



**Azerbaijan Investment Company OJSC**

**Supporting Development!**

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# About AIC



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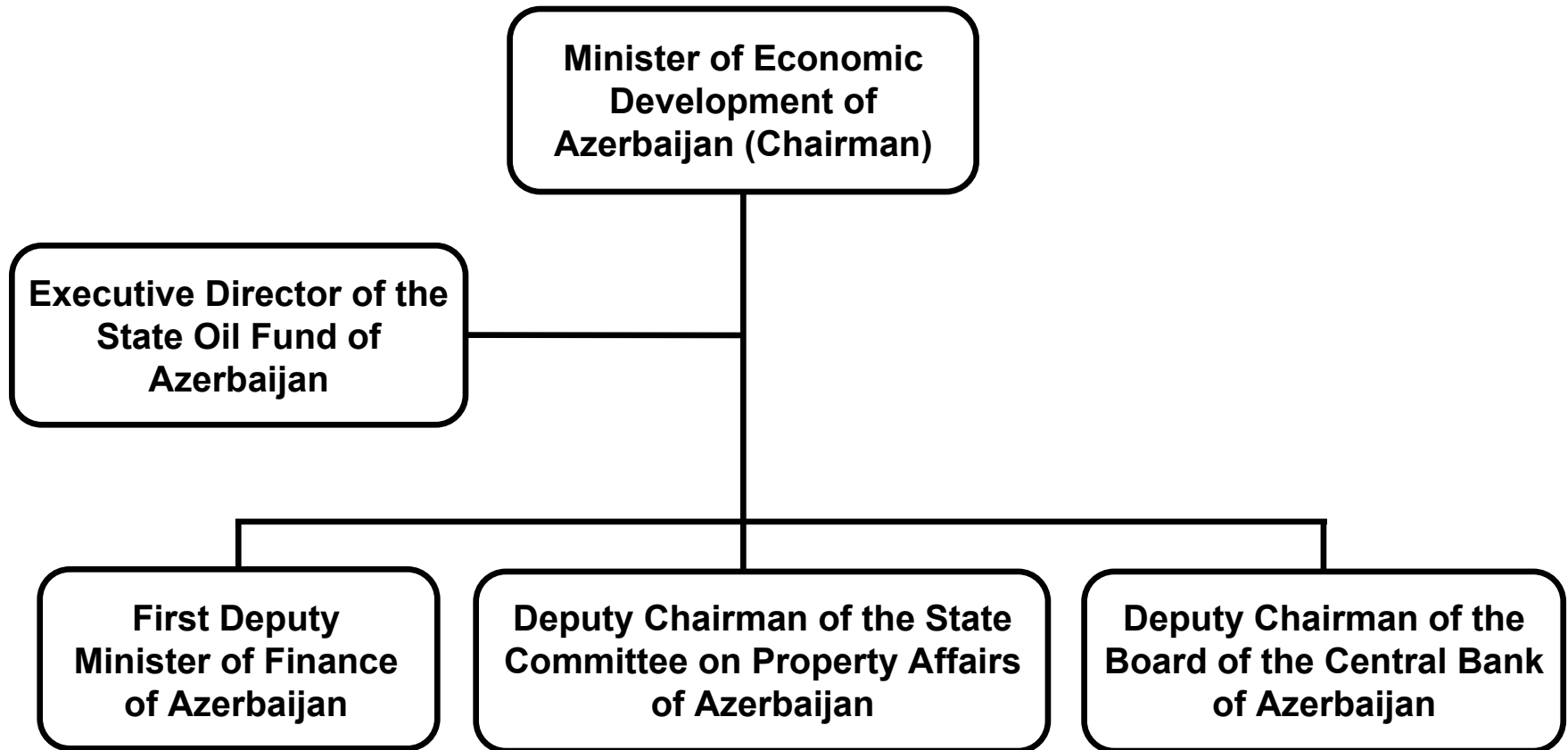
- **“Azerbaijan Investment Company” OJSC (AIC) is established by the Presidential Decree of March 30, 2006 to support the development of businesses in the non-oil sector of the Azerbaijani economy via equity investments**
- **The initial charter capital of AIC is financed by the State Oil Fund of the Republic of Azerbaijan**
- **Key economic ministries and agencies of Azerbaijan are represented in the AIC Supervisory Board, which is the supreme governing body of the Company**

# Supervisory Board



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# AIC's Mission

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- **Termed equity investments into commercial enterprises or investment funds**
- **Attraction of local and foreign investments into the economy of Azerbaijan**
- **Contribution to the development of capital markets in Azerbaijan**

# Key Investment Principles

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- **Investments into commercially effective projects or investment funds**
- **Investments in all sectors excluding oil and gas production and processing**
- **Equity investments in the existing companies or green-fields**
- **Minority shareholding in the invested projects**
- **Investment into any particular project not exceeding 20% of the AIC's charter capital**
- **Investment into any particular economic sector not exceeding 35% of the AIC's charter capital**

# Investment Criteria

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- **Competitiveness of products and their export oriented nature (if on the territory of Azerbaijan)**
- **Compliance or strong commitment to implement financial reporting in line with IFRS**
- **Verification of financial reports by an independent auditor**
- **Application of the best corporate governance practices, protection of rights of investors**
- **AIC representation in the Supervisory Board (Board of Directors)**

# Exit Strategy

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**Subject to mutual agreement amongst shareholders, AIC may implement one of the following exit strategies:**

- **Divestment via IPO**
- **Sale to the strategic investor**
- **Sale to existing shareholders**

# Foreign Relations



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- Cooperation with ICD – investment partner
- Member of European Private Equity and Venture Capital Association (EVCA) and Emerging Markets Private Equity Association (EMPEA) since 2007
- Cooperation with IFC - technical assistance in corporate governance
- Cooperation with USAID- technical assistance in corporate governance, investor relations, investment analysis, and investment management
- Cooperation with EBRD –investment partner, technical assistance and know-how in the area of investment and fund management
- Cooperation with TACIS - increasing share listing and the country private sector attractiveness for FDI development of capital markets and promotion of portfolio investment

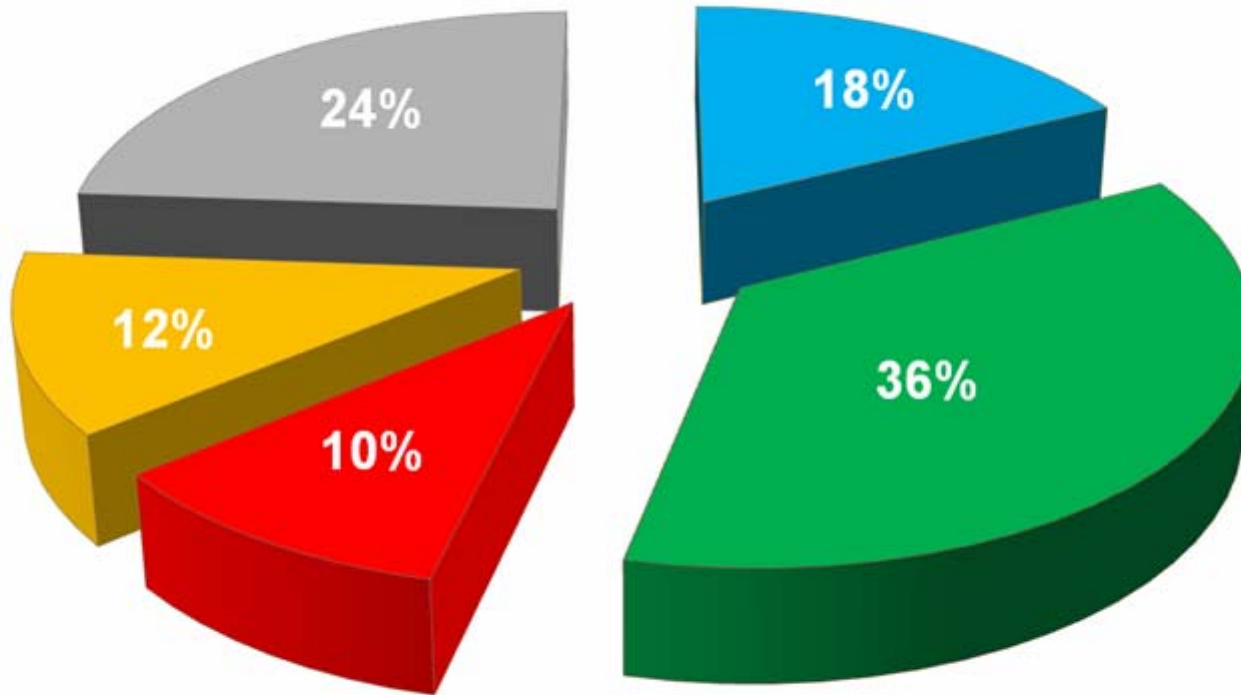




# Portfolio Distribution



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■ Equity Sub-Funds  
■ Food Processing  
■ Industrial Production

■ Agriculture  
■ Logistics

# Invested Projects



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- Development of dairy production with “Milk Pro” LLC, (20% of shares acquired by AIC and 10% acquired by EBRD).



- Joint investment company “Caspian International Investment Company” together with the Islamic Development Bank and ICD. The AIC holds 24.1% of the shares; other shareholders include prominent companies from Persian Gulf countries.



- Poultry meat production and processing with “Davachi Broiler” OJSC. AIC’s share is 25%.



- Construction of a new Oil and Gas Terminal in Baku, Azerbaijan. AIC’s stake is 25%.

# Invested Projects

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- Largest cement producer in Azerbaijan. AIC has acquired 10% of the company in 2008. Holcim (Switzerland) is the major shareholder of Garadagh Cement, EBRD owns 10% of the charter capital.



- Construction of a salt plant with the "Azersun Holding" LLC. AIC's participation stake is 25%



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# Investment into Azertokhum LLC



- Purpose: construction of the first modern seed processing plant in Azerbaijan and cultivation of high quality seeds (R1 & R2 reproduction seeds);
- Cost: USD 27 million
- AIC's stake: 15% - phase I (USD 3.5 million), 20% - phase II (additional USD 1.5 million);
- Exit term – 7 years;
- IRR – 25%
- New jobs created: 160
- Launch date: Q4 2010





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# Pipeline of Projects – Modern Shipyard



- Purpose: construction and repair of various types of vessels
- Approximate cost: USD 380 million (debt/equity: 70/30)
- Shareholder Structure: SOCAR (65%); AIC (25%); Keppel (10%)
- Operational Capability: Phase 1 - up to 20k tdw; Phase 2 - up to 70k tdw
- New jobs: 1700
- Launch date: 2013

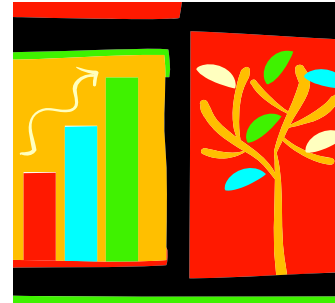
# Priority Investment Sectors



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**Agriculture**



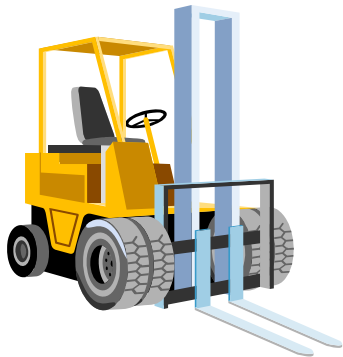
**Alternative Energy**



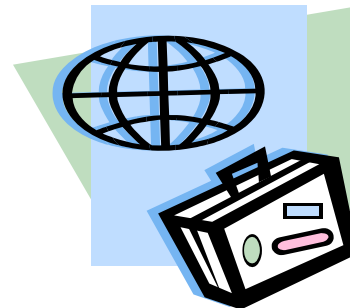
**Food processing & Packaging**



**Heavy Industry**



**Logistics**



**Tourism**



# AIC Contacts

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