

## CERAMIC TILE AND CERAMIC BRICK FACTORY FOR SALE

Country: Belarus  
Sector: production of ceramic tile and ceramic brick  
Status of property: privately owned

### Investment offer

Investor is offered to acquire up to 100% of shares of a private Belarusian ceramic tiles factory (hereinafter, "the Company"). The Company is the third largest ceramic tiles producer in Belarus and the largest privately owned. Furthermore, the Company is in the TOP-5 of largest local ceramic bricks producers.

### General information

- The modernization of production was during 2012-2014.
- The total manufacturing capacity intended to produce 4,5 million sq. m of tiles per year
- The production of ceramic bricks is 40 million standard units per year.
- Website: www.kerabel.by



Modern equipment	New manufacturing line from Sacmi, Italy was launched in August 2014. The infrastructure (raw materials warehouses, a workshop for the production of press powder) has been already prepared for the production of 12 million sq. m. of tiles per year.
Location	The location in Belarus provides an access to the 170 million people market of Common economic space of the Customs Union. The factory is also very favourably situated on the territory of Belarus in terms of logistics, organization of sales and production base: on the border with Poland, on the road to Moscow.
Own raw materials base/neighbourhood to Ukrainian clay	Own deposit of clay covering 65% of internal needs, 10 km away from the factory, with the reserves for next 50 years. Neighbourhood to Ukraine, one of the largest white clay exporters.
Significant share of exports	Annually more than 70% of production is exported. The main export markets for ceramic tile and brick are those of the Russian Federation, Kazakhstan, Kyrgyzstan, Uzbekistan, Armenia.
Distribution system	The Company has its own dealers throughout the country - in Gomel, Vitebsk, Grodno, Dzerzhinsk (Minsk district), Mogilev and also their own trading house "Kerabel" in Minsk.

### Products

The Company produces glazed ceramic tiles for interior facing (walls and floor tiles) and ceramic bricks. During last two years the Company has significantly increased its production capacities:

- In 2015 the plant finished the investment program in order to increase the production of tiles up to 12 million sq. m. per year. Ca. 15 million USD has been invested so far. A new mixture-preparation section was built. In 2014 a new Sacmi line (2,5 million sq. m. of tiles using a double burning process) with digital printing and automatic sorting was launched.

- At the moment the plant can produce 4,5 million sq.m. of tiles per year (two manufacturing lines with a capacity of 2million sq.m. and a new line with a capacity of 2,5 million sq.m.), but all needed infrastructure has been prepared for the production of 12 million sq. m. of tiles per year.

The Company is located in Brest (Belarus), close to the European route E30 and the major railway connecting Moscow and cities of Belarus with Europe.

**The Company owns two production sites with a total area of 16,2 ha and a clay deposit (22 ha).** There is a potential for further expansion through the adjacent land plot of 15 ha.



### Opportunities on the range of products:

- ceramic tiles for interior facing of walls, size 150\*150 mm up to 500\*500 mm (with all intermediate formats within the given size)
- ceramic tiles for floor, size 150\*150 mm up to 500\*500 mm
- decors and friezes for collection tile

**FREE ECONOMIC ZONE TERRITORY**

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### Sales

- The Company has its own brand "Kerabel".
- The Company is presented in the largest DIY shopping centers:
  - Leroy Merlin (Russia);
  - Senukai (Lithuania);
  - OMA, Novoselkin, MILE (Belarus)

### Key Investment Considerations

**Brest Building Materials Plant being a full-scale operating factory, that can quickly increase the output, represents an ideal platform for the development in the domestic market, exports to Russia and other nearby markets, such as the Baltic States.**

#### Production site

The factory was originally designed for the production of ceramic tiles and bricks. There is a large area for production (14 ha) with all necessary connections and engineering networks in the needed amount. The company has its own railway line and a ramp for storage and shipment of products. A deposit of clay (15 km away) was allocated for the factory (22 ha). There is a second land plot (2.2 ha) for the production of frit and a company's store. The company owns about 40,000 sq.m. of production and office facilities. The entire industrial infrastructure is in good condition, the factory was constantly updated. Moreover there was the reconstruction of production facilities and modernization of equipment over 2012-2014. It is important to note that there is a qualified personnel able to operate the manufacturing process.

#### High cost optimization opportunities

Some elements of COGS (own raw materials, no import duties in supplying to CIS markets, personnel costs) have already provided competitive advantages over European players and players in the CIS market. There are also significant reserves for energy saving, introduction of new technologies will significantly reduce the share of energy costs in COGS.

#### Stable business line

The second business line of the company (production of ceramic bricks) is a fairly stable business that is driven by a constant customer demand. There is an ability and experience of exports to Russia. There are carload shipments to Kaliningrad and Tyumen. In case of additional investment and installation of new equipment it is possible to produce clinker bricks and Gres tiles.

#### Interaction process

The company is one of the few investment opportunities in this market. In case of interest, within the shortest time a visit to the factory as well as negotiations and meeting with the owners can be arranged.

#### FEZ advantages

Location on the territory of FEZ "Brest". Basic tax exemptions for FEZ residents are:

- by 50% reduced income tax rate,
- exemption from real estate tax for 3 years,
- exemption from land tax for land plots within the boundaries of FEZ for 5 years.

### Contacts

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## CERAMIC TILE AND CERAMIC BRICK FACTORY FOR SALE

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#### The process of selling

The company is one of the few investment opportunities in this market. An active sales process has been started for the factory. In case of interest, within the shortest time a visit to the factory as well as negotiations and meeting with the owners can be arranged.

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