

## **Information memorandum**

### **Full and short name**

Joint Stock Company “Minsktelecomstroy”  
JSC “Minsktelecomstroy”

### **Address (place of location)**

Republic of Belarus, Minsk City, Annaeva Street, 49/1-1

### **Website**

www  
http://mtks.by  
e-mail: mtks@mail.belpak.by

## **Information about state registration**

The Company is registered by the decision of Minsk City Executive Committee dated 04.07.2000 No. 740 in the Unified State Register of Legal Entities and Individual Entrepreneurs under No. 100068131, in witness whereof the certificate of state registration No. 0017697 was issued.

## **Information about Company’s Management, contact telephone numbers**

Director – Adamovich Leonid Ivanovich, (tel. +375 17 245 83 12)  
Chairman of Supervisory Board – Podobed Yuriy Gennadievich,  
(tel. +375 17 245 26 31)

## **I. General information about the enterprise**

### 1) History of the establishment of the enterprise;

Joint Stock Company “Minsktelecomstroy” was established in the course of reorganization of Specialized Building and Construction Department No. 7 (SBCD-7) of leasing trust “Belsvyazstroy” based on the decision on state property privatization taken at foundation conference held on December 13<sup>th</sup>, 1996 with the participation of SBCD-7 workers according to the legislation of the Republic of Belarus.

2) Main activity of the enterprise (kind of activity which brings to the company the main volume of revenue, the share of this kind of activity in the total volume of revenue in %)

Main activity of Joint Stock Company “Minsktelecomstroy” is engineering construction (signal construction). Code according to CCEA is 42220.

Share in the total volume of revenue from main activity of the enterprise – 99.9 %.

### 3) Other kinds of activities, which company conducts;

JSC “Minsktelecomstroy” conducts the following kinds of activities as well:

- rent of the construction machines and equipment (code according to CCEA is 77320);
- freight transportation activity (code according to CCEA is 49410);
- leasing own holdings of industrial and technical designation (code according to CCEA is 68200).

### 4) Enterprise capacities, market share;

JSC “Minsktelecomstroy” performs production and economic activities domestically in the Republic of Belarus.

Market share of the Republic of Belarus in telecommunication construction, which company held during 2012-2015, was about 17-19 %.

5) Advantages of the enterprise (for example, convenient location, availability of raw material base, availability of commodity distribution system, own truck fleet, current tender rewards, exhibitions rewards etc.);

JSC “Minsktelecomstroy” has been specializing in telecommunication construction for more than fifty years.

Company’s construction equipment fleet makes it possible to carry out building and assembly works over the whole territory of the Republic of Belarus, without restriction concerning types of soil and geographic landscape.

The most advanced technology among the ones employed in the manufacturing process is horizontal directional drilling technology.

There is a production laboratory accredited to comply with the requirements of STB ISO/MEK 17025 in company's structure.

The accreditation scope of the laboratory is production of electrical and physical measurements of all types of copper and fiber optic cables as well as power cables of various types and brands.

The Company is a prize winner of the contest "Best Entrepreneur of the Year 2008 in Minsk" in the field of construction, prize winner of the contest "Best Entrepreneur of the Year 2011 in Minsk" in the field of construction as well as the Company is a winner of the contest following the results of work for the year 2011 in the field of construction held by the Administration of Partizansky district of Minsk City.

6) Availability of licenses, patents, ISO certificates.

List of licenses, issued to JSC "Minsktelecomstroy".

No.	Kind of activity	No. of license	Issued by	Date of decision making	Valid through
1	2	3	4	5	6
1.	Security Activity	02010/4473	Ministry of Internal Affairs	12.11.2014	02.12.2024
2.	Medical activities	02040/6957	Ministry of Health	25.08.2011	25.08.2021

Certificate of trademark No. 30736 was issued to the Company, which is registered 02.10.2009 and extends for 10 years within the period from 15.09.2006 till 14.09.2016 inclusive.

Quality management system, labour and environment protection system complied with the requirements of international standards ISO 9001. ISO 14001. OHSAS 18001-2007 have been implemented in the Company.

The Company is a member of Non-Commercial Partnership "Self-regulatory organization "Inter-Regional Association of Builders" (the Russian Federation), therefore, the Company has Certificate No. 1242.00-2012-100068131-C-2 dated 22.06.2012 of admission to types of works that have an impact on the safety of objects of capital construction in accordance with the legislation of the Russian Federation.

## II. Finance indicators of the Company's economic activity

Indicator	2012	2013	2014	2015
Net asset value, million rubles	34 409	48 057	56 026	65 922
Sales revenues of products, works and services, million rubles	85 578	113 009	121 245	143 765
Total profit (page 090 of Profit and loss statement), million rubles	11 646	14 943	13 010	13 869
Sales profit of products, works, services, million rubles	16 950	20 369	18 532	21 742
Net profit, million rubles	9 721	12 631	9 995	11 439
Sales margins of products, works and services, %	31.0	27.4	21.5	22.1
Accounts receivable *, million rubles	5 519	13 155	16 326	24 841
Accounts payable *, million rubles	5 000	6 526	8 740	7 150
Average salary, thousand rubles	6 539.1	9 219.0	11 126.1	13 134.7

\* - Accounts receivable and accounts payable is to be shown dated 01.01.2013, 01.01.2014, 01.01.2015, 01.01.2016.

**III. List in summary of manufactured goods, works, rendered services** (show no more than 10 types in the list).

Telecommunication construction:

- communication lines according to xPon technology;
- fiber optic communication lines,
- joint circuit,
- objects of city and country telephone communication.

**Information about manufactured goods, executed works, rendered services**

mln. rub

Goods, works, services (according to the type)	Production volume	Year			
		2012	2013	2014	2015
Construction services	-	79 682	106 154	108 170	130 335

**IV. Capital investment projects being implemented (or implemented for the last 3 years)** with indication of value, volume of assimilated investment, information about new technologies implemented, equipment, growth in production, line extension, etc., provided by introduction of new technologies and equipment.

Capital investment projects have not been realized for the last three years in JSC “Minsktelecomstroy”.

Within the implementation of annually developed capital investment projects, targeted at modernization and technical re-equipment (purchasing of the modern high-production machines, equipment, means of transport, etc.), total amount of investment in the fixed capital of the Company is as follows (w/o VAT): 2012 – 2 110 mln. rub, 2013 – 6 947 mln. rub, 2014 – 3 657 mln. rub, 2015 – 5 791 mln. rub.

The source of investment was proprietary funds of the Company (amortization and profit) in 2012-2015.

**Investment projects planned for implementation** (project names, total value of each one, sources of financing, expected effect).

Implementation of investment projects is not expected in JSC “Minsktelecomstroy” in 2016.

The investment total volume in the fixed capital of the Company for 2016 is planned in the amount of 3 500 mln. rub w/o VAT (sources - amortization and profit).

#### **V. Prospects and strategy for further development of the enterprise**

The domestic market of telecommunication construction in the Republic of Belarus has a tendency to decline. The market has reached saturation point, types of work and construction technologies have been changed. These processes are taking place at the same time as increasing price and non-price competition among the organizations specializing in telecommunication construction within the republic.

In 2016 the Company has a task to maintain its market segment in the domestic market of the Republic of Belarus as well as to consolidate its position in the market of telecommunication construction of the Russian Federation.

In the predicted conditions of financial and economic activities in order to successfully accomplish the tasks facing the Company in 2016 a number of administrative and technical measures has been provided, tactics and strategy of the competition have been defined, plans for optimization of the use of all resources types have been developed.

Main objectives and tasks of the Company in 2016:

- unconditional implementation of targets of development business plan;
- modernization of existing production and creation of new high-performance workplaces;
- performance of contract work within the scope necessary to ensure full utilization of production capacity and make the required rate of profit in 2016;
- maintenance and improvement of achieved social standards of labour collective;
- further improvement of management quality and construction and installation works quality;
- improvement of the professional level and quality of training, recruitment and appointment of personnel.

#### **VI. The structure of work realization (services):**

Structure (%)	2012	2013	2014	2015

Domestic market	99	98	96	99
Foreign market	1	2	4	1
Total	100	100	100	100

Main sales markets (define countries).

Main sales market – domestic market of the Republic of Belarus.

Foreign market – the Russian Federation.

#### VII. Information about land plot that is in use, rent, property:

Location of the land plot	Area, ha	Right (sustained/temporary use (term), rent, property)	Official act or certificate of state registration (date and No.)
Minsk, 49 Annaeva str.	1.4139 ha (part interest 7/125)	Tenancy right up to 31.03.2050	Certificate dated 15.06.2011 No.500/938-3701
Ratomka, 8A Zaslavskaya str.	1.9135 ha	Right of permanent use	Certificate dated 19.11.2002 No.600/295-174
Molodechno, 66 Sharangovicha str.	0.4294 ha	Right of permanent use	Certificate dated 19.05.2004 No.1003/04:84
Borisov, 47 Panfilova str.	0.4305 ha	Right of permanent use	Certificate dated 18.03.2005 No.68-318/610
Slutsk, 3A Lenina str.	0.6295 ha	Right of permanent use	Certificate dated 10.03.2009 No.640/86-6401
Slutsk, 3A Lenina str.	0.0978 ha	Right of permanent use	Certificate dated 10.03.2009 No.640/86-6402

#### VIII. Information about permanent structures (buildings, constructions):

Photo	Name (purpose), location, certificate of registration (date, No.)	Year built	Number of storeys	Area, m <sup>2</sup>	Area for rent, m <sup>2</sup> , Duration of rental agreement	General state *
	Administration premise, Minsk, 49 Annaeva str., room 1, certificate dated 29.09.2010 No.500/1023-1493	1978	1-3	472.0	0.0	-
	Administration premise, Ratomka, 8-A Zaslavskaya str., certificate dated 29.05.2006 No.600/192-734	1965	1	504.8	0.0	-
	Engineering building, Ratomka, 8-A Zaslavskaya str., certificate dated 07.08.2008 No.600/172-5775	1947, 2008 – rebuilding	1	352.3	0.0	-
	Specialized building of warehouses, supply depots, material supplies storage areas, storage warehouses, Ratomka, 8-A Zaslavskaya str., order dated 18.12.1996 No.319, extract No.518:509/11 from Registration Book of Rights, Restrictions (encumbrances) of Rights to permanent structures dated 01.09.2011	1947	1	410.0	0.0	-
	Specialized building of warehouses, supply depots, material supplies storage areas, storage warehouses, Ratomka, 8-A Zaslavskaya str.,	1947	1	263.0	0.0	-

	order dated 18.12.1996 No.319, extract No.518:508/11 from Registration Book of Rights, Restrictions (encumbrances) of Rights to permanent structures dated 01.09.2011					
	Specialized building of automobile transport, Ratomka, 8-A Zaslavskaya str., order dated 18.12.1996 No.319, extract No.518:507/11 from Registration Book of Rights, Restrictions (encumbrances) of Rights to permanent structures dated 01.09.2011	1992	1	520.0	0.0	-
	Building of joinery shop, Ratomka, 8-A Zaslavskaya str., order dated 18.12.1996 No.319, extract No.518:510/11 from Registration Book of Rights, Restrictions (encumbrances) of Rights to permanent structures dated 01.09.2011	1992	1	134.0	0.0	-
	Institutional building, Molodechno, 66 Sharangovicha str., certificate dated 05.06.2005 No.630/84-387	1977	1	227.0	0.0	-
	Specialized building of automobile transport, Molodechno, 66 Sharangovicha str., certificate dated 28.01.2005 No.630/193-129	1976	1	311.8	0.0	-
	Administrative building, Borisov, 47 Panfilova str., certificate dated 28.09.2011 No.610/1305-346	1968	1	304.0	0.0	-
	Garage building, Borisov, 47 Panfilova str., certificate dated 17.07.1997 No.241	1988	1	539.0	0.0	-
	Warehouse building, Borisov, 47 Panfilova str., certificate dated 17.07.1997 No.242	1988	1	170.0	0.0	-
	Administrative building, Slutsk, 3-A Lenina str., certificate dated 28.02.2006 No.640/517-287	1978	2	251.4	0.0	-
	Garage, Slutsk, 3-A Lenina str., certificate dated 26.01.2006 No.640/517-153	1990	1	218.1	0.0	-
	Garage workshop, Slutsk, 3-A Lenina str., certificate dated 26.01.2006 No.640/517-154	1980	1	528.2	0.0	-
	Garage, Slutsk, 3-A Lenina str., certificate dated 26.01.2006 No.640/517-155	1988	1	316.7	0.0	-

\* - requires (carried out) capital, current repair, rebuilding.

#### IX. Information about machines and equipment:

Name of equipment, equipment manufacturer, capacity	Number of units	Purpose (in the technological process)	Year of introduction	Condition (wear-out percent)
Cable device "ИПК-ИПО" Alfa (the Russian Federation)	3	Measuring of parameters of fiber-optic cable	2010	55.0
Cable device "ИПК-ИПО-20" (the Russian Federation)	2	Measuring of parameters of fiber-optic cable	2008	86.0
Cable device "Поиск-410 Мастер" (the Russian Federation)	5	Measuring of parameters of fiber-optic cable	2008	86.0
Cable device "ИПК-ИПО 7.4" (the Russian Federation)	3	Measuring of parameters of fiber-optic cable	2008	82.0

Russian Federation)		fiber-optic cable		
Multifunctional optical tester ТОПА3-7316-AL (the Russian Federation)	2	Measuring of parameters of fiber-optic cable	2013	33.0
Multifunctional optical testerТОПА3 -7316-AL (the Russian Federation)	2	Measuring of parameters of fiber-optic cable	2014	25.0
Multifunctional optical tester ТОПА3 -7316-AL (the Russian Federation)	2	Measuring of parameters of fiber-optic cable	2013	39.0
Optical measuring device MTP 600/1 (the Russian Federation)	1	Measuring of parameters of fiber-optic cable	2011	62.0
Optical measuring device MTP 6000 (the Russian Federation)	1	Measuring of parameters of fiber-optic cable	2012	52.0
Optical reflectometer AQ7275 (the Russian Federation)	3	Measuring of parameters of fiber-optic cable	2013	37.0
Optical tester OT-2-8 (the Russian Federation)	2	Measuring of parameters of fiber-optic cable	2011	64.0
Optical tester OT-2-8 (the Russian Federation)	1	Measuring of parameters of fiber-optic cable	2011	62.0
Bulldozer T-170 Б (the Russian Federation)	1	Excavation during the building of cable circuit	2011	44.0
Trenching machine Ditch Witch R-300 (USA)	1	Excavation during the building of cable circuit	2013	32.0
Trenching machine Ditch Witch RT-24 (USA)	3	Excavation during the building of cable circuit	2013	33.0
Excavator-loader Амкодор 703М (the Republic of Belarus)	1	Loading-unloading works	2015	6.0
Chain excavator ЭЦ-1800 (the Republic of Belarus)	1	Excavation during the building of cable circuit	2015	5.0
Chain excavator ЭЦ-1800 (the Republic of Belarus)	4	Excavation during the building of cable circuit	2009	76.0
Loading excavator- bulldozer ЭБП-11 (the Republic of Belarus)	2	Excavation during the building of cable circuit	2010	70.0
Loading excavator- bulldozer ЭБП-11 (the Republic of Belarus)	2	Excavation during the building of cable circuit	2009	84.0
Cable-laying machine Ditch Witch HT 185 (USA)	1	Excavation during the building of cable circuit	2013	69.0
Cable conveyor KT-2 (the Republic of Belarus)	2	Transportation of construction materials	2015	7.0
Optical fiber welding machine T-71C (China)	2	Installation of fiber-optic cable	2014	27.0
Optical fiber welding machine T-71C (China)	2	Installation of fiber-optic cable	2014	25.0
Optical fiber welding machine 80 S FSM (Japan)	2	Installation of fiber-optic cable	2015	12.0
Optical fiber welding machine 80 S FSM (Japan)	2	Installation of fiber-optic cable	2015	8.0
Optical fiber welding machine SUMITOMO T-71C (China)	5	Installation of fiber-optic cable	2013	27.0
Optical fiber spicing machine TYPE-39 (Japan)	2	Installation of fiber-optic cable	2011	71.0
Welding machine Swift S3 (China)	4	Installation of fiber-optic	2012	52.0

		cable		
Installation of horizontal directional drilling Ditch Witch JT5 (USA)	1	Excavation during the building of cable circuit	2013	76.0
Autobus MA3-256270 (the Republic of Belarus)	1	Transportation of construction materials	2009	62.0
Automobile PEUGEOT 3008 DKD (France)	1	Transportation of workers	2015	2.0
Autobus MA3-533630-2120 (the Republic of Belarus)	1	Transportation of construction materials	2003	79.0
Automobile "Skoda Octavia Elegance" (the Czech Republic)	1	Transportation of workers	2013	39.0
Automobile GEELY Emgrand X7 (the Republic of Belarus)	1	Transportation of workers	2014	13.0
Automobile Volkswagen Crafter-3665A (the Republic of Belarus)	4	Transportation of construction materials and teams of workers-builders	2014	13.0
Automobile ГA3-330232-2288 (the Russian Federation)	1	Transportation of construction materials and teams of workers-builders	2012	45.0
Automobile ГA3-330232-2288 (the Russian Federation)	1	Transportation of construction materials and teams of workers-builders	2012	42.0
Automobile ГA3-2705-264 (the Russian Federation)	1	Transportation of construction materials and teams of workers-builders	2015	6.0
Automobile ГA3-27057 Luabava (the Republic of Belarus)	1	Transportation of construction materials and teams of workers-builders	2010	79.0
Automobile ГA3-CA3 35071 (the Russian Federation)	2	Transportation of construction materials and teams of workers-builders	2008	65.0
Dual-purpose vehicle ППТ 27 based on PEUGEOT PARTNER (the Republic of Belarus)	3	Transportation of construction materials and teams of workers-builders	2015	2.0
Dual-purpose vehicle Renault Master RG07 12 2015 (the Republic of Belarus)	4	Transportation of construction materials and teams of workers-builders	2015	12.0
Light motor vehicle Renault Lodgy (France)	1	Transportation of construction materials and teams of workers-builders	2013	31.0
Light motor vehicle AUDI-A6 (Germany)	1	Transportation of workers	2015	1.0
Automobile MA3-4371P2 (the Republic of Belarus)	1	Transportation of construction materials	2015	5.0
Automobile MA3-457043 (the Republic of Belarus)	1	Transportation of construction materials	2011	59.0
Automobile MA3-457043-325 (the Republic of Belarus)	1	Transportation of construction materials	2013	37.0
Automobile MA3-5336A5 (the Republic of Belarus)	1	Transportation of construction materials	2008	66.0

Automobile MA3-5336A5 (the Republic of Belarus)	1	Transportation of construction materials	2009	51.0
Automobile MA3-543240-2120 (the Republic of Belarus)	1	Transportation of construction materials	2003	76.0
Automobile MA3-5551A2 (the Republic of Belarus)	1	Transportation of construction materials	2012	41.0
Automobile MA3-6312A9-320-015 (the Republic of Belarus)	1	Transportation of construction materials	2013	32.0
Automobile MA3-6430A9-1320-010 (the Republic of Belarus)	1	Transportation of construction materials	2011	44.0
Automobile MA3-6430A9-1320-010 (the Republic of Belarus)	1	Transportation of construction materials	2014	12.0
Automobile Samand JIX (the Republic of Belarus)	1	Transportation of workers	2009	86.0
Automobile YA3-390995-360 (the Russian Federation)	3	Transportation of construction materials	2012	58.0
Automobile YA3-390995-360 (the Russian Federation)	3	Transportation of construction materials	2012	56.0
Van with workshop truck "AΦM-3309 "Lyubava" (the Republic of Belarus)	1	Transportation of construction materials and teams of builders-workers	2009	86.0
Van with workshop truck "AΦM-3309 "Lyubava" (the Republic of Belarus)	1	Transportation of construction materials and teams of builders-workers	2010	77.0
Van with workshop truck "AΦM-3309 "Lyubava" (the Republic of Belarus)	3	Transportation of construction materials and teams of builders-workers	2009	85.0
Low-loader semi-trailer JANMIL NN16 (Germany)	1	Transportation of construction equipment	2011	45.0
Semi-trailer for transportation of automobiles WIELTON PC (Germany)	1	Transportation of construction equipment	2009	66.0
Semi-trailer MA3-938660-044 (the Republic of Belarus)	1	Transportation of construction materials and (or) construction equipment	2013	27.0
Trailer SVZ 150.300.45 (Germany)	2	Transportation of construction materials	2010	56.0
Trailer MA3-83781-042 (the Republic of Belarus)	1	Transportation of construction materials	2009	70.0
Low-loader trailer Schwarzmüller (Germany)	1	Transportation of construction equipment	2008	66.0
Flat trailer truck Ditch Witch (the Republic of Belarus)	1	Transportation of construction equipment	2011	77.0

Director

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(L.I. Adamovich)

Chief accountant

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(N.I. Bondarovich)