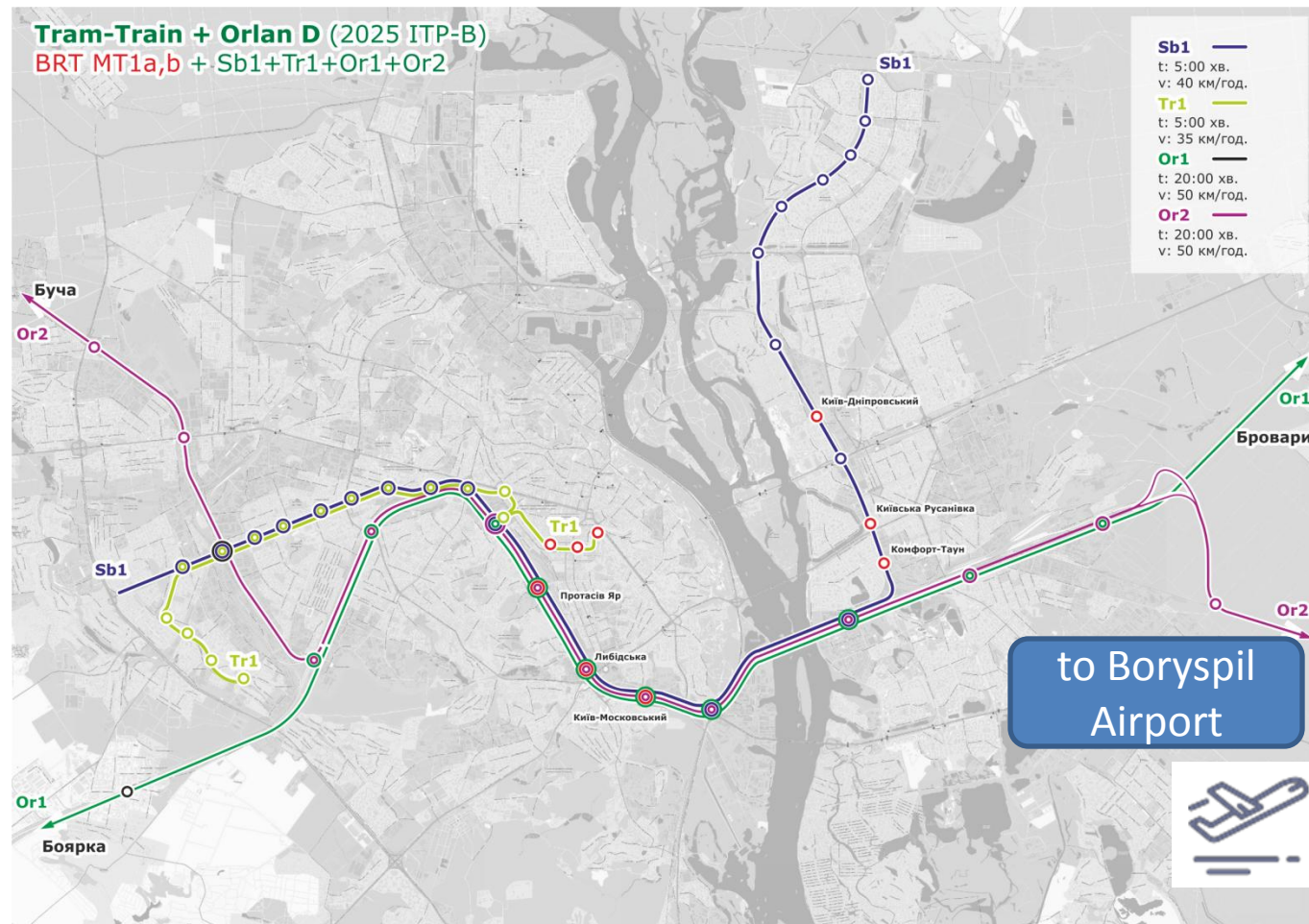
RAILWAYS



RAILWAY CONNECTIONS Organization of passenger rail connection between Kyiv city and International Airport “Boryspil” – “Air Express”

Updated solution:

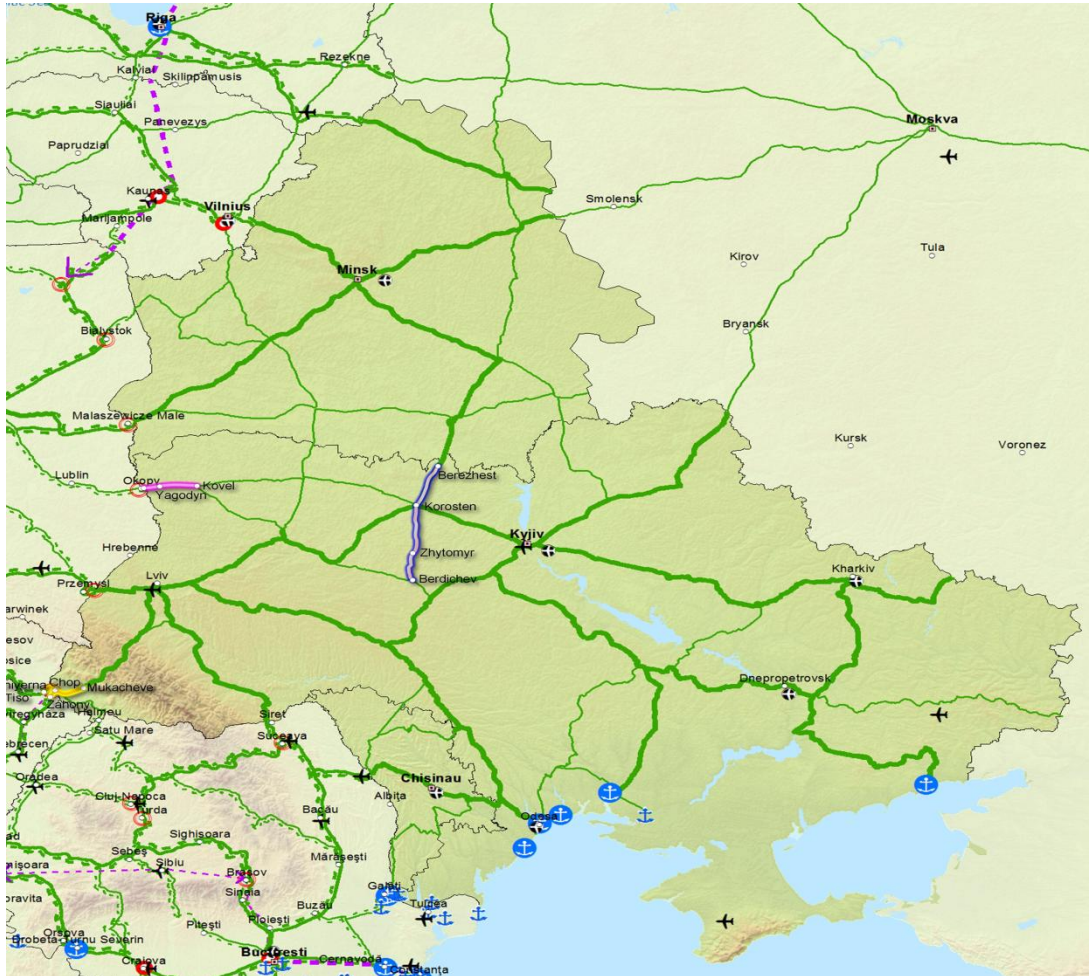
- Implementing the Light Rail Public Transport System in Kyiv +
- Connection with satellite towns and Boryspil International Airport



Estimated construction costs

\$300 mln

RAILWAY CONNECTIONS



Electrification of the railway section Berdychiv – Korosten – Berezhest

Cost – 139,6 MLN. EUR

Modernization of the railway gauge 1435 mm on the section Kovel – Yagodyn – state border with further electrification

Cost – 50 MLN. EUR

Restoration of passenger connection Mukachevo – Chop – Zahony (Hungary)/Chierna-nad - Tisoj (Slovak Republic)

Cost – 6,4 MLN. EUR

A high-angle, wide shot of a large industrial warehouse, likely a postal sorting facility. The space is filled with numerous blue metal carts, each loaded with large orange bags. The carts are arranged in long, parallel rows, creating a sense of depth and scale. In the background, more carts and bags are visible, along with some workers in orange uniforms. The warehouse has a high ceiling with exposed steel beams and industrial lighting. The overall atmosphere is one of organized industrial activity.

POSTAL SERVICES

NATIONAL POST OPERATOR “UKRPOSHTA”

The biggest retail in Ukraine...

- 11 700 branches
- 28 mln clients out of 44 million population
- #1 company in parcels and letters
- \$1 bln of communal payments
- \$4 bln of retirement payments



Computerization of the network is crucial
CAPEX
up to **\$15** mln

...with huge growth potential...

- 76 000 employees
- 3rd largest employer in the country
- 3 600 cars and trucks



Truck fleet renovation is needed
CAPEX
up to **\$100** mln

...and investment needs

- 1.3 mln m² of real estate in the smallest villages of Ukraine



New sorting centers required
CAPEX
up to **\$150** mln



PARTNERSHIP

STRATEGIC INVESTORS ARE COMING...

ALREADY



GLENCORE



BUNGE



Louis Dreyfus
Commodities

IN PROGRESS





MINISTRY OF INFRASTRUCTURE OF UKRAINE

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