

## **ADDENDUM**

**to the Explanatory Note of YACONTO from 09.05.2008  
on a non-state investment YACONTO Integrated Program  
of federal and national importance  
for the construction of a «Commercial Black Sea Port YACONTO»  
in the Tuapse region of Krasnodar Territory  
and a creation of Tuapse Naval Base for the Black Sea Fleet ships  
with a single production, transport and social infrastructure  
according to the YACONTO List of Projects from 09.05.2005  
with additions and clarifications from 10.04.2008 to it**

In order to ensure the implementation of the large-scale, multi-industry YACONTO Integrated Program on construction of a modern «Commercial Black Sea Port YACONTO» with respective production, transport and social infrastructure, the following is planned:

**1.** Establish a managing company «**Concern YACONTO**» JSC, which will establish legal entities in specific areas of economic activity, even as targeted investments are utilized and objects are developed and commissioned. The list of shareholders of «Concern YACONTO» JSC will include potential investors of YACONTO Integrated Program, strategic partners of YACONTO LLC and the State itself for the coordination and assistance in the implementation of the Program, control over prescribed utilization of funds and for bureaucratic barrier-breaking.

**2.** Establish the «**Commercial Black Sea Port YACONTO**» («**YACONTO Port**» JSC) for transshipment of over 100 mln tons of dry and liquid cargo per annum. «YACONTO Port» is the cornerstone enterprise of the YACONTO Integrated Program.

Construction of «YACONTO Port» fully corresponds with a construction of a new navigable waterway 45-60 km long along the narrowest segment of the existing waterway of Bosphorus, the Sea of Marmara and the Dardanelles Strait; the plans to construct the new waterway date back to Byzantine and Ottoman Empires. This will dramatically increase the capacity of maritime transport and thereby increase the volume of transit goods, reduce the delivery time and provide economic benefits to all stakeholders.

Mutually beneficial, long-term economical partnership between «Concern YACONTO» JSC with its affiliated structures and Turkey for the implementation of YACONTO Integrated Program will create favorable conditions for the passage of ships carrying «YACONTO Port» cargoes through Turkey's waterways.

**3. Establish the «YACONTO Trading Company» JSC («YTC» JSC) for large commercial export-import operations related to the economic activity of «Concern YACONTO» JSC and its structural objects through the «YACONTO Port». «YTC» JSC will be the main shipper (supplier) and consignee (customer), representing the economic interests and guaranteed markets for potential investors, strategic partners and shareholders of «Concern YACONTO» JSC.**

**4. Establish «YACONTO Commercial Fleet» JSC of 120 large commercial and trade specialty vessels with «YACONTO Port» as homeport, including vessels for transporting of: 2 million 40-foot containers, general cargo, ore, coal, grain; oil tankers for transportation of drinking water, oil, petroleum products, liquefied gas, etc.**

**5. Establish «KUBANAVTODOR» JSC in the Tuapse region for the construction and operation of modern high-speed multilane toll highway from the town of Goryachy Klyuch towards Big Sochi, which is specified in the Explanatory Note of YACONTO from 09.05.2008 (pages 22 and 23). Highway will be built and operated on a commercial basis as an alternative to the current federal highway (on the M4 and M27 sections) and local roads.**

**6. Establish a specialized trucking company «YACONTOTRANS» JSC in the Tuapse region with a park of 1500 modern large-capacity vehicles, capable of securing uninterrupted commercial-economic activity of «YACONTO Port» and the structural objects of «Concern YACONTO» JSC.**

**7. Establish a modern power generating complex «YACONTOENERGO» JSC in Tuapse region, which includes a combined gas turbine power plant for uninterrupted supply of electricity and heat to «YACONTO Port» and all the structural objects of «Concern YACONTO» JSC, as well as the Tuapse region and the city of Tuapse.**

**8. Provide the conditions for attracting domestic producers in a priority mode to supply 3.5 million tons of metals for the construction of «YACONTO Port» and its production, transport and social infrastructure, as well as for mass production of shipping containers, vehicles for transportation of containers, rails and sleepers for the railway, railway cars, gondolas and platforms, pipes of various diameters, specialty trade and commercial vessels for the «YACONTO Commercial Fleet», etc, on domestic plants.**

**9. In order to develop strategy and tactics of economic development, as well as expanding activity in manufacturing, agriculture and science, of «Concern YACONTO» JSC will open trade offices in Asia, Africa, North and South America, Australia, Europe, CIS and the Middle East.**

YACONTO Integrated Program also provides for the implementation of other mutually related and complementary projects and programs that create a synergistic and multiplicative effect, intentionally not listed in the List of Projects of YACONTO from 09.05.2005 and in the Explanatory Note of YACONTO from 09.05.2008.

Insistent demands of certain officials to provide detailed declaration and the technical and economic substantiation of each object individually are knowingly premature and harmful to the Krasnodar Territory and Russia, as only the coordinated implementation of all related projects will ensure the greatest economic efficiency and timely return of borrowed investment funds under the single YACONTO Integrated Program.

YACONTO Integrated Program is the model of regional socio-economic development which Russia needs today as a pilot program based on fair and trusting relationships between the government and the business. The program allows attracting large financial resources, advanced technologies and modern equipment on conditions mutually beneficial for potential investors, as well as using the huge material and human resources of Russia, providing country's industrial, construction and transport companies with major orders and securing stable jobs for tens of thousands of citizens.

Therefore, in today's global economy downturn, socio-economic development of Russia depends primarily on Russia itself, and to be precise - from internal and external policies of higher leadership of the country and of a personnel reform of the executive branch.

The program is fully consistent with the strategy of socio-economic development of Russia up to 2020. It's not the secured funding that is required for the start of implementation of the Program, but a decision on its political and administrative support at the highest political level.

This Addendum to the Explanatory Note of YACONTO from 09.05.2008 has been prepared on the basis of documents and materials published on WWW.YACONTO.RU

*(The Russian text of this letter is an original.)*

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