Welcome to Altai Krai
Altai Krai

- **Moscow**: 2934 km, 4 hours
- **Total area**: 168,000 sq. km
- **Total population**: 2,35 million people
- **Federal District**: Siberian
- **Time zone**: UTC+7/MSK+4
Strategic location of the region provides access to the following markets:

- High-potential markets with more than 39 million people population
- Population 17 million people
- Distance between Barnaul and Astana is 950 km
- Distance to the Mongolian border is 770 km
- Turkestan-Siberian branch of the Transsiberian railroad goes through the territory of Altai Krai (the main cargo route of the country and the largest railway in the world)

Infrastructure well-developed and constantly improving:

- Automobile transport:
  - Roads of Federal significance: 636 km
  - Public roads: 16,726 km
  - Provision of public roads of use: 99.5 km/1000 km²

- Railway transport:
  - Extension of the railway roads: 1,569.5 km
  - Density of the railway roads: 86 km/1000 km²
GRP structure Altai Krai

- Industry
- Agriculture
- Trade

51% of total GRP volume

- Agriculture, hunting and forestry: 20.1%
- Education and health care: 9.7%
- Public administration and security: 7.1%
- Construction, real estate operations: 15.7%
- Transport and communication: 7.8%
- Wholesale and retail trade: 14.1%
- Manufacturing industries: 3.6%
- Production and distribution of electricity, gas and water: 19%
- Other: 2.9%
Key industries

- Mechanical engineering and instrumentation
- Chemical industry
- Timber industry
- Agro-industrial complex
- Food industry
- Biopharmaceuticals
- Light industry
- Tourism and service
Agriculture: plant-growing

Gross harvest of crop products:

- **4th place in Russia**
  - Grain – 4,9 million tons

- **1st place in Russia**
  - Buckwheat – 693,8 thousand tons
  - Wheat – 2,9 million tons
  - Oat – 623 thousand tons

- **12th place in Russia**
  - Sugar beet – more 1,1 million tons

- **10th place in Russia**
  - Sunflower – 560 thousand tons

- **6th place in Russia**
  - About 861,2 thousand tons of potatoes

- **16th place in Russia**
  - Vegetable and melon crops - about 219,9 thousand tons

- **4th place in Russia**
  - Flax - more 4 thousand tons

- **11,6 million hectares** – Agriculturally used areas, including **6,5 million hectares** arable land

GRAIN CROPS
(spring and winter wheat, buckwheat, barley, oats, etc.)

INDUSTRIAL CROPS
(sugarbeet, sunflower, flax, soy)
Production output and animal population in farms

4th place in Russia
the number of cattle – 846 thousand animal units
the number of cows – more 363 thousand animal units

8th place in Russia
the number of pigs – 581 thousand animal units

3rd place in Russia
milk – more 1,4 million tons

16th place in Russia
eggs – 1,1 billion eggs

Velvet antler breeding and maral breeding
RUSSIAN SCIENTIFIC RESEARCH INSTITUTE OF REINDEER ANTLERS
ALTAI BIOPHARMACEUTICAL CLUSTER
PANTOPROJECT
ALTAI BUKET
ALFIT PLUS
SPEKTR-BALSAM
ALTAMAR

ANIMAL HUSBANDRY DIRECTIONS
Beef and dairy cattle breeding
Pig breeding
Poultry breeding
Horse breeding
Sheep breeding
Velvet antler breeding
Beekeeping
Fur-farming
Fish farming
Beer, soft drinks, mineral waters in Altai Krai produce more than 100 enterprises.

The region produces more than 175 thousand tons unrefined vegetable oil.

Altai Krai is the leader of Russia and the CIS on cultivation plantations of sea-buckthorn. In addition, the region grows such crops as honeysuckle, chokeberry, strawberries, currants and many others.

Leading industries are linked with processing agricultural raw materials:

- meat
- dairy
- flour-grinding
- feed mill industry, etc.

The only producer:

Altai Krai – the only region beyond the Urals, which produces white sugar – more than 133 thousand tons per year.

The first place in Russia:

- in the flour production (more 1 million tons)
- in the cheese production (94,7 thousand tons)

The second place in Russia:

- in the production of milk whey (96,1 thousand tons)
- in the production of groats (360,5 thousand tons)

The third place in Russia:

- in the production of macaroni products (130,3 thousand tons)
- in the butter production (21,1 thousand tons)
Altai Krai - multi-profile tourist region
On the territory of the region there are various programs for recreation and tourism: medical-health, rural, ecological, educational, extreme, eventful, business.

Rest of tourists is provided:
- 280 collective accommodation facilities for general purposes (hotels, motels, hostels, etc.)
- 43 sanatorium-resorts
- 180 rural «green» houses
- 167 tourist centers
- 51 thousand places of one-time accommodation in collective tourist-recreational and sanatorium-improving facilities

In the region there are:
- 980 tourist enterprises

Increase of tourist flow in the past decadee: by 3,3 times

Tourism Altai Krai - multi-profile tourist region

The total length – about 3000 km

The total length – 280 km
Tourism. Large investment projects

**Special Economic Zone of Tourist-Recreational Type «Biryuzovaya Katun»**

The project aim – a creation of unique complex for nature and extreme tourism, located in by the side of the Katun River

- Project costs – 30 billion rubles
- Realization period – since 2007
- Places of accommodation – 3500

**The gambling zone «Siberian Coin»**

The project aim – a creation of the only entertainment complex with exclusive gambling facilities in Siberia

- Project costs – 29 billion rubles
- Realization period – since 2008
- Places of accommodation – 3000


- Auto Tourist Cluster «Golden Gate»
- Tourist-Recreational Cluster «Belokurikha»
- Tourist-Recreational Cluster «Barnaul – the mining city»
Altai cluster of energy machine building and energy-efficient technologies “Altech”

In 2016 the Altai cluster of energy machine building and energy-efficient technologies was created.

18 enterprises: the chief is Mezhregionenergoservis Ltd.

**Offers of cluster enterprises**

- gas piston power stations, diesel, gasoline, binary power stations and mini thermal power plants
- power equipment and metal constructions, steam boilers, seawater pumps, cooled exhaust manifolds and special protective screens of collectors
- power transmission towers, cellular towers, portals, traverses, shut-off valves, reduction-cooling plants, pipeline components

**Altay Polymer Composite Cluster**

18 participants, key enterprises are: Biysk plant of fiberglass Ltd., CJSC “Specautomatica”. Total revenue of that entities is 1.8 billion rubles.

**Offers of cluster enterprises**

- decked, sided, rim boards, piers, sidewalks
- polymer damp-proof, polyvinyl chloride tape
- ventilated facade panels made of foamed PVC
- polyethylene tubes for gas pipelines, water pipes
- fiberglass armature of different profiles
- geomembranes: solid waste landfills construction, extraction of petroleum, petroleum processing, mining industry, construction of dikes, dams, channels, artificial water bodies
«AltaCAM» – Altai Cluster of Agrarian Machine Manufacturing

The cluster’s enterprises hold leading positions in Russia in disc harrows, chisel, mouldboard and turnwrest ploughs

more than 7.5 billion rubles – production output over 9000 units – production turnout in physical terms

Facility for the assembly of «Kirovets» tractors in Altai Krai

Production of combined sowing complexes «Feat»

29 participants: anchor companies – Agrocenter, ASM Altai, Rubtsovsky factory of parts

Biopharmaceutical cluster «AltaiBio»

25 participants: key from them are: CJSC "Evalar", CJSC "AltaiVitamins"

20.1 bln rub - volume of production is about 1000 items

The first balloons and tubes production facility for pharmaceutical and perfume – cosmetic industry enterprises

The first wholesale and industrial production of oxidized dextrans in Russia (based on them pilot lot of food supplements and health and beauty aids was launched, effective antituberculous substance «Dextrazid» was developed)

No 1 in Russia

Offers of cluster enterprises

Assembly production tractors and combines

Production of sowing complexes and tillage tools for resource-saving of technologies

Offers of cluster enterprises

biologically active additives (BAA) and medicines, phytopreparations

chemical reagents, household chemicals

physiotherapeutic preparations

INVESTinALTAI.com

Cluster development of the region
Altai krai created maximum transparent comfortable conditions for the development of business of both Russian and foreign investors.

Altai krai: Long-term ratings of Altai Krai:
- On the international scale – «BB+»
- On a national scale – «AA (rus)»
- The outlook on the long-term ratings – «Stable»

26th place in the rating of investment potential Russian regions.
27st place in the rating of investment risk Russian regions (improvement by 4 positions to 2016)
Reliability Estimation of warranty coverage Altai Guarantee Fund – «A+», corresponding to a very high level of reliability.
Possibility of using resources of the Fund of monotown development

5% the profit tax rate for 5 years

the profit tax rate for PSEDA residents starting from the first tax period when organization got a profit

0% tax on business property for 5 years

beginning from the 1st day of the month following the month of registration as a fixed asset of a resident of PSEDA

7.6% insurance payments the first 10 years

Reduction of insurance payments from 30% to 7.6% (the first 10 years), including:

- Reduction of rate in the Pension Fund from 22% to 6%
- Reduction of rate in the Social Insurance Fund from 2.9% to 1.5%
- Reduction of rate of the Federal Compulsory Medical Insurance Fund from 5.1% to 0.1%
Requirements for residents and investment projects in PSEDA of Zarinsk and Novoaltaysk

Requirements for residents

- Commercial organization realizing an investment project
- Registration and acting only in the territory of a single-industry town (no branches and representative offices)

Requirements to the investment project of the PSEDA residents

- Preferable kinds of business
- Creation of at least 10 workplaces within the first year after inclusion of the organization in the register of residents of the PSEDA
- The volume of investments is not less than 2.5 million rubles during the first year after inclusion of the organization in the register of residents of PSEDA
- The total number of foreign employees don’t exceed 25% of the total number of employees
- Does not provide for the execution of contracts with OJSC «Altai-Koks» (for residents of PSEDA in Zarinsk), JSC «Altayvagon» (for residents of PSEDA in Novoaltaysk) or their subsidiaries or receipt of proceeds from the sale of goods, rendering services to them in excess of 50% of the total proceeds from the implementation of the investment project
### Preferable kinds of business in PSEDA of Novoaltaysk

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Metallurgical industry</td>
<td></td>
</tr>
<tr>
<td>Plant growing and cattle breeding</td>
<td></td>
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<tr>
<td>Food production</td>
<td></td>
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<tr>
<td>Soft drinks production</td>
<td></td>
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<tr>
<td>Manufacture of textiles</td>
<td></td>
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<tr>
<td>Manufacture of clothes</td>
<td></td>
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<tr>
<td>Woodworking</td>
<td></td>
</tr>
<tr>
<td>Furniture manufacture</td>
<td></td>
</tr>
<tr>
<td>Manufacture of paper and paper products</td>
<td></td>
</tr>
<tr>
<td>Manufacture of metal products, except machinery and equipment</td>
<td></td>
</tr>
<tr>
<td>Production of machinery and equipment</td>
<td></td>
</tr>
<tr>
<td>Manufacture of other transport equipment and equipment</td>
<td></td>
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<tr>
<td>Manufacture of other goods</td>
<td></td>
</tr>
<tr>
<td>Production of chemicals and chemical products</td>
<td></td>
</tr>
<tr>
<td>Manufacture of medicines and materials</td>
<td></td>
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<tr>
<td>Manufacture of rubber and plastic products</td>
<td></td>
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<tr>
<td>Activities in the sphere of education</td>
<td></td>
</tr>
<tr>
<td>Scientific and other professional technical activities</td>
<td></td>
</tr>
</tbody>
</table>
Preferable kinds of business in PSEDA of Zarinsk

- Repair and installation of machinery and equipment
- Production of other non-metallic mineral products
- Production of chemicals and chemical products
- Woodworking
- Furniture manufacture
- Activities in the sphere of sports
- Activities in the sphere of medicine

- Plant growing and cattle breeding
- Food production
- Soft drinks production
- Manufacture of leather and leather products
- Manufacture of clothes
Investment areas of the region

Altai Krai has a wide base of investment sites for the placement of industrial facilities, energy facilities and agriculture.

Full list of investment areas of Altai Krai are presented on the region's investment portal Invest.alregn.ru/en

Sites for business can be located on the territory of advanced social and economic development, and for the tourist projects - the sites of the Tourist-recreation cluster Belokurikha and of the special economic zone Biryuzovaya Katun.
Human resources of Altai Krai

High-qualified highly skilled personnel for various industries

Developed network of educational and scientific institutions, high-tech industries

Leading universities in the region

Altai State University

Altai State Technical University

Altai State Agrarian University

Scientific entities

Altai Research Institute of Agriculture:
selection of field crops, soil cultivation, protection and management of the production process of plants

Institute of Horticulture of Siberia named after M.A. Lisavenko
Creation of new high-yield winter hardy varieties of fruit, berry and ornamental crops

Siberian Research Institute of Cheese Making and the Union of Cheesiers of the Altai Territory
It conducts international cooperation with the Franche-Conte region of France, and also cooperates with the organizations of Spain and neighboring countries

infrastructure for supporting applied research and training by the regional center of engineering in the field of biotechnology: the engineering center "Prombiotech", the Institute of Biotechnology, the pilot industrial laboratory
Altai Krai has an export orientation foreign trade: export - more than 70% from external turnover

Commodity structure of Altai Krai export

- Production, chemical industry, and rubber: 10-12%
- Machines and equipment: 10-12%
- Wood and pulp-paper products: 15%
- Mineral products: 20%
- Food goods: 30%
- Other goods: 10-12%

Largest importing countries of Altai Krai products

- USA
- Kazakhstan
- Uzbekistan
- Afghanistan
- China

Export operations are carried out with partners from 60 countries of the near and far abroad.
The main directions of export

- to the cities with more than 1 mln population: Krasnoyarsk, Omsk, Astana

To the west:
Omskaya oblast
Tyumenskaya oblast
Ural
Moscow
Europe

To the north:
Novosibirskaya oblast,
Tomskaya oblast,
Yakutiya

To the east:
Kemerovskaya oblast
Krasnoyarskij krai
Far East
China
South Asia

To the South and southeast:
Kazakhstan,
Kirgiziya,
Uzbekistan
Afganistan,
Mongolia,
China

-the majority of big Siberian cities (with total 4 mln population) are on the distance less than 500 km from the regional`s capital Barnaul
<table>
<thead>
<tr>
<th>Project Description</th>
<th>Investment amount</th>
<th>Payback period</th>
<th>NPV</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farm construction for turkey breeding and growing (intergrated solution for meat production)</td>
<td>9,911 thousand rubles</td>
<td>3.9 years</td>
<td>1,474 thousand rubles</td>
<td>17 %</td>
</tr>
<tr>
<td>Fur farm construction (construction of the fur farms for mink raising for fur production)</td>
<td>41,069 thousand rubles</td>
<td>6.6 years</td>
<td>3,033 thousand rubles</td>
<td>11 %</td>
</tr>
<tr>
<td>Dairy farm for 8000 cows with rearing young stock (integrated solution of organization of milk production)</td>
<td>2,639,802 thousand rubles</td>
<td>6.2 years</td>
<td>125,356 thousand rubles</td>
<td>13.4 %</td>
</tr>
<tr>
<td>Construction of tourist facility with 34 rooms (tourist facility building in Altai Krai with the tourism and recreation areas)</td>
<td>7,664 thousand rubles</td>
<td>4.1 years</td>
<td>1,279 thousand rubles</td>
<td>19.5 %</td>
</tr>
<tr>
<td>Production of soft cheeses («Mozzarella» and «Ricotta») to ensure the needs of the population Altai Krai in soft cheeses, of import substitution basis</td>
<td>15,312.6 thousand rubles</td>
<td>4.4 years</td>
<td>2,896.1 thousand rubles</td>
<td>16 %</td>
</tr>
<tr>
<td>Farm building for rabbits breeding with 1083 doe rabbits (income from the sale of dietary rabbit meat and its byproduction)</td>
<td>37,125 thousand rubles</td>
<td>6 years</td>
<td>371 thousand rubles</td>
<td>14 %</td>
</tr>
<tr>
<td>Sturgeon fish breeding in recirculating aquaculture system (41 tons of fish per year)</td>
<td>42,465 thousand rubles</td>
<td>4 years</td>
<td>8,673 thousand rubles</td>
<td>21 %</td>
</tr>
<tr>
<td>Farm building for sheep breeding and rearing (construction of the sheepfold for 1000 young animals, 500 head of ewes with annual crop up to 2000 lambs for growing)</td>
<td>19,673.6 thousand rubles</td>
<td>4.6 years</td>
<td>2,235.5 thousand rubles</td>
<td>18 %</td>
</tr>
<tr>
<td>Dairy farm for 8000 cows with rearing young stock</td>
<td>2,639,802 thousand rubles</td>
<td>6.2 years</td>
<td>125,356 thousand rubles</td>
<td>13.4 %</td>
</tr>
</tbody>
</table>
**Investment proposals**

Altai Krai

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**Constructing of the modern hotel complex (3 and 4 stars)**

- To meet the growing needs in modern comfortable rooms of guests and residents of Altai Krai

<table>
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<tr>
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<th>Payback period</th>
<th>NPV</th>
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</thead>
<tbody>
<tr>
<td>448 148.5 thousand rubles</td>
<td>6.7 years</td>
<td>1 095 thousand rubles</td>
<td>16 %</td>
</tr>
</tbody>
</table>

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**Motorway service**

- Creation of cost-efficient motorway complex in Altai Krai in tourist-recreational districts

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<th>NPV</th>
<th>IRR</th>
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</thead>
<tbody>
<tr>
<td>18 110 thousand rubles</td>
<td>4.1 years</td>
<td>1 847 thousand rubles</td>
<td>19 %</td>
</tr>
</tbody>
</table>

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**Production of foundry products**

- The volume of production of foundry products is 10,000 tons of products per year. The main products are cast billets (from 5 to 5,000 kg)

<table>
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<tbody>
<tr>
<td>647 230 thousand rubles</td>
<td>6.5 years</td>
<td>40 574 thousand rubles</td>
<td>18 %</td>
</tr>
</tbody>
</table>

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**Construction of solid-waste recycling plant**

- Utilization from above 6 thousand tons per year

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</thead>
<tbody>
<tr>
<td>31 723.5 thousand rubles</td>
<td>5.8 years</td>
<td>1 537 thousand rubles</td>
<td>11 %</td>
</tr>
</tbody>
</table>

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**Manufacturing microcalcite**

<table>
<thead>
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<th>Payback period</th>
<th>NPV</th>
<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>80 481 thousand rubles</td>
<td>6.2 years</td>
<td>13 154 thousand rubles</td>
<td>13 %</td>
</tr>
</tbody>
</table>

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**Construction of oceanarium**

- Construction of the culture and recreation facility – oceanarium with area of 4000 square meters

<table>
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<th>Payback period</th>
<th>NPV</th>
<th>IRR</th>
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</thead>
<tbody>
<tr>
<td>700 000 thousand rubles</td>
<td>5.2 years</td>
<td>53 954 thousand rubles</td>
<td>31 %</td>
</tr>
</tbody>
</table>

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**Theme park**

- Specialized theme park with elements of Russian culture, which includes about 50 amusement rides, shops with sale of local goods

<table>
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<th>IRR</th>
</tr>
</thead>
<tbody>
<tr>
<td>198 671 thousand rubles</td>
<td>6 years</td>
<td>20 264 thousand rubles</td>
<td>22 %</td>
</tr>
</tbody>
</table>

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**Organization of production of arbolitic blocks**

<table>
<thead>
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<th>NPV</th>
<th>IRR</th>
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</thead>
<tbody>
<tr>
<td>181 506 thousand rubles</td>
<td>2.4 years</td>
<td>4 620 thousand rubles</td>
<td>28 %</td>
</tr>
</tbody>
</table>
Investment proposals
Altai Krai

Organization of the production of fast-frozen dough products
creation of the production line of frozen pizza, pelmeni, vareniki; lines of frozen bakery products
(with and without filling)

Investment amount: 39,527 thousand rubles
Payback period: 2.3 years
NPV: 8,332 thousand rubles
IRR: 33%

Production of canned vegetables and berries
cucumbers and tomatoes preservation line, cabbage preservation line, production of jam from honeysuckle, black currant, apples

Investment amount: 181,506 thousand rubles
Payback period: 5.6 years
NPV: 12,345 thousand rubles
IRR: 17%

Greenhouse facility with area of 2 hectares
construction of greenhouses with area of 2 hectares
for the production of vegetables (cucumbers, tomatoes) and greens (onions, parsley, dill, lettuce, celery, arugula, spinach, etc.)

Investment amount: 234,148 thousand rubles
Payback period: 5.5 years
NPV: 21,779 thousand rubles
IRR: 18%

Production of frozen vegetables and berries mixes
756,705 tons per year, including 501,105 tons of vegetables and 255,600 tons of berries

Investment amount: 113,725 thousand rubles
Payback period: 3 years
NPV: 4,620 thousand rubles
IRR: 32%

Cultivation of sea-buckthorn
cultivation of sea-buckthorn on the areas of at least 80 hectares

Investment amount: 51,520 thousand rubles
Payback period: 5.6 years
NPV: 1,278 thousand rubles
IRR: 18%

Wet feed production for pets
production of competitive product in the Krai to satisfy requirements of the Siberian Federal District in wet feed for pets

Investment amount: 128,390 thousand rubles
Payback period: 5 years
NPV: 15,832 thousand rubles
IRR: 13%

Organization of vegetable storehouse
suggests construction of vegetable-storage for 3000 tons, an area of 2,000 m²

Investment amount: 51,520 thousand rubles
Payback period: 5.6 years
NPV: 1,278 thousand rubles
IRR: 18%

Construction of the production of flour confectionery and bakery products (52 thousand kg per year)
to meet the needs of Altai Krai population in flour confectionery and bakery products

Investment amount: 3,304.78 thousand rubles
Payback period: 4.5 years
NPV: 583.17 thousand rubles
IRR: 15%