



Development of the Port of Baku  
Port Master Plan - Financial and  
Economic Impact Analysis

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Volume VI

Financial and Economic Impact Analyses

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# 1. Background and Methodology.

The overall purpose of this section of the report is to present the results of an overall financial and economic evaluation of the proposed investments to be made in the port of Baku. The main inputs for the analyses performed in evaluating these are derived from the evaluations and assessments made in the previous sections. These inputs derived are briefly summarised hereunder. To perform the financial and economic analyses it has been necessary to make an assessment of additional input factors for the calculation of expected revenues and costs. The assumptions made and input factors in this respect are described in this hereunder, too.

The overall macro-economic situation in Azerbaijan is in a state of transition from the command economy of the former Soviet Union to a modern market economy. As a result of this transition, the costs of the input factors, some of which are currently maintained at an artificially low level, can be expected to increase to a more realistic market price level over the forecast period.

Rather than trying to forecast the level of inflation that can be expected and thus the ensuing escalation in revenues and costs, all figures have been expressed in constant US dollars (USD). All increases in costs and revenues described in this report are, therefore, real increases.

The port is engaged in several activities other than the cargo handling of dry bulk, neobulk and general cargoes, such as the operation of an oil terminal and liquid bulk storage activities, operation of the harbour fleet in the port of Baku, generation of steam for the area surrounding the port as well as several other non-cargo related activities. The revenues and costs of these activities have not been included as part of this analysis, since they are not directly concerned with the proposed investments for cargo handling facilities and equipment of the port.

It should also be noted that the financial and economic impact of the ferry terminal has only been included to the extent that cargoes to and from the ferry are handled in the cargo terminal of the port. In this connection it is expected that the port will handle inter-modal containers arriving and departing by rail to and from the ferry. These containers, which will be transferred between rail cars and terminal trailers and chassis, will be handled through the CFS container terminal at the port, using the facilities and equipment of the port.

In this section, the overall feasibility and viability of the port of Baku is view from two different perspectives:

- The financial feasibility and viability perspective, which is primarily concerned with the financial and cash flow position of the port, to evaluate the investments from a micro-economic point of view in terms of their profitability and the port's ability to generate a sufficient cash flow to repay the banks and financial institutions providing funds to rehabilitate and upgrade, reconstruct and acquire facilities and equipment.
- The economic impact perspective, which evaluates the expected impact of the port activities and the investments to be made, from a macro-economic point of view in terms of the regional and national economy of the country.

## 2. Basic Assumptions and Inputs

The assumptions made in respect to the inputs to the financial and economic analysis are described hereunder, both with respect to expected revenues and the various cost factors.

### 2.1 Revenues

The revenues of the cargo handling operations of the port are generated from two sources:

- Dues and charges assessed on each vessel calling at the port
- Cargo handling and storage activities in the port

#### 2.1.1 Cargo Forecasts

The expected revenues generated are based on the forecasted cargo flows through the port. The forecasted cargo flows used in the feasibility analyses are the Most Likely, Optimistic and Pessimistic cargo flow Scenarios described in Volume II of this report.

#### 2.1.2 Operational Assumptions

The cargo flow forecasts as well as the overall operational scheme developed as part of the master plan, which is described in Volume III of the report, have been used as an input to evaluate the overall cargo handling facility and equipment requirements and, thus, the overall investments needed. The operational assumptions used in the financial analyses are all described in this Volume of the report.

#### 2.1.3 Vessel/Cargo Handling and Storage Charges

In the operational report (Volume III - Port Master Plan) the number of vessel calls have been calculated. It should be noted that the number of ship calls have been calculated on the basis of berth occupancy for either loading or discharge. In actual operation it is recognised that some of the vessels will either only discharge or load cargoes, while others will both load and discharge at the port of Baku. For the calculation of the vessel dues it is assumed that 50% of the vessels are either loaded or discharged at the port of Baku, while the remaining 50% of the vessels perform both loading and discharge at the port.

The charges levied on the vessels calling at the port of Baku are composed of a variety of charges, such as dockage, wharfage, channel dues, light dues etc. The average total charges per vessel in 1996, excluding the charges for assistance by the harbour fleet, amounted to USD 3,100.-- per ship call. This level of charges is currently at a similar level to other ports in the Caspian Sea basin. For the purpose of this analysis it is assumed that these charges will remain at the same level for the forecast period.

In addition to an improvement of the overall efficiency and productivity of the cargo handling operations, the key competitive tool of the port management to attract cargoes to the port is the setting of the rates for

cargo handling and storage. The port management has developed a guideline for the setting of the rate and tariff structure of the port. This guideline is enclosed as Annex I to this report. Based on this guideline and also taking into consideration the tariffs of the other ports in the Caspian Sea basin, the port management has developed a new tariff structure to take effect on January 1, 1997. In developing this new tariff, particular emphasis has been placed on being competitive with the cargo handling rates of the Russian ports of Makhachkala and Astrakhan. Both of these ports are like Baku located on the rail network connecting the major industrial centres of Russia and Ukraine with the Caspian Sea ports and, thus, competing with the port of Baku for the lucrative, high volume transit trades to and from Iranian Caspian Sea ports. The rate structure currently developed by the management of the port of Baku is set at a level 15% and 20% below these Russian. The rate levels are also evaluated to be at a comparable level to those of the ports of Turkmenbashi, Turkmenistan, and Aktau, Kazakhstan, and below those of the Iranian ports. The rates are, also, lower than those of comparable ports elsewhere in the world.

Although the cargo handling rates proposed by the management of the port seem low by international standards, their level is considered to represent the realistic level that can be achieved given the competitive situation and cost level in Azerbaijan. For the purpose of the feasibility analysis, these rates have been used and have been simplified to represent an average rate level for major cargo categories. The average rates by cargo type proposed by the port management from January 1, 1997, have been used for the baseline year 2000, while the container handling rates are proposed by the team of consultants, based on rates in similar ports world wide.

With the investments to be made in improvement and reconstruction the port infrastructure and in the acquisition of modern cargo handling equipment and with ensuing increases in productivity and efficiency, the cargo handling rates can rise gradually over the forecast period to a level charged by comparable ports world wide. The assumption is, therefore, made that the rates will gradually rise until 2015 to a level charged by European ports, which are considered to be representative for the current competitive rates charged world wide. This international rate level is used as the basis for the year 2015. Real increases to reach this level of rates until 2015 are assumed on an annual basis. On this basis the rates used in this analysis are:

Cargo Type	Calculation Basis	Rate in USD Year 2000	Rate in USD Year 2015
Dry bulk cargoes	Ton	2.90	8.50
Neobulk cargoes	Ton	6.00	16.00
General cargoes	Ton	4.75	17.00
Containers	Unit	150.00	200.00
Stuffing and stripping in CFS - 20ft	Unit	200.00	400.00
Stuffing and stripping in CFS - 40ft	Unit	300.00	600.00

This simplified tariff and rate structure has been combined with the cargo forecast and the cargo handling calculations developed in the operational assessment in Volume III.

## 2.2. Proposed Investments.

As discussed in Volume III and Volume IV, a three phased investment plan has been proposed. These investments are expected to be financed with loans for the European Bank for Reconstruction and Development (EBRD).

## 2.2.1 Brief Overview of the Investment Projects

The investments to be made include rehabilitation and construction of the basic infrastructure of the port as well as rehabilitation, replacement and acquisition of new cargo handling equipment. The total investments to be made are presented in Volume III and can be summarised as follows (figures in million USD):

Type of Asset	Phase I		Phase II	Phase III
	Stage 1	Stage 2		
Berths and quay wall infrastructure, Type I	11.8	-	15.0	14.2
Berths and quay wall infrastructure, Type II	1.2	-	1.7	0.4
Rehabilitation of cranes	3.6	-	2.4	-
Rubber tired gantry crane	2.0	2.0	-	N.A.
Forklifts	1.4	2.3	1.2	N.A.
Reach stackers	0.6	0.6	-	N.A.
Yard tractors, tug masters, MAFI -trailers, etc.	0.7	0.3	0.2	N.A.
<b>Total</b>	<b>21.3</b>	<b>5.2</b>	<b>20.5</b>	<b>N.A.</b>

The investments in container handling equipment are scheduled to be acquired in two stages. Stage 1 will be in the year 2000 coinciding with the completion of the Phase I construction work of the berths and other infrastructure, while Stage 2 will be made in the year 2002 to cope with the expected increase in container traffic requiring additional equipment.

As discussed in the operational report Volume III, the berthing and cargo handling capacity of the Phase I upgrading that will under the forecasted cargo volumes of the Most Likely Scenario be reached in the year 2007, requires the expansion of capacity to be completed by that year. Under this scenario, the Phase III investments will not be required in the forecast period up to and including the year 2015. Under the Pessimistic Scenario on the other hand, the cargo volumes will not exceed the level of capacity made available by the Phase I investments over the forecast period. The assumptions made are, therefore, that under the Most Likely Scenario, the Phase I investments will be completed by the year 2000, while the Phase II expansion will be operational by the year 2007. Under the pessimistic cargo forecast scenario, only the Phase I investments will be made.

## 2.2.2 Financing of the Investments.

EBRD is expected to provide financing for 100% of the total cost of the proposed investments. The terms of the financing discussed with representatives of the EBRD to be used as the basis for this analysis are:

- Grace period: 3 years
- Term of repayment: 12 years
- Type of loan: Annuity with annual payment of interest and instalments
- Interest: LIBOR + 1%. LIBOR to be based on 6 months interest period
- Front end fee: 1% of loan amount
- Commitment fee: 0.5% of unused portion of loan amount granted.

It is assumed that the port will finance 100% of the project cost on the above terms.

## 2.3. Operating Costs

The current accounting system is such that it is difficult to allocate the various cost items between the various activities of the port. Data and information is, however, available on the major costs and input factors. To the extent that data has been available, the costs are based on the current cost level and adjusted for expected developments. When appropriate data has not been available, cost factors based on those in similar ports and situations world wide have been used

### 2.3.1 Manpower and Labour Costs - Operational Employees

The expected labour requirements are based on the cargo forecasts and the expected operational efficiency with new cargo handling equipment as described in Volume III. The manning levels expected are as described in the operational report.

The wages of the operational personnel are assessed, based on a schedule dependent upon both the length of service and the type of work performed. The current (December 1996) average monthly pay for an operational port worker is equivalent to between USD 15 and USD 25. The minimum wage required to support a family in Baku presently is unofficially estimated to be between USD 150 to USD 200 per month. As a result, the average Azeri port worker will have to make up the difference between the wages received from his main place of employment and the cost to support a family from other sources or employment outside the port.

The operational staff of the port, such as forklift operators, dockers, crane operators etc. shall considered to be specialised workers with skills that are attractive to employers engaged in similar activities as those of the port. Presently, several international freight forwarders and other transport operators are establishing offices, terminals and warehouse facilities in the Baku area. Representatives of European transport and freight forwarding organisations have indicated that local warehouse personnel hired by them is paid a minimum of USD 120 to USD 150 per month, while more skilled personnel and professionals (e.g. freight forwarders, dispatchers, supervisors, foremen etc.) are paid between USD 400 and USD 500 per month.

It cannot be expected that the port of Baku shall be a wage leader in terms of the wages paid to the operational staff. At the same time it cannot be expected that the current low level of pay can persist in an environment, where skilled port workers can be expected to be recruited by the increasing number of international transport organisations establishing themselves with services competing with those of the port. As a consequence, the port will have to increase the wage levels to that of the competitive local labour market. The assumption made is, therefore, that the minimum wage level of port operational workers will have to increase. By the year 2000 it, therefore, should be brought up to this competitive level. In the following years up to the year 2015 it is assumed that the wage level will be increased to a level similar to that of other East European transition countries.

### 2.3.2. Administrative and Management Staff

A plan has been developed for the reorganisation of the management structure and administration of the port. The proposed organisation structure and staffing requirements are presented in Volume III.

The current average monthly salary of the management and administrative staff is similar to those of the workers, i.e. between USD 15 and USD 25 per month.. As discussed in Section 2.3.1 above, this is



considerably below the minimum income required to support a family in Baku. As a consequence, also the management and administrative staff members have to supplement their income from other sources, which is an untenable situation.

The salaries of skilled administrative and clerical personnel will have to be raised to a minimum level of approximately USD 450 per month, while the salaries of middle management and supervisory staff will have to be increased to a level of USD 550 per month. The top management (i.e. operations and port administrative directors) should be raised to a level of minimum USD 900 per month. Similar to that of the port workers, the wages of the management and administrative staff will have to be increased to a level similar to those of other East European transition countries by the year 2015.

The following pay scale has been used in this analysis:

Level	Description	Total wages USD/month	Total wages USD/month
		Year 2000	Year 2015
1	Top management	900	5000
2	Middle management	550	3100
3	Foremen, equipment operators, clerical	450	2500
4	Labour A - Specialised workers, dockers	400	2200
5	Labour B - General port workers	300	1800
6	General labour	200	1500

### 2.3.3. Taxes

The basic assumption is that the current tax scheme will continue into the future. Thus, the calculation of the taxation has been made on the currently levied taxes and tax basis. These taxes are:

- Value Added Tax (VAT) is assessed on all services at a rate of 20%. In terms of the port, the services rendered by the entertainment boat and charges assessed between the various departments of the port are exempt. All revenues presented in the revenue forecast are, however, assumed to be net of VAT.
- Pension fund and unemployment fund contributions have to be made by the port as an employer at a rate of 35% and 2% respectively, of the wages paid to the employees. These taxes can be deducted for calculation of taxable profit, and are paid directly to the government.
- Road fund tax has to be paid at a rate of 0.5% of the revenues of the transportation department of the port. This tax is deductible for the calculation of profit taxes.
- Land fund tax has to be paid at the rate of 1% of the minimum salary rate for each square meter used by the port. The current minimum wage rate is Manat 5,500, and the number of square meters, for which the port has to pay taxes, is 397,300. This tax is deductible for the calculation of profit taxes.
- Transport tax is paid to the government at a rate 5% of the minimum wage rate for the sum of the horsepower of the engines of the fleet of cars, trucks and buses owned by the port. This tax is deductible for the calculation of profit taxes.

In addition there are certain taxes deducted from the wages and salaries of the employees and withheld by the company:

- Income taxes, calculated according to the rules specified by the Ministry of Finance
- Pension fund contributions are deducted at a rate of 1% of the wages and salaries received
- Trade union fees are deducted at a rate of 1% of the wages and salaries received

#### 2.3.4 Depreciation

The method of depreciation used is straight line depreciation based on a percentage rate of the original cost of the asset. The depreciation rates used stem from the former Soviet Union and are described in a major book encompassing virtually all thinkable and unthinkable assets. The general rule is, however, that the time for depreciation is considerably longer than the expected economic or technical life of the object to be depreciated. Another factor is that the existing assets are grossly undervalued. As a result, the overall profitability of the port with the current book values of the fixed assets will be overstated. As a consequence, the taxable profit will be too high, increasing the effective rate of taxation. As an illustration, the total fixed assets of the port are depreciated, based on an original value of USD 1,547,500 (July 1996), and the average annual rate, depreciation of all the assets is 4.876%.

It is considered outside the scope of this project to assess the real, current market value of the existing assets of the port, to make an assessment of the real economically and technically correct depreciation in order to assess the real profitability of the port. Such a calculation is, furthermore, not considered to have an impact the overall assessment of the financial viability and feasibility of the planned investments to be made. The current average rate of depreciation of 4.876% of the original value of the assets have therefore been used for the existing assets. This rate has also been applied for tax depreciation of new investments.

For the new investments to be made, however, an assessment has been made as to the technical and economic life span of the assets in order to depreciate these at a realistic level. The technical and economic depreciation rates used in the analysis are as follows:

Asset Type	Depreciation/Years
Berths and quay wall infrastructure, Type I	25
Berths and quay wall infrastructure, Type II	15
Mobile and gantry cranes	15
Forklifts and reach stackers	8
Yard tractors, tugmasters, MAFI-trailers etc.	7

It is furthermore assumed that the equipment will be fully replaced by the time it is fully depreciated at the same cost (in real terms) as its original cost of acquisition. These investments are assumed to be made with funds accumulated by the port.

### 2.3.5 Maintenance

The assessment of the maintenance costs have been divided into two:

- Maintenance of the existing assets
- Maintenance of new facilities and equipment

The maintenance charges of the existing assets have been assessed based on the historical costs adjusted for expected increased maintenance requirements of assets not rehabilitated or renewed. A charge of 5% of the book value is assumed.

The maintenance charges for the new facilities and equipment has been assessed based on the overall maintenance experience of ports world wide. The annual maintenance requirements are based on the overall investments at the following rates:

Type of Asset	Percent of original investment for annual maintenance
Berths and quay wall infrastructure	1
Buildings, Utilities and other infrastructure	4
Mobile cranes, reach stackers, forklifts etc.	10
Gantry cranes	6
Yard tractors, tugmasters, MAFI-trailers etc.	4

### 2.3.6. Utility and Electricity Costs

The key input in this respect is electricity. The current charge paid is USD 0.035 per kWh, a level which in real terms is expected to remain for the forecast period. The consumption of electricity is based on the assessment made in the operations report according to the cargo volumes to be handled. In Phase I it is assessed that twelve cranes will be required and will be rehabilitated and upgraded, while in Phase II an additional eight cranes will be required. These cranes have an overall average consumption of 400 kW per hour and an average of 2,160 operational hours, are expected to be required per crane. The total consumption under the Most Likely Scenario in Phase I is expected to be 10.4 million kWh, while in Phase II this will increase to 17.3 million kWh.

### 2.3.7 Fuel Costs and Consumption

The average cost of diesel fuel is currently USD 0.13 per litre, and this cost is assumed to remain stable in real terms throughout the period. The fuel consumption is derived from the operations report (Vol. III) and is based on the average operating hours of the equipment. The total average consumption is estimated to be 2.7 million litres of diesel per year during Phase 1 with the Most Likely Scenario, while it is expected to increase to 3.9 million litres in Phase 2.

### 2.3.8 Other Costs

All other costs are relatively small and are to a large extent independent of the volume of cargo handled and new investments made. These costs include communications, office supplies, travel and other miscellaneous costs and are assumed to be USD 50,000 per year.

### 2.3.9 Corporate Overheads

The cargo handling operations will have to share in the overall cost of the corporate administration of the port. These costs are assessed on an annual basis to be USD 418,000. Of these charges, 40% or USD 167,200 will be allocated to cargo operations, while the other operational departments (e.g. the Ferry Terminal, the Oil Terminal, the Harbour Fleet, the Maritime Administration/Harbour Masters department) will share the remaining 60% of the corporate overhead costs.

## 3. Projection of the Feasibility of Investments in Facilities and Equipment.

In performing the feasibility analyses, the basic assumptions described above have been applied. Using these inputs, the investment projects are evaluated on two bases:

- Project investment analysis basis, to evaluate the overall feasibility of the proposed investments the IRR and NPV of the proposed investments.
- Financial analysis, to evaluate the after tax profitability and the cash flow implications using the proposed financing terms and the current taxation scheme existing in Azerbaijan.

These are briefly described below.

### 3.1 Feasibility Analysis of the Proposed Investments in the General Cargo Terminal

The purpose of this analysis is to evaluate and assess, if the investments projects are feasible and viable, independent of the method of financing selected and the tax regime, in which the port will have to operate. The methodology used for this purpose is to make an assessment of the total revenues and costs on a pre-tax basis, excluding the depreciation and interest costs of the new investments, to find the net cash flow from port operations. The viability and feasibility of these investments are then evaluated, based on the expected internal rate of return (IRR) and the discounted net present value (NPV) of the cash flow expected to be generated from these projects.

The assets, for which the investments are made, have for the most part an economic and technical life beyond the year 2015, which is the final year of this analysis. As described in Section 2.3.4, it is furthermore assumed that reinvestments in assets and equipment are made when these assets have been fully depreciated. In order to obtain a reasonable assessment of the NPV and the IRR, it is necessary to use a residual value of the assets at the end of the year 2015. Since it will be difficult, if not impossible, to make an assessment of the market value of the port assets at that time, the residual value is defined as the

depreciated book value of the assets (i.e. total investments and reinvestments minus the sum of the depreciations).

### 3.1.1 The “Most Likely Scenario”.

Using the cargo flows from the Most Likely Scenario and the assumptions with respect to revenues and costs described above, an assessment has been made of the overall viability and feasibility of the proposed investments in the cargo terminals of the port. The detailed results of this analysis is presented as Table I-1 in Annex I of this volume. As shown in this table, the overall cargo operations is expected to be highly profitable, given the assumptions of the Most Likely Scenario. Some key figures are:

- The operating margin in the year 2000 is expected to be 43%, declining to 18% in 2007, at which time when the Phase II investment in the rehabilitated timber terminal is made. Thereafter, it is expected to gradually increase to 40% in 2015.

The NPV is as follows:		The IRR is
With a 10% discount rate:	USD 31.3 million	33%.
With a 15% discount rate:	USD 17.0 million	

The overall conclusion is that the overall cargo terminal operations are highly profitable.

An analysis was also made under this scenario of the two different operations on this terminal, i.e. the General Cargo Terminal and the Container Terminal. For this purpose, a distribution of the investments, revenues and costs were made.

The following assumptions were used:

- The overall investments in both infrastructure and equipment was divided between the two terminals. Of the quay walls to be rehabilitated in Phase I, one berth was allocated to container operations, while the remaining berths will be used by general cargo operations. The entire infrastructure investment in Phase II (the timber terminal) was allocated to the General Cargo Terminal. The investments in equipment were divided between the two terminal based on expected usage.
- The revenues were distributed, based on the type of operations (i.e. container revenues to the Container Terminal and dry bulk, neobulk and general cargo revenues plus all ship operations were allocated to the General Cargo Terminal).
- The costs of operations and general and administrative costs were allocated based on the expected use of both manpower and other resources.

The overall results are briefly summarised below.

#### The Container Terminal

Since most of the investments in the infrastructure are already made, most of the new investments required for the proposed Container Terminal will be in equipment. With modern equipment and a new management

and organisational structure, this terminal is expected to operate with a productivity commensurate with world standards for similar types of operations. The profitability of this terminal will therefore be high:

- The operating margin in the year 2000 is expected to be a fully 62%, declining to 32% in the year 2002, at which time the Stage 2 investments in equipment are made. No further investments other than replacement of depreciated equipment will be required, and consequently the overall profitability will increase to an expected level of 47% in the year 2015.

<b>The NPV is as follows:</b>	<b>The IRR is</b>
<b>With a 10% discount rate: USD 27.1million</b>	<b>78%.</b>
<b>With a 15% discount rate: USD 17.9 million</b>	

The overall conclusion is that the Container Terminal operations is expected to be exceptionally profitable under the Most Likely Scenario.

### **The General Cargo Terminal**

A major proportion of the investments needed for the upgrading of the existing cranes and equipment and for the new infrastructure will have to be allocated to this terminal. The cargo handling work on this terminal is also more labour intensive; as a consequence a major share of the port labour force will be employed by this terminal. Although it is a profitable operation, it cannot compete with the expected profitability of the Container Terminal.

- The operating margin in the year 2000 is expected to be merely 13%, increasing to 26% in 2006. The Phase II investments required to upgrade the timber terminal and also to make investments in additional equipment and the hiring of additional labour are expected to cause losses in the following two years, after which the profitability is expected to increase and reach 28% in the year 2015.

<b>The NPV is as follows:</b>	<b>The IRR is</b>
<b>With a 10% discount rate: USD 0.5 million</b>	<b>10%.</b>
<b>With a 15% discount rate: USD (-3.3) million</b>	

The overall conclusion is that the General Cargo Terminal operations are expected to be profitable, albeit not at the rate of the Container Terminal.

The two terminals are, however, mutually dependent, and any investments that will be made will benefit both operations. This analysis underscores, however, the importance that the International Seaport of Baku of secures the right to operate the container terminal in the Baku area.

### **3.1.2 The Pessimistic/Low Growth Scenario**

Under this scenario the following assumptions have been changed, compared to those described in Section 2:

- Investments: The lower expected cargo flows will obviate the need for the Phase II developments, and the investments in equipment will also be reduced. The Stage 2 of the container terminal development will furthermore be delayed till the year 2005. The overall investments can to be made can be summarised as follows:

Type of Asset	Phase I	
	Stage 1	Stage 2
Berths and quay wall infrastructure	11.8	-
Buildings and utilities	1.2	-
Rehabilitation of cranes	3.6	-
Rubber tired gantry crane	2.0	1.0
Forklift	1.4	0.6
Reach stackers	0.6	0.6
Yard tractors, tugmasters, trailers	0.7	0.2
<b>Total</b>	<b>21.3</b>	<b>2.4</b>

- As a result of the expected reduced cargo flows under this scenario and the lower number of units of equipment to be operated, the manpower requirements are also reduced. Fuel consumption is also reduced.

The expected results are presented in Table I-2 in the Annex of this volume and can be summarised as follows:

- While the operating margin will be positive in the initial years (15% in the year 2000, reducing to 4% in the year 2004) losses can be expected, following the investment in additional equipment and hiring of additional labour in the year 2000. The negative operating margin is expected to continue till the year 2012, after which the cargo operations will again be profitable.

The NPV is as follows:	The IRR is
With a 10% discount rate: USD (-7.3) million	2% (marginal).
With a 15% discount rate: USD (-9.1) million	

The overall conclusion is that the investment will be marginal, in the event the Pessimistic/Low Growth Scenario should become a reality.

In the event this scenario should appear likely to occur, reduction of the overall investment in infrastructure, especially by postponing the rehabilitation of part of the infrastructure, will improve the profitability. For instance, by reducing the rehabilitation of the quay wall by 150 meter to a length of 400 meter as well as the

connected infrastructure and terminal area in conjunction with this quay wall, the overall investment to be completed in the year 2000 can be reduced by USD 1.5 million. The expected impact of this action is:

The NPV is as follows:	The IRR is
With a 10% discount rate: <b>USD (-5.9) million</b>	<b>3%.</b>
With a 15% discount rate: <b>USD (-7.3) million</b>	

- The cumulative cash flow will turn positive in the year 2015 indicating that the investment will be repaid over the planning period.

As discussed in Section 2 above, the current rate levels are below those of competing ports by a margin of 15% to 20%. Within a margin of up to 5%, it is expected that minimal loss of cargoes can be expected. If the situation should occur that, after the decision to invest in the port has been made, the Pessimistic Scenario becomes a reality, revenues can be increased either by an accelerated action to bring the rate levels to world standards within a shorter period than envisaged in this analysis or to institute rate increases of approximately 5%. This action will in conjunction with the reduction in the overall investment described above increase the IRR to 8% and ensure that the cumulative cash flows will become positive from the year 2011.

## 3.2 Financial Analysis of the Proposed Investment Projects

The purpose of this analysis is to evaluate the overall financial viability of the operations of the port, based on the proposed financing scheme and the current tax regime existing in Azerbaijan. The methodology used is to present the expected revenues and costs including interest payments on the loan, both the actual and the tax depreciated and the profit taxes to arrive at the expected after tax profit of the port. This is presented in the form of expected future income statements of the cargo operations of the port. In addition, the expected net cash flow from the projects with the financing scheme and terms of the loan proposed by the EBRD is developed.

### 3.2.1 Financial Analysis of the "Most Likely Scenario"

This analysis has been made with the same basic inputs as described in Section 3.1.1 above. In this analysis the expected income statement of cargo operations of the port has been evaluated, based on the financing terms proposed by the EBRD and the tax regime currently in effect in Azerbaijan. The result of this analysis is presented as Table I-3 in the Annex of this volume and can be summarised as follows:

- With the exception of the year 2007, during which the Phase II investments will become operational with significant increases in manpower, depreciation and maintenance costs, the cargo operations will achieve solid net profit margins of up to 20%.
- The port will experience positive net annual cash flows of between USD 1.5 million up to USD 8.6 million (2015). The exception is the period from 2007 up to the year 2015. In 2007 and 2008, the increased manpower, operational and maintenance costs, the interest expenses as a result of the



commissioning of the Phase II investment in the renovated timber terminal, plus the renewal of equipment will place a heavy burden on the overall cash flow. In spite of these investments, the net cash flow for these years will be at a level of plus minus zero. In the year 2010 the first instalment on the EBRD loan for Phase II will fall due at the same time as reinvestments will be required for equipment acquired as part of the Stage 2 development of the container terminal.

- The cumulative cash position of the cargo operations of the port will continually be increased and at the end of the planning period the cargo terminals is expected to have generated an accumulated cash surplus of USD 42.6 million.

Under this scenario the International Seaport of Baku will have no difficulties in servicing the loans with the EBRD.

### 3.2.2 Financial Analysis of the Pessimistic/Low Growth Scenario

The changes to the investments and costs are the same as those described in Section 3.1.2 above. The difference with the investment analysis is that the interest expenses for the loans and potential profit taxes have been added to present the expected income statement and the cash position, given the cargo flows of the Pessimistic/Low Growth Scenario. The results of this analysis is presented as Table I-4 in the Annex of this volume, and can be summarised as follows:

- With the interest payments on the loan to be taken from EBRD, the cargo operations of the port will operate at a net loss in the period up to and including the year 2013.
- During the first three years, i.e. during the grace period, the net cash flow per year will be positive. After that time, the loan instalments combined with net losses cause a negative cash flow, which only turns positive in the year 2015 after the last instalment on the initial loan will be paid in the year 2014.
- The accumulated cash flow will develop positively for the first three years. By the end of the year 2015, however, the accumulated cash deficit will have reached an amount in excess of USD 20 mill.

Potential actions and remedies that can be taken are those described and discussed in Section 3.1.2. The expected results of these actions on the financial situation are as follows:

- The reduction of the initial investment in infrastructure of USD 1.5 million will reduce the annual losses. The cargo operations will still operate at a loss until and including the year 2013, after which it will be profitable.
- The accumulated cash deficit will reach its highest level in the year 2014 and is expected to reach USD 19.4 mill. From 2014 onwards, the cash position will gradually improve.

The effect of a five percent increase in vessel dues and cargo handling charges will have the effect of significantly reducing the losses, and ensure that cargo operations operate at a profit from the year 2013, even under the Pessimistic/Low Growth Scenario. The maximum cash deficit will be reached in the year 2014 and will at that time be USD 12.3 mill. Thereafter, it will gradually improve.

In the event the pessimistic scenario should become a reality, it will also be necessary to evaluate the cost structure with particular emphasis on the manning levels. In addition, the bank, in close co-operation with the port management, could consider to reschedule and extend the repayment schedule to be more in line with the economic and technical life of the assets financed. The technical and economic life of infrastructure

facilities (e.g. quay walls, buildings etc.) is considerably longer than the proposed loan period of 15 years (three years grace and twelve years for repayment of the principal).

## 4. Economic Impact Analysis

The purpose of this section is to describe the overall expected economic impact of the cargoes envisaged to be handled in and through the port of Baku. An economic model developed in the United States has been used to evaluate the economic impact of port development on the region, in which the port is located, in terms of the added value in USD to the overall economy of the region and the number of jobs created in the region, in addition to those directly involved in the operation of the port. The model calculates the value added to the economy in terms of the multiplier effect of each tonne of cargo of various cargo types, from economic activity created in the region of the port, based on the cargo flows through the port, and the same way with the number of jobs created. Examples of value added activities are various transportation services (trucking, rail etc.), warehousing, miscellaneous port related services (freight forwarding, shipping agents, various suppliers of goods and services etc.), establishment or relocation of new industries or businesses as a result of the port etc.

The coefficients used are based on those developed for US ports and port hinterlands. While it is recognised that the Azeri economy is less developed than that of the United States, the coefficients for economic impact can nevertheless give an indication of the order of magnitude, the impact of the proposed investments and the resultant expected increased cargo flows will have on the regional and national economy of Azerbaijan.

### 4.1 Overall Economic Impact of the Port of Baku

#### 4.1.1 Most Likely Scenario

The economic impact of the cargo flows of the Most Likely Scenario is presented as Table I-5. As shown in this table, the overall added value of the cargo flows to the economy is expected to increase from USD 149 million in the year 2000 to an estimated USD 339 million in 2015. The discounted value of the future economic impacts in the year 2000 at a discount rate of 10% will be USD 1.6 billion, while at a discount rate of 15% it will be USD 1.1 billion.

The number of jobs that will be created from the expected cargo flows through the port is presented in Table I-6. As shown in this table the total number of jobs that will be supported as a direct result of the activities in the port is expected to increase from approximately 2,000 in the year 2000 and will increase to close to 4,700 in the year 2015.

#### 4.1.2 Pessimistic/Low Growth Scenario

Although the cargo flows are dramatically reduced in the pessimistic scenario, the expected impact on the Azerbaijan economy is significant. As shown in Table I-7, the annual contributions that will be made by the cargo flows through the port will increase from USD 96 mill. in the year 2000 to USD 131 million in 2015. The NPV of the future economic impacts in the year 2000 will be USD 816 million with a discount rate of 10%, while at 15% it will be USD 610 million.

The number of new employment created by the cargo flows through the port will also be significant, even under the Pessimistic/Low Growth Scenario. As shown in Table I-8, the total number of jobs created and supported by the cargo flows through the port is expected to increase from 1,250 in 2000 to 1,800 in the year 2015.

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**Table 1 : Port related economic impact (all figures in mill. USD)**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Cargo</b>																
<b>Bulk cargoes</b>																
Grain	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Other bulks	6	6	7	7	7	7	7	7	8	8	8	8	8	9	9	9
<b>Seabulk</b>																
Metals	10	10	10	11	11	11	11	12	12	12	12	13	13	13	14	14
Forest products	4	4	4	4	4	4	4	4	4	4	4	5	5	5	5	5
Others	13	13	13	14	14	14	15	15	15	16	16	17	17	17	18	18
<b>General cargoes, seaborne</b>																
Misc. general cargoes	10															
Containerized cargoes	10	11	13	15	16	18	18	19	19	20	20	21	21	22	22	23
<b>CFS - Container handling</b>																
Containerized cargoes	39	40	41	43	44	45	46	47	48	49	50	52	53	55	56	57
<b>Total</b>	96	99	99	96	100	103	106	108	111	114	116	119	122	125	128	131
<b>Avg. per ton</b>	138	126	128	130	132	134	134	134	134	134	134	134	135	135	135	135
<b>NPV 10%</b>	818															
<b>NPV 15%</b>	610															
<b>Tonnage</b>																
<b>Dry bulk cargoes:</b>																
Grain	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Other bulks	170	175	179	184	188	193	198	203	208	213	218	224	229	235	240	246
<b>Total</b>	235	240	244	249	253	258	263	268	273	278	283	289	294	300	305	311
<b>Seabulk cargoes:</b>																
Timber and lumber	20	21	21	22	22	23	23	24	24	25	25	26	27	27	28	29
Metals	70	72	74	75	77	79	81	83	85	87	89	91	94	96	99	101
Others	65	67	68	70	71	73	75	77	80	82	84	86	88	90	92	94
<b>Total</b>	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
<b>General cargoes</b>																
Misc. general cargoes	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
Containerized cargoes	50	58	66	75	83	91	93	95	98	100	102	105	108	110	113	116
<b>Total</b>	100	103	106	108	111	114	117	120	122	125	128	131	135	138	142	145
<b>CFS/CY</b>																
Containerized cargoes	200	205	210	216	221	226	232	238	244	250	256	263	270	276	283	290
<b>Grand total</b>	690	707	723	740	756	773	791	810	828	847	865	886	907	928	949	970
<b>Factors - impact per ton</b>																
Grain	65,075															
Sugar	65,075															
Other bulks	36,570															
Metals	140,220															
Autos	308,950															
Forest products	181,850															
Other general cargoes	194,370															
Containers	197,220															

**Table 2 - Port related employment impact**

(jobmod.elb) Number of job created - most likely scenario.

Cargo	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Bulk cargoes</b>																
Grain	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96	96
Other bulks	71	76	81	85	90	95	102	108	114	121	127	93	96	98	100	170
Neobulk																
Metals	510	545	579	614	648	683	729	776	822	869	916	977	1,039	1,101	1,163	1,225
Forest products	99	106	112	119	125	132	141	150	160	169	178	190	202	214	226	238
Others	254	272	289	306	324	341	363	386	408	430	453	484	514	545	576	607
<b>General cargoes, seaborne</b>																
Misc. general cargoes	121	110	99	88	76	65	70	74	78	83	87	93	99	105	110	116
Containerized cargoes	124	152	180	208	237	265	283	300	318	336	354	378	402	427	451	475
<b>CFS - Container handling</b>																
Containerized cargoes	743	792	842	892	942	992	1,060	1,127	1,194	1,262	1,329	1,419	1,509	1,599	1,689	1,780
<b>Total</b>	<b>2,017</b>	<b>2,148</b>	<b>2,278</b>	<b>2,408</b>	<b>2,539</b>	<b>2,669</b>	<b>2,843</b>	<b>3,017</b>	<b>3,191</b>	<b>3,365</b>	<b>3,539</b>	<b>3,730</b>	<b>3,958</b>	<b>4,185</b>	<b>4,412</b>	<b>4,707</b>
<b>Tonnage</b>																
<b>Dry bulk cargoes:</b>																
Grain	170	170	170	170	170	170	170	170	170	170	170	170	170	170	170	170
Other bulks	220	235	250	265	280	295	315	335	354	374	394	289	297	304	311	528
Total	390	405	420	435	450	465	485	505	524	544	564	459	467	474	481	698
<b>Neobulk cargoes:</b>																
Timber and lumber	45	48	51	54	57	60	64	68	73	77	81	86	92	97	103	108
Metals	160	171	182	192	203	214	229	243	258	272	287	306	326	345	365	384
Others	105	112	119	127	134	141	150	159	169	178	187	200	213	225	238	251
Total	310	331	352	373	394	415	443	471	499	527	555	593	630	668	705	743
<b>General cargoes</b>																
Misc. general cargoes	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Containerized cargoes	50	61	73	84	96	107	114	121	129	136	143	153	163	172	182	192
Total	100	107	114	120	127	134	143	152	161	170	179	191	203	216	228	240
<b>CFS/CY</b>																
Containerized cargoes	300	320	340	361	381	401	428	455	483	510	537	573	610	646	683	719
<b>Grand total</b>	<b>1,100</b>	<b>1,163</b>	<b>1,226</b>	<b>1,289</b>	<b>1,352</b>	<b>1,415</b>	<b>1,499</b>	<b>1,583</b>	<b>1,667</b>	<b>1,751</b>	<b>1,835</b>	<b>1,816</b>	<b>1,910</b>	<b>2,004</b>	<b>2,097</b>	<b>2,400</b>
<b>Factor - jobs per thousand tons of cargo</b>																
Grain	0,5625															
Sugar	0,5625															
Other bulks	0,3225															
Metals	3,1900															
Autos	3,1900															
Forest products	2,2000															
Others	2,4200															
Containers	2,4750															

**Table 3 - Port related employment impact - pessimistic scenario**

	(jobmod.etc) Number of job created															
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Cargo</b>																
<b>Bulk cargoes</b>																
Grain	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37	37
Other bulks	55	56	58	59	61	62	64	65	67	69	70	72	74	76	78	79
<b>Neohulk</b>																
Metals	223	229	235	241	246	252	258	265	271	278	284	292	299	307	315	322
Forest products	44	45	47	48	49	51	51	52	53	54	55	57	59	60	62	64
Others	157	161	165	169	173	177	182	187	193	198	203	208	213	218	223	227
<b>General cargoes, seaborne</b>																
Misc. general cargoes	121	108	95	82	69	56	57	59	60	61	63	64	66	67	69	70
Containerized cargoes	124	144	164	185	205	225	231	236	242	247	252	259	266	273	280	287
<b>CFS - Container handling</b>																
Containerized cargoes	495	508	521	534	546	559	574	589	604	619	634	650	667	684	701	718
<b>Total</b>	1,256	1,288	1,321	1,353	1,386	1,418	1,454	1,490	1,526	1,562	1,598	1,639	1,681	1,722	1,763	1,804
<b>Tonnage</b>																
<b>Dry bulk cargoes:</b>																
Grain	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65	65
Other bulks	170	175	179	184	188	193	198	203	208	213	218	224	229	235	240	246
<b>Total</b>	235	240	244	249	253	258	263	268	273	278	283	289	294	300	305	311
<b>Neohulk cargoes:</b>																
Timber and lumber	20	21	21	22	22	23	23	24	24	25	25	26	27	27	28	29
Metals	70	72	74	75	77	79	81	83	85	87	89	91	94	96	99	101
Others	65	67	68	70	71	73	75	77	80	82	84	86	88	90	92	94
<b>Total</b>	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
<b>General cargoes</b>																
Misc. general cargoes	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
Containerized cargoes	50	58	66	75	83	91	93	95	98	100	102	105	108	110	113	116
<b>Total</b>	100	103	106	108	111	114	117	120	122	125	128	131	135	138	142	145
<b>CFS/CY</b>																
Containerized cargoes	200	205	210	216	221	226	232	238	244	250	256	263	270	276	283	290
<b>Grand total</b>	690	707	723	740	756	773	791	810	828	847	865	886	907	928	949	970
<b>Factor - jobs per thousand tons of cargo</b>																
Grain	0,5625															
Sugar	0,5625															
Other bulks	0,3225															
Metals	3,1900															
Autos	3,1900															
Forest products	2,2000															
Others	2,4200															
Containers	2,4750															

**Table 4 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis.**

(INVESTMENT)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues:																
Vessel dues, all inclusive	751	792	834	875	917	958	1,012	1,067	1,121	1,176	1,230	1,302	1,375	1,448	1,520	1,593
<b>Cargo handling charges:</b>																
Bulk cargoes	1,131	1,366	1,614	1,877	2,153	2,444	2,778	3,132	3,504	3,895	4,305	4,788	5,296	5,829	6,387	6,970
Neobulk cargoes	1,860	2,207	2,581	2,984	3,415	3,873	4,430	5,024	5,655	6,324	7,030	7,901	8,823	9,794	10,816	11,888
General cargoes	238	253	261	261	253	239	278	320	366	414	465	527	594	664	738	816
Total	3,229	3,825	4,456	5,121	5,821	6,556	7,486	8,476	9,525	10,633	11,800	13,216	14,712	16,287	17,941	19,674
<b>Container yard handling:</b>																
Container handling, CY and seahome	4,613	4,976	5,350	5,736	6,134	6,543	7,013	7,497	7,991	8,505	9,029	9,571	10,133	10,714	11,314	11,934
Stuffing/stripping in CFS - 20 ft. containers	709	774	842	911	982	1,056	1,135	1,215	1,299	1,384	1,472	1,565	1,655	1,751	1,844	1,944
Stuffing/stripping in CFS - 40 ft. containers	133	198	270	349	435	528	629	737	853	975	1,105	1,226	1,354	1,488	1,628	1,774
Total	5,455	5,948	6,462	6,996	7,551	8,127	8,777	9,450	10,145	10,864	11,606	12,376	13,183	14,026	14,904	15,828
<b>Total Revenues</b>	9,434	10,565	11,751	12,993	14,289	15,640	17,275	18,992	20,791	22,673	24,636	27,195	29,870	32,660	35,565	38,586
<b>Operating Costs:</b>																
<b>Direct costs:</b>																
<b>Labor:</b>																
Direct wages	1,569	2,060	2,954	3,523	4,091	4,660	5,229	6,663	7,316	7,969	8,623	9,276	9,930	10,583	11,236	11,890
Contribution pension and unemployment fund	581	762	1,093	1,303	1,514	1,724	1,935	2,465	2,707	2,949	3,190	3,432	3,674	3,916	4,157	4,399
Total labor	2,150	2,822	4,048	4,826	5,605	6,384	7,163	9,128	10,023	10,918	11,813	12,708	13,603	14,499	15,394	16,289
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	728	728	1,153	1,153	1,153	1,153	1,153	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
Total direct	2,955	3,628	5,278	6,057	6,936	7,615	8,394	10,849	11,744	12,639	13,534	14,429	15,324	16,219	17,114	18,009
<b>Indirect costs:</b>																
Depreciation - new facilities:																
Tax depreciation	1,038	1,038	1,293	1,293	1,293	1,293	1,293	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Add'l depreciation	236	236	525	525	525	525	525	572	572	572	572	572	572	572	572	572
Total depreciation - new facilities	1,274	1,274	1,818	1,818	1,818	1,818	1,818	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	605	605	605	605	605	605	605	605	605
Fuel consumption - machinery	345	345	475	475	475	475	475	506	506	506	506	506	506	506	506	506
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	2,106	2,106	2,780	2,780	2,780	2,780	2,780	4,101	4,101	4,101	4,101	4,101	4,101	4,101	4,101	4,101
<b>General and administrative costs:</b>																
Management wages	103	135	178	211	245	279	313	389	427	465	503	541	579	616	654	692
Contribution pension and unemployment fund - mgmt	38	50	66	78	91	103	116	144	158	172	186	200	214	228	242	256
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	314	357	416	462	509	555	601	705	757	809	861	913	965	1,017	1,069	1,121
<b>Total costs and expenses</b>	5,374	6,091	8,474	9,299	10,125	10,950	11,775	15,655	16,602	17,549	18,496	19,443	20,391	21,338	22,285	23,232
<b>Operating income before profit taxes</b>	4,060	4,474	3,277	3,693	4,164	4,690	5,500	3,337	4,189	5,123	6,139	7,752	9,479	11,322	13,281	15,354
<b>Cash flow analysis:</b>																
Cash received:																
Operating income before taxes	4,060	4,474	3,277	3,693	4,164	4,690	5,500	3,337	4,189	5,123	6,139	7,752	9,479	11,322	13,281	15,354
Add back depreciation	1,348	1,348	1,892	1,892	1,892	1,892	1,892	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941	2,941
Net cash flow from operations	5,408	5,822	5,169	5,585	6,056	6,582	7,392	6,278	7,130	8,064	9,080	10,693	12,420	14,263	16,222	18,295
<b>Cash payments:</b>																
Payments for investments:																
Investments in infrastructure and equipment	21,285	0	0	0	0	0	0	20,531	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	1,960	1,960	3,10	2,930	0	0	0	865	1,200
Total cash payments	21,285	0	0	0	0	0	0	21,246	1,960	3,10	2,930	0	0	0	865	1,200
Net cash flow - year	(15,877)	5,822	5,169	5,585	6,056	6,582	7,392	(14,968)	5,170	7,754	6,150	10,693	12,420	14,263	15,357	17,095
Cumulative net cash flow	FEHLER (15,877)	(10,055)	(4,886)	699	6,755	13,337	20,729	5,761	10,931	18,686	24,836	35,529	47,949	62,212	77,568	94,664
Net present value of cash flows -10%	FEHLER															
Net present value of cash flows -15%	FEHLER															



**Table 4 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Most likely scenario analysis.**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Internal rate of return	FEHLER															
Residual value of assets 2015	17,597															17,597
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	390	405	420	434	449	464	484	504	524	544	564	591	617	644	670	697
Neobulk cargo tons	310	352	373	394	415	435	443	471	499	527	555	593	630	668	705	743
General cargo tons	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Containers - CY 20 ft.	24,600	24,391	24,181	23,972	23,762	23,553	23,343	23,133	22,923	22,713	22,503	22,293	22,083	21,873	21,663	21,453
Containers - CY 40 ft.	6,150	6,060	5,970	5,880	5,790	5,700	5,610	5,520	5,430	5,340	5,250	5,160	5,070	4,980	4,890	4,800
No. of 20 ft. containers - stripped or stuffed	3,547	3,630	3,713	3,795	3,878	3,961	4,043	4,125	4,207	4,289	4,371	4,453	4,535	4,617	4,699	4,781
No. of 40 ft. containers - stripped or stuffed	0,443	0,618	0,794	0,969	1,145	1,320	1,495	1,670	1,845	2,020	2,195	2,370	2,545	2,720	2,895	3,070
No. of vessels arriving	242	256	269	282	296	309	322	334	346	358	370	382	394	406	418	430
Handling charges:																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Operating and food assumptions:																
Number of port workers:																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	14	14	15	15	15	15	15	15	15	15	15	15	15	15	15	15
Level 3 - Foremen, equipment operators, clerical staff	97	97	135	135	135	135	135	135	135	135	135	135	135	135	135	135
Level 4 - Labor A - specialized labor/doctors	118	118	122	122	122	122	122	122	122	122	122	122	122	122	122	122
Level 5 - Labor B - general port workers	125	125	129	129	129	129	129	129	129	129	129	129	129	129	129	129
Level 6 - General labor	12	12	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Total work force	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367	367
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	720	890	1060	1230	1400	1570	1740	1910	2080	2250	2420	2590	2760	2930	3100
Level 3 - Foremen, equipment operators, clerical staff	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/doctors	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kwh ('000)	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	3,656,4	3,656,4	3,656,4	3,656,4	3,656,4	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
Total investments:																
Quays and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Reach stackers	600	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Forklifts	1,360	1,360	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Maif trailers, tractors/tugmasers, other equipment	715	715	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025	1,025
Total investments	21,285	21,285	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525	26,525
Depreciation calculation:																
Quays and infrastructure - 25 years depr.	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	507	507	507	507	507	507	507	507	507	507	507	507	507	507
Forklifts, stackers - 8 years depr.	245	245	611	611	611	611	611	611	611	611	611	611	611	611	611	611

**Table 4 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD) . - Most likely scenario analysis.**

(INVESTMENT)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	146	146	146	146	146	168	168	168	168	168	168	168	168	168
Total depreciation	1,274	1,274	1,818	1,818	1,818	1,818	1,818	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
Tax depreciation - new projects:																
Total tax depreciation - new assets - 4.876%	1,038	1,038	1,293	1,293	1,293	1,293	1,293	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Maintenance costs - new investments																
Quaywalls etc - 1%	118	118	118	118	118	118	118	268	268	268	268	268	268	268	268	268
Buildings and utilities etc. - 4%	50	50	50	50	50	50	50	119	119	119	119	119	119	119	119	119
Mobile cranes, forklifts, reachstackers - 10%	196	196	489	489	489	489	489	609	609	609	609	609	609	609	609	609
Gantry cranes - 6%	336	336	456	456	456	456	456	600	600	600	600	600	600	600	600	600
Tractors, tugmasters, trailers etc - 4%	29	29	41	41	41	41	41	47	47	47	47	47	47	47	47	47
Total maintenance and repair	728	728	1,153	1,153	1,153	1,153	1,153	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
Investments - phase 1																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285
Cumulative total																
Investments - phase 2																
Quaywalls and structures								15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044
Buildings and utilities etc								1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737
Mobile cranes								0	0	0	0	0	0	0	0	0
Gantry and other cranes								2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Reach stackers								0	0	0	0	0	0	0	0	0
Forklifts								0	0	0	0	0	0	0	0	0
Mafi trailers, tractors/tugmasters, other equipment								1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Total	0	0	0	0	0	0	0	15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044
Cumulative total	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531
Investments - phase 1 - Stage 2																
Quaywalls and structures								0	0	0	0	0	0	0	0	0
Buildings and utilities etc								0	0	0	0	0	0	0	0	0
Mobile cranes								0	0	0	0	0	0	0	0	0
Gantry cranes								2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reach stackers								600	600	600	600	600	600	600	600	600
Forklifts								2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330
Mafi trailers, tractors/tugmasters, other equipment								310	310	310	310	310	310	310	310	310
Total	0	0	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240
Cumulative total	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240
Renewal investments:																
Phase 1:																
Reach stackers, forklifts								1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960	1,960
Tractors/tugmasters, trailers etc								715	715	715	715	715	715	715	715	715
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Renewal investments total:	0	0	0	0	0	0	0	715	1,960	310	2,930	0	0	0	865	1,200
Cumulative reinvestments	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980	7,980
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015

**Table 5 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis.**  
(IN VANAL..PES)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues:																
Car go handling charges:	491	530	569	608	647	686	700	714	728	742	756	771	786	802	817	832
Bulk cargoes	682	808	938	1,072	1,211	1,354	1,505	1,661	1,823	1,989	2,160	2,340	2,524	2,714	2,909	3,110
Neobulk cargoes	930	1,060	1,195	1,336	1,482	1,633	1,796	1,965	2,140	2,321	2,508	2,709	2,918	3,133	3,355	3,584
General cargoes	238	248	250	243	228	203	228	253	280	307	336	365	396	427	460	493
Total	1,849	2,116	2,383	2,652	2,920	3,190	3,529	3,890	4,242	4,617	5,004	5,414	5,838	6,274	6,724	7,187
Container yard handling:																
Container handling, CY and seaborne	3,263	3,408	3,557	3,709	3,864	4,023	4,153	4,285	4,419	4,556	4,694	4,905	5,120	5,340	5,564	5,793
Stuffing/stripping in CFS - 20 ft. containers	494	525	557	588	619	649	674	698	721	744	767	791	815	839	863	887
Stuffing/stripping in CFS - 40 ft. containers	93	131	173	220	270	325	369	416	466	519	574	613	653	694	736	779
Total	3,849	4,065	4,287	4,517	4,753	4,997	5,196	5,400	5,607	5,818	6,033	6,264	6,484	6,709	6,940	7,171
Total revenues	6,189	6,710	7,239	7,776	8,321	8,873	9,425	9,993	10,577	11,177	11,793	12,749	13,744	14,777	15,848	16,957
Operating Costs:																
Direct costs:																
Labor:																
Direct wages	1,505	1,976	2,447	2,918	3,389	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,125	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,643	5,288	5,934	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	728	728	728	728	728	728	728	728	728	728	728	728	728	728	728	728
Total direct	2,867	3,512	4,159	4,803	5,448	6,283	6,928	7,574	8,219	8,864	9,510	10,155	10,800	11,446	12,091	12,736
Indirect costs:																
Depreciation - new facilities:																
Tax depreciation	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038
Add'l depreciation	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236
Total depreciation - new facilities	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106	2,106
General and administrative costs:																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - mgmt	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISFB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
Total costs and expenses	5,268	5,952	6,635	7,318	8,002	8,685	9,369	10,052	10,735	11,418	12,101	12,784	13,467	14,150	14,833	15,516
Operating income before profit taxes	920	758	604	458	319	284	249	214	179	144	109	74	39	4	-31	-67
Operating margin in % of revenues	15	11	8	6	4	3	2	1	1	1	1	1	1	1	1	1
Cash flow analysis:																
Cash received:																
Operating income before taxes	920	758	604	458	319	284	249	214	179	144	109	74	39	4	-31	-67
Add back depreciation	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
Net cash flow from operations	2,268	2,106	1,952	1,806	1,667	1,506	1,349	1,192	1,035	877	720	563	406	249	92	-134
Cash payments:																
Payments for investments:																
Investments in infrastructure and equipment	21,285	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash payments	21,285	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net cash flow - year	(19,017)	2,106	1,952	1,806	1,667	1,506	1,349	1,192	1,035	877	720	563	406	249	92	-134
Cumulative net cash flow	(19,017)	(16,911)	(14,958)	(13,153)	(11,486)	(9,980)	(8,631)	(7,439)	(6,394)	(5,497)	(4,747)	(4,140)	(3,677)	(3,358)	(3,074)	(2,818)
Net present value of cash flows - 10%	FEHLER															
Net present value of cash flows - 15%	FEHLER															

**Table 5 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis.**

(INV-ANAL-PIES)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Internal rate of return	2%															
Residual value of assets 2015	5,393															5,393
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	235	239	244	248	255	257	262	267	273	278	283	289	294	300	305	311
Neobulk cargo tons	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
General cargo tons	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
Containers - CY 20 ft.	17,400	16,816	16,233	15,649	15,066	14,482	14,146	13,810	13,473	13,137	12,801	13,137	13,474	13,810	14,147	14,483
Containers - CY 40 ft.	4,350	5,411	6,472	7,533	8,594	9,655	10,284	10,913	11,543	12,172	12,801	13,137	13,474	13,810	14,147	14,483
No. of 20 ft. containers - stripped or stuffed	2,469	2,462	2,455	2,449	2,442	2,435	2,407	2,379	2,352	2,326	2,296	3,019	3,742	4,466	5,189	5,912
No. of 40 ft. containers - stripped or stuffed	0,309	0,410	0,510	0,611	0,711	0,812	0,879	0,946	1,014	1,081	1,148	1,178	1,208	1,239	1,269	1,299
No. of vessels arriving	158	171	183	196	209	221	226	230	235	239	244	249	254	259	264	269
<b>Handling charges:</b>																
Dry bulk per ton	2,00	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
<b>Vessel dues - average per vessel call:</b>	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
<b>Operating and cost assumptions:</b>																
<b>Number of port workers:</b>																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, clerical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/dockers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
<b>Monthly wages - all inclusive:</b>																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	770	890	1010	1130	1250	1370	1490	1610	1730	1850	1970	2090	2210	2330	2450
Level 3 - Foremen, equipment operators, clerical staff	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors, etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kwh ('000)	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
<b>Total investments:</b>																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Marf trailers, tractors/lugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total investments	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285
<b>Depreciation calculation:</b>																
Quaywalls and infrastructure - 25 years depr.	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471
Building and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373
Forklifts, stackers - 8 years depr.	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245

**Table 5 - Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis.**

(INYNAL PES)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tractors, tugmasters, trailers etc - 7 years depre.	102	102	102	102	102	122	122	122	122	122	122	122	122	122	122	122
Total depreciation	1,274	1,274	1,274	1,274	1,274	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516
Tax depreciation - new projects:																
Total tax depreciation - new assets 4.876%	1,038	1,038	1,038	1,038	1,038	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154
<b>Maintenance costs - new investments</b>																
Quaywalls etc - 1%	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118
Buildings and utilities etc. - 4%	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mobile cranes, forklifts, reachstackers - 10%	196	196	196	196	196	320	320	320	320	320	320	320	320	320	320	320
Gantry cranes - 6%	336	336	336	336	336	396	396	396	396	396	396	396	396	396	396	396
Tractors, tugmasters, trailers etc - 4%	29	29	29	29	29	34	34	34	34	34	34	34	34	34	34	34
Total maintenance and repair	728	728	728	728	728	918	918	918	918	918	918	918	918	918	918	918
<b>Investments - phase 1</b>																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285
Cumulative total	21,285															
<b>Investments - phase 2</b>																
Quaywalls and structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reach stackers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Forklifts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mafi trailers, tractors/tugmasters, other equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	0															
<b>Investments - phase 1 - Stage 2</b>																
Quaywalls and structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640
Mafi trailers, tractors/tugmasters, other equipment	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140
Total	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Cumulative total	2,380															
<b>Renewal investments:</b>																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Renewal investments total:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative reinvestment	4,770															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investment payments	21,285							0								

Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis. Sensitivity analysis with reduced investment of USD 1.5 mill and 5% increase in revenues.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues, all inclusive	515	556	597	638	679	720	735	749	764	779	793	810	826	842	858	874
<b>Cargo handling charges:</b>																
Bulk cargoes	716	848	985	1,126	1,271	1,421	1,580	1,745	1,914	2,089	2,268	2,457	2,650	2,850	3,055	3,266
Neobulk cargoes	977	1,113	1,255	1,403	1,556	1,715	1,886	2,063	2,247	2,437	2,633	2,845	3,063	3,289	3,523	3,763
General cargoes	249	261	263	256	239	213	239	266	294	323	353	384	416	449	483	518
Total	1,941	2,222	2,503	2,784	3,066	3,350	3,705	4,074	4,454	4,848	5,254	5,685	6,129	6,588	7,060	7,546
<b>Container yard handling:</b>																
Container handling, CY and seaborne	3,426	3,579	3,735	3,895	4,058	4,224	4,361	4,500	4,640	4,783	4,928	5,150	5,376	5,607	5,843	6,083
Stuffing/stripping in CFS - 20 ft. containers	518	552	584	617	650	682	708	733	757	781	804	1,099	1,415	1,751	2,107	2,483
Stuffing/stripping in CFS - 40 ft. containers	97	138	182	231	284	341	388	437	490	545	603	643	685	728	773	818
Total	4,041	4,268	4,501	4,743	4,991	5,247	5,456	5,677	5,887	6,100	6,335	6,892	7,476	8,086	8,722	9,384
<b>Total revenues</b>	<b>6,498</b>	<b>7,046</b>	<b>7,601</b>	<b>8,165</b>	<b>8,737</b>	<b>9,317</b>	<b>9,896</b>	<b>10,493</b>	<b>11,106</b>	<b>11,736</b>	<b>12,382</b>	<b>13,387</b>	<b>14,431</b>	<b>15,515</b>	<b>16,640</b>	<b>17,805</b>
<b>Operating Costs:</b>																
<b>Direct costs:</b>																
Labor:																
Direct wages	1,505	1,976	2,447	2,918	3,389	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,125	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,643	5,288	5,934	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	713	713	713	713	713	903	903	903	903	903	903	903	903	903	903	903
Total direct	2,852	3,497	4,143	4,788	5,433	6,268	6,913	7,559	8,204	8,849	9,495	10,140	10,785	11,431	12,076	12,721
<b>Indirect costs:</b>																
Depreciation - new facilities:																
Tax depreciation	965	965	965	965	965	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081
Add'l depreciation	249	249	249	249	249	375	375	375	375	375	375	375	375	375	375	375
Total depreciation - new facilities	1,214	1,214	1,214	1,214	1,214	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	385	385	385	385	385	385	385	385	385	385	385
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	2,046	2,046	2,046	2,046	2,046	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328
<b>General and administrative costs:</b>																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - mgmt	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
<b>Total costs and expenses</b>	<b>5,193</b>	<b>5,877</b>	<b>6,560</b>	<b>7,243</b>	<b>7,927</b>	<b>8,610</b>	<b>9,294</b>	<b>9,978</b>	<b>10,662</b>	<b>11,346</b>	<b>12,030</b>	<b>12,714</b>	<b>13,400</b>	<b>14,084</b>	<b>14,768</b>	<b>15,452</b>
<b>Operating income before profit taxes</b>	<b>1,305</b>	<b>1,169</b>	<b>1,041</b>	<b>921</b>	<b>810</b>	<b>725</b>	<b>661</b>	<b>599</b>	<b>542</b>	<b>489</b>	<b>437</b>	<b>387</b>	<b>337</b>	<b>287</b>	<b>237</b>	<b>187</b>
<b>Cash flow analysis:</b>																
Cash received:																
Operating income before taxes	1,305	1,169	1,041	921	810	725	661	599	542	489	437	387	337	287	237	187
Add back depreciation	1,288	1,288	1,288	1,288	1,288	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Net cash flow from operations	2,593	2,457	2,329	2,210	2,098	1,765	1,661	1,574	1,504	1,450	1,414	1,375	1,296	1,249	1,198	1,149
<b>Cash payments:</b>																
Payments for investments:																
Investments in infrastructure and equipment	19,785	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	0	0
Total cash payments	19,785	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	0	0
<b>Net cash flow - year</b>	<b>(17,193)</b>	<b>2,457</b>	<b>2,329</b>	<b>2,210</b>	<b>2,098</b>	<b>1,765</b>	<b>1,661</b>	<b>859</b>	<b>(456)</b>	<b>1,450</b>	<b>1,414</b>	<b>1,735</b>	<b>1,956</b>	<b>1,257</b>	<b>2,223</b>	<b>3,419</b>
<b>Cumulative net cash flow</b>	<b>(17,193)</b>	<b>(14,736)</b>	<b>(12,406)</b>	<b>(10,197)</b>	<b>(8,099)</b>	<b>(6,334)</b>	<b>(4,673)</b>	<b>(3,814)</b>	<b>(4,270)</b>	<b>(2,820)</b>	<b>(1,406)</b>	<b>329</b>	<b>2,284</b>	<b>3,541</b>	<b>5,764</b>	<b>9,183</b>
Net present value of cash flows - 10%	FEHLER															
Net present value of cash flows - 15%	FEHLER															

Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis. Sensitivity analysis with reduced investment of USD 1.5 mill and 5% increase in revenues.

Table 6 - (invariant part)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Internal rate of return	8%															
Residual value of assets 2015	4.853															4.853
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	235	239	244	248	253	257	262	267	273	278	283	289	294	300	305	311
Neobulk cargo tons	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
General cargo tons	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
Containers - CY 20 ft.	17,400	16,816	16,233	15,649	15,066	14,482	14,146	13,810	13,473	13,137	12,801	13,137	13,474	13,810	14,147	14,483
Containers - CY 40 ft.	4,350	4,411	4,472	4,533	4,594	4,655	4,716	4,777	4,838	4,899	4,960	5,021	5,082	5,143	5,204	5,265
No. of 20 ft. containers - stripped or stuffed	2,469	2,462	2,455	2,449	2,442	2,435	2,427	2,420	2,413	2,406	2,399	3,019	3,742	4,466	5,189	5,912
No. of 40 ft. containers - stripped or stuffed	0,309	0,410	0,510	0,611	0,711	0,812	0,919	0,946	1,014	1,081	1,148	1,218	1,298	1,369	1,441	1,512
No. of vessels arriving	158	171	183	196	209	221	226	230	235	239	244	249	254	259	264	269
Handling charges:																
Dry bulk per ton	3,05	3,54	4,04	4,54	5,03	5,53	6,03	6,52	7,02	7,52	8,02	8,51	9,01	9,51	10,00	10,50
Neobulk per ton	6,30	7,00	7,70	8,40	9,10	9,80	10,50	11,20	11,90	12,60	13,30	14,00	14,70	15,40	16,10	16,80
General cargo per ton	4,99	5,85	6,70	7,56	8,42	9,28	10,13	10,99	11,85	12,71	13,56	14,42	15,28	16,14	16,99	17,85
Containers per 20ft.	157,50	161,00	164,50	168,00	171,50	175,00	178,50	182,00	185,50	189,00	192,50	196,00	199,50	203,00	206,50	210,00
Containers per 40ft.	157,50	161,00	164,50	168,00	171,50	175,00	178,50	182,00	185,50	189,00	192,50	196,00	199,50	203,00	206,50	210,00
Container stuffing/stripping charge per 20 ft.	210,00	224,00	238,00	252,00	266,00	280,00	294,00	308,00	322,00	336,00	350,00	364,00	378,00	392,00	406,00	420,00
Container stuffing/stripping charge per 40 ft.	315,00	336,00	357,00	378,00	399,00	420,00	441,00	462,00	483,00	504,00	525,00	546,00	567,00	588,00	609,00	630,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255
Operating and cost assumptions:																
Number of port workers:																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, clerical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/dockers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	720	890	1060	1230	1400	1570	1740	1910	2080	2250	2420	2590	2760	2930	3100
Level 3 - Foremen, equipment operators, clerical staff	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kWh ('000)	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368
Avg. cost per kWh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
Total investments:																
Quaywalls and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/fugmasts, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total investments	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373
Forklifts, stackers - 8 years depr.	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245



Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis. Sensitivity analysis with reduced investment of USD 1.5 mill and 5% increase in revenues.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Table 6 - (invariant.ppt)</b>																
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	102	102	102	122	122	122	122	122	122	122	122	122	122	122
Total depreciation	1,214	1,214	1,214	1,214	1,214	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Tax depreciation - new projects	965	965	965	965	965	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081
Total tax depreciation - new assets + 876%	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103
Maintenance costs - new investments	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Buildings and utilities etc. - 4%	196	196	196	196	196	320	320	320	320	320	320	320	320	320	320	320
Mobile cranes, forklifts, reachstackers - 10%	336	336	336	336	336	396	396	396	396	396	396	396	396	396	396	396
Gantry cranes - 6%	29	29	29	29	29	34	34	34	34	34	34	34	34	34	34	34
Tractors, tugmasters, trailers etc - 4%	713	713	713	713	713	903	903	903	903	903	903	903	903	903	903	903
Total maintenance and repair	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Investments - phase 1	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Quaywalls and structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Mobile cranes	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Gantry and other cranes	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Reach stackers	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Forklifts	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Mafi trailers, tractors/tugmasters, other equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Cumulative total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments - phase 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quaywalls and structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Reach stackers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Forklifts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mafi trailers, tractors/tugmasters, other equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments - phase 1 - Stage 2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Quaywalls and structures	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640	640
Mafi trailers, tractors/tugmasters, other equipment	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140	140
Total	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Cumulative total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewal investments:																
Phase 1 - Stage 1																
Reach stackers, forklifts								715							715	
Tractors/tugmasters, trailers etc																
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Renewal investments total:								715								
Cumulative reinvestments	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770	4,770
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investment payments	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785



Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis. Sensitivity with reduced investment of USD 1.5 mill. in the port facilities.

Revenues:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vessel dues, all inclusive	491	530	569	608	647	686	700	714	728	742	756	771	786	802	817	832
Cargo handling charges:																
Bulk cargoes	682	808	938	1,072	1,211	1,351	1,505	1,661	1,823	1,980	2,160	2,340	2,524	2,714	2,909	3,110
Neobulk cargoes	930	1,060	1,195	1,336	1,482	1,633	1,796	1,965	2,140	2,321	2,508	2,709	2,918	3,133	3,355	3,584
General cargoes	238	248	250	243	238	228	228	253	280	307	336	365	396	427	460	493
Total	1,849	2,116	2,383	2,652	2,920	3,190	3,529	3,880	4,242	4,617	5,004	5,414	5,838	6,274	6,724	7,187
Container yard handling:																
Container handling, CY and seaborne	3,263	3,408	3,557	3,709	3,864	4,023	4,153	4,285	4,419	4,556	4,694	4,905	5,120	5,340	5,564	5,793
Stuffing/stripping in CFS - 20 ft. containers	494	525	557	588	619	649	674	698	721	744	765	1,047	1,347	1,667	2,006	2,365
Stuffing/stripping in CFS - 40 ft. containers	93	131	173	220	270	325	374	416	466	519	574	613	653	694	736	779
Total	3,849	4,065	4,287	4,517	4,753	4,997	5,196	5,400	5,607	5,818	6,033	6,564	7,120	7,701	8,307	8,937
Total revenues	6,189	6,710	7,239	7,776	8,321	8,873	9,425	9,993	10,577	11,177	11,793	12,749	13,744	14,777	15,848	16,957
Operating Costs:																
Direct costs:																
Labor:																
Direct wages	1,505	1,976	2,447	2,918	3,380	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,125	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,634	5,288	5,933	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	713	713	713	713	713	903	903	903	903	903	903	903	903	903	903	903
Total direct	2,852	3,497	4,143	4,788	5,433	6,268	6,913	7,559	8,204	8,849	9,495	10,140	10,785	11,431	12,076	12,721
Indirect costs:																
Depreciation - new facilities:																
Tax depreciation	965	965	965	965	965	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081
Add'l depreciation	249	249	249	249	249	375	375	375	375	375	375	375	375	375	375	375
Total depreciation - new facilities	1,214	1,214	1,214	1,214	1,214	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	385	385	385	385	385	385	385	385	385	385	385
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	2,046	2,046	2,046	2,046	2,046	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328
General and administrative costs:																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - mgmt	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
Total costs and expenses	5,193	5,877	6,560	7,243	7,927	8,610	9,293	9,976	10,659	11,342	12,025	12,708	13,391	14,074	14,757	15,440
Operating income before profit taxes	995	833	679	525	394	299	(340)	(455)	(555)	(638)	(706)	(766)	(826)	(886)	(946)	(1,006)
Operating margin in % of revenues	16	12	9	7	5	(2)	(4)	(5)	(5)	(6)	(6)	(3)	(3)	(2)	(2)	(2)
Cash flow analysis:																
Cash received:																
Operating income before taxes	995	833	679	525	394	(209)	(340)	(455)	(555)	(638)	(706)	(766)	(826)	(886)	(946)	(1,006)
Add back depreciation	1,288	1,288	1,288	1,288	1,288	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Net cash flow from operations	2,283	2,121	1,967	1,821	1,682	1,321	1,190	1,074	975	802	824	1,097	1,408	1,758	2,145	2,571
Cash payments:																
Payments for investments:																
Investments in infrastructure and equipment	19,785	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	0	1,960	0	0	0	140	1,240	715	0
Total cash payments	19,785	0	0	0	0	0	0	0	1,960	0	0	0	140	1,240	715	0
Net cash flow - year	(17,502)	2,121	1,967	1,821	1,682	1,321	1,190	1,074	(885)	802	824	1,097	1,268	518	1,430	2,571
Cumulative net cash flow	(17,502)	(15,381)	(13,413)	(11,593)	(9,911)	(8,590)	(7,400)	(6,340)	(5,425)	(4,643)	(3,993)	(3,466)	(3,068)	(2,780)	(2,500)	(2,228)
Net present value of cash flows - 10%																
Net present value of cash flows - 15%																
FEHLER																
FEHLER																

Table 7 - (invariant) Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis. Sensitivity with reduced investment of USD 1.5 mill. in the port facilities.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Internal rate of return	3%															
Residual value of assets 2015	4,853															4,853
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	235	239	244	248	253	257	262	267	272	278	283	289	294	300	305	311
Neobulk cargo tons	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
General cargo tons	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
Containers - CY 20 ft.	17,400	16,816	16,233	15,649	15,066	14,482	14,146	13,810	13,473	13,137	12,801	13,137	13,474	13,810	14,147	14,483
Containers - CY 40 ft.	4,350	5,411	6,472	7,533	8,594	9,655	10,284	10,913	11,542	12,172	12,801	13,137	13,474	13,810	14,147	14,483
No. of 20 ft. containers - stripped or swiffed	2,469	2,462	2,455	2,449	2,442	2,435	2,407	2,379	2,352	2,324	2,296	3,019	3,742	4,466	5,189	5,912
No. of 40 ft. containers - stripped or swiffed	0,309	0,410	0,510	0,611	0,711	0,812	0,919	1,026	1,133	1,240	1,347	1,454	1,561	1,668	1,775	1,882
No. of vessels arriving	158	171	183	196	209	221	226	230	235	239	244	249	254	259	264	269
Handling charges:																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
<b>Operating and cost assumptions:</b>																
Number of port workers:																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, clerical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/dockers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	720	890	1060	1230	1400	1570	1740	1910	2080	2250	2420	2590	2760	2930	3100
Level 3 - Foremen, equipment operators, clerical staff	450	387	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kwh ('000)	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
<b>Total investments:</b>																
Quaywalls and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Marf trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total investments	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
<b>Depreciation calculation:</b>																
Quaywalls and infrastructure - 25 years depr.	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373
Forklifts, stackers - 8 years depr.	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245

Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis. Sensitivity with reduced investment of USD 1.5 mill. in the port facilities.

Table 7 - (invanal.pso)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	102	102	102	103	103	103	103	103	103	103	103	103	103	103
Total depreciation	1.214	1.214	1.214	1.214	1.214	1.456	1.456	1.456	1.456	1.456	1.456	1.456	1.456	1.456	1.456	1.456
Tax depreciation - new projects:																
Total tax depreciation - new assets - 4.876%	965	965	965	965	965	1.081	1.081	1.081	1.081	1.081	1.081	1.081	1.081	1.081	1.081	1.081
Maintenance costs - new investments																
Quaywalls etc - 1%	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103
Buildings and utilities etc. - 4%	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mobile cranes, forklifts, reachstackers - 10%	196	196	196	196	196	320	320	320	320	320	320	320	320	320	320	320
Gantry cranes - 6%	336	336	336	336	336	396	396	396	396	396	396	396	396	396	396	396
Tractors, tugmasters, trailers etc - 4%	29	29	29	29	29	34	34	34	34	34	34	34	34	34	34	34
Total maintenance and repair	713	713	713	713	713	903	903	903	903	903	903	903	903	903	903	903
Investments - phase 1																
Quaywalls and structures	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268	10.268
Buildings and utilities etc	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242	1.242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600	5.600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360	1.360
Marf trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785
Cumulative total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Investments - phase 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Marf trailers, tractors/tugmasters, other equipment																
Total																
Cumulative total																
Investments - phase 1 - Stage 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry cranes																
Reach stackers																
Forklifts																
Marf trailers, tractors/tugmasters, other equipment																
Total																
Cumulative total																
Renewal Investments:																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Renewal investments total:																
Cumulative reinvestments	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770	4.770
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investment payments	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785	19.785

**Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Most likely scenario analysis. General cargo terminal.**  
Table 8 - (invariant, gen)

Revenues:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vessel dues: all inclusive	751	792	834	875	917	958	1,012	1,067	1,121	1,176	1,230	1,302	1,375	1,448	1,520	1,593
Cargo handling charges:																
Bulk cargoes	1,131	1,366	1,614	1,877	2,153	2,444	2,778	3,132	3,504	3,895	4,305	4,788	5,296	5,828	6,387	6,970
Neobulk cargoes	1,860	2,207	2,981	2,984	3,419	3,873	4,430	5,024	5,655	6,324	7,030	7,901	8,823	9,794	10,816	11,888
General cargoes	238	253	260	261	253	239	278	320	369	414	465	527	594	664	738	816
Total	3,229	3,825	4,456	5,121	5,821	6,556	7,486	8,476	9,525	10,633	11,800	13,216	14,712	16,287	17,941	19,674
Total revenues	3,979	4,617	5,290	5,996	6,738	7,513	8,498	9,543	10,646	11,808	13,030	14,519	16,087	17,734	19,461	21,267
Operating Costs:																
Direct costs:																
Labor:																
Direct wages	1,151	1,513	1,875	2,238	2,600	2,962	3,324	4,551	4,998	5,445	5,892	6,339	6,786	7,233	7,680	8,126
Contribution pension and unemployment fund	426	560	694	828	962	1,096	1,230	1,684	1,849	2,015	2,180	2,345	2,511	2,676	2,841	3,007
Total labor	1,577	2,073	2,569	3,066	3,561	4,057	4,553	6,235	6,848	7,460	8,072	8,684	9,296	9,909	10,521	11,133
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	349	349	349	349	349	349	349	349	349	349	349	349	349	349	349	349
Total direct	426	426	426	426	426	426	426	426	426	426	426	426	426	426	426	426
Indirect costs:	2,003	2,499	2,995	3,491	3,987	4,483	4,979	7,151	7,763	8,376	8,988	9,600	10,212	10,825	11,437	12,049
Depreciation - new facilities:																
Tax depreciation	586	586	586	586	586	586	586	586	586	586	586	586	586	586	586	586
Add'l depreciation	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
Total depreciation - new facilities	629	629	629	629	629	629	629	629	629	629	629	629	629	629	629	629
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215	215
Other indirect costs	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
Total indirect costs	1,307	1,307	1,307	1,307	1,307	1,307	1,307	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628	2,628
General and administrative costs:																
Management wages	45	59	73	87	101	114	128	184	202	220	238	256	274	292	310	328
Contribution pension and unemployment fund - m	17	22	27	32	37	42	47	68	75	81	88	95	101	108	115	121
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
Total G & A	150	199	257	315	373	431	489	661	736	811	886	961	1,036	1,111	1,186	1,261
Total costs and expenses	3,460	3,975	4,490	5,005	5,520	6,035	6,550	10,120	10,757	11,394	12,030	12,667	13,304	13,941	14,578	15,215
Operating income before profit taxes	519	642	799	991	1,217	1,478	1,948	(577)	(111)	415	1,000	1,852	2,783	3,793	4,883	6,052
Cash flow analysis:																
Cash received:																
Operating income before taxes	519	642	799	991	1,217	1,478	1,948	(577)	(111)	415	1,000	1,852	2,783	3,793	4,883	6,052
Add back depreciation	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704	704
Net cash flow from operations	1,223	1,345	1,503	1,694	1,921	2,182	2,651	1,175	1,642	2,167	2,752	3,604	4,536	5,546	6,637	7,805
Payments for investments:																
Investments in infrastructure and equipment	12,015	0	0	0	0	0	0	20,531	0	0	0	0	0	0	0	0
Renewal investments - equipment	12,015	0	0	0	0	0	0	115	230	0	0	0	0	0	0	0
Total cash payments	(10,792)	(9,447)	(7,944)	(6,250)	(4,329)	(2,147)	(504)	(18,967)	(17,555)	(15,388)	(12,636)	(9,031)	(4,496)	(1,050)	(7,421)	(14,026)
Cumulative net cash flow	1,345	1,345	1,503	1,694	1,921	2,182	2,651	(18,471)	1,412	2,167	2,752	3,604	4,536	5,546	6,371	6,605
Net present value of cash flows - 10%	FEHLER	(9,447)	(7,944)	(6,250)	(4,329)	(2,147)	504	(18,967)	(17,555)	(15,388)	(12,636)	(9,031)	(4,496)	1,050	7,421	14,026
Net present value of cash flows - 15%	FEHLER															
Internal rate of return	10%															
Residual value of assets 2015	14,843															
Assumptions and bases for calculations:																
Cargoes in '000 tons or '000 containers:																
Dry bulk cargo tons	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Neobulk cargo tons	390	405	420	434	449	464	484	504	524	544	564	591	617	644	670	697
General cargo tons	310	331	352	373	394	415	443	471	499	527	555	593	630	668	705	743
Containers - CY 20 ft.	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Total	24,600	24,391	24,181	23,972	23,762	23,553	23,767	23,981	24,198	24,410	24,624	26,290	27,956	29,621	31,287	32,953

**Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Most likely scenario analysis. General cargo terminal.**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Containers - CY 40 ft.	6,150	8,060	9,971	11,881	13,792	15,702	17,486	19,271	21,055	22,840	24,624	26,290	27,956	29,621	31,287	32,953
No. of 20 ft. containers - stripped or stuffed	3,630	3,630	3,713	3,795	3,878	3,961	4,052	4,143	4,235	4,326	4,417	4,716	5,015	5,314	5,613	5,912
No. of 40 ft. containers - stripped or stuffed	0,443	0,618	0,794	0,963	1,145	1,320	1,498	1,676	1,853	2,031	2,209	2,388	2,568	2,747	2,926	3,105
No. of vessels arriving	242	256	269	282	296	309	327	344	362	379	397	420	444	467	490	514
Handling charges:																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Operating and cost assumptions:																
Number of port workers:																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Level 3 - Foremen, equipment operators, clerical staff	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45	45
Level 4 - Labor A - specialized labor/dockers	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Level 5 - Labor B - general port workers	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
Level 6 - General labor	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Total work force	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5	272,5
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	720	890	1060	1230	1400	1570	1740	1910	2080	2250	2420	2590	2760	2930	3100
Level 3 - Foremen, equipment operators, clerical	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kwh [000]	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption [000 liters]	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0	1,956,0
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
Total investments:																
Quaywalls and structures	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263
Utilities etc.	807	807	807	807	807	807	807	807	807	807	807	807	807	807	807	807
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Reach stackers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Forklifts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Main trailers, tractors/tugmasters, other equipment	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230
Total investments	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	291	291	291	291	291	291	291	291	291	291	291	291	291	291	291	291
Buildings and utilities - 4% depr.	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Cranes - 15 years depr.	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240	240
Forklifts, stackers - 8 years depr.	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
Tractors, tugmasters, trailers etc - 7 years depr.	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16	16
Total depreciation	629	629	629	629	629	629	629	629	629	629	629	629	629	629	629	629
Tax depreciation - new projects:																
Total tax depreciation - new assets 4,876%	586	586	586	586	586	586	586	586	586	586	586	586	586	586	586	586
Maintenance costs - new investments																
Quaywalls etc - 1%	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73	73
Buildings and utilities etc. - 4%	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32	32
Mobile cranes, forklifts, reachstackers - 10%	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23	23
Gantry cranes - 6%	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216	216
Tractors, tugmasters, trailers etc - 4%	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Total maintenance and repair	349	349	349	349	349	349	349	349	349	349	349	349	349	349	349	349
Investments - phase I																
Quaywalls and structures	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263	7,263

**Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Most likely scenario analysis. General cargo terminal.**

Table 8 - (inval.gen)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings and utilities etc	807	807	807	807	807	807	807	807	807	807	807	807	807	807	807	807
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600	3,600
Reach stackers	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Forklifts	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230	230
Mafi trailers, tractors/tugmasters, other equipment	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115	115
Total	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015	12,015
Cumulative total	12,015															
Investments - phase 2																
Quaywalls and structures								15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044	15,044
Buildings and utilities etc								1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737	1,737
Mobile cranes								0	0	0	0	0	0	0	0	0
Gantry and other cranes								2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400	2,400
Reach stackers								0	0	0	0	0	0	0	0	0
Forklifts								1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Mafi trailers, tractors/tugmasters, other equipment								150	150	150	150	150	150	150	150	150
Total	0	0	0	0	0	0	0	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531	20,531
Cumulative total	20,531															
Investments - phase 1 - Stage 2																
Quaywalls and structures								0	0	0	0	0	0	0	0	0
Buildings and utilities etc								0	0	0	0	0	0	0	0	0
Mobile cranes								0	0	0	0	0	0	0	0	0
Gantry cranes								0	0	0	0	0	0	0	0	0
Reach stackers								0	0	0	0	0	0	0	0	0
Forklifts								0	0	0	0	0	0	0	0	0
Mafi trailers, tractors/tugmasters, other equipment								0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	0															
Renewal investments:																
Phase 1:																
Reach stackers, forklifts									230							
Tractors/tugmasters, trailers etc								115							115	
Phase 2:																
Reach stackers, forklifts																1,200
Tractors/tugmasters, trailers etc															150	
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Renewal investments total:								115	230	0	0	0	0	0	265	1,200
Cumulative reinvestments	1,810															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investment payments	12,015							20,531								

**Investment analysis model of the International Seaport of Baku (all figures in '000 USD) - Most likely scenario analysis. Container terminal.**

Table 9 - (in vac. cont)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Container yard handling:																
Container handling, CY and seaborne	4,613	4,976	5,350	5,736	6,134	6,543	7,013	7,497	7,994	8,505	9,029	9,815	10,623	11,454	12,306	13,181
Stuffing/stripping in CFS - 20 ft. containers	709	774	842	911	982	1,056	1,135	1,215	1,299	1,384	1,472	1,635	1,805	1,984	2,170	2,365
Stuffing/stripping in CFS - 40 ft. containers	133	198	270	349	435	528	629	737	853	975	1,105	1,226	1,354	1,488	1,628	1,774
<b>Total</b>	<b>5,455</b>	<b>5,948</b>	<b>6,462</b>	<b>6,996</b>	<b>7,551</b>	<b>8,127</b>	<b>8,777</b>	<b>9,450</b>	<b>10,145</b>	<b>10,864</b>	<b>11,606</b>	<b>12,676</b>	<b>13,783</b>	<b>14,926</b>	<b>16,104</b>	<b>17,320</b>
<b>Total revenues</b>	<b>5,455</b>	<b>5,948</b>	<b>6,462</b>	<b>6,996</b>	<b>7,551</b>	<b>8,127</b>	<b>8,777</b>	<b>9,450</b>	<b>10,145</b>	<b>10,864</b>	<b>11,606</b>	<b>12,676</b>	<b>13,783</b>	<b>14,926</b>	<b>16,104</b>	<b>17,320</b>
<b>Operating Costs:</b>																
<b>Direct costs:</b>																
<b>Labor:</b>																
Direct wages	418	547	1,165	1,388	1,611	1,834	2,057	2,280	2,502	2,725	2,948	3,171	3,394	3,617	3,840	4,063
Contribution pension and unemployment fund	155	202	431	513	596	678	761	843	926	1,008	1,091	1,173	1,256	1,338	1,421	1,503
<b>Total labor</b>	<b>572</b>	<b>749</b>	<b>1,596</b>	<b>1,901</b>	<b>2,207</b>	<b>2,512</b>	<b>2,817</b>	<b>3,123</b>	<b>3,428</b>	<b>3,734</b>	<b>4,039</b>	<b>4,345</b>	<b>4,650</b>	<b>4,956</b>	<b>5,261</b>	<b>5,567</b>
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	379	379	804	804	804	804	804	804	804	804	804	804	804	804	804	804
<b>Total direct</b>	<b>1,028</b>	<b>1,206</b>	<b>2,477</b>	<b>2,783</b>	<b>3,088</b>	<b>3,394</b>	<b>3,699</b>	<b>4,005</b>	<b>4,310</b>	<b>4,615</b>	<b>4,921</b>	<b>5,226</b>	<b>5,532</b>	<b>5,837</b>	<b>6,143</b>	<b>6,448</b>
<b>Indirect costs:</b>																
Depreciation - new facilities:																
Tax depreciation	449	449	705	705	705	705	705	705	705	705	705	705	705	705	705	705
Add'l depreciation	188	188	477	477	477	477	477	477	477	477	477	477	477	477	477	477
<b>Total depreciation - new facilities</b>	<b>637</b>	<b>637</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>	<b>1,181</b>
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Fuel consumption - machinery	129	129	260	260	260	260	260	260	260	260	260	260	260	260	260	260
Other indirect costs	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25	25
<b>Total indirect costs</b>	<b>866</b>	<b>866</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>	<b>1,540</b>
<b>General and administrative costs:</b>																
Management wages	58	76	105	125	145	165	185	205	225	245	265	285	305	325	345	365
Contribution pension and unemployment fund - m	22	28	39	46	54	61	68	76	83	91	98	105	113	120	128	135
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
<b>Total G &amp; A</b>	<b>168</b>	<b>193</b>	<b>232</b>	<b>260</b>	<b>287</b>	<b>315</b>	<b>342</b>	<b>369</b>	<b>397</b>	<b>424</b>	<b>452</b>	<b>479</b>	<b>506</b>	<b>534</b>	<b>561</b>	<b>589</b>
<b>Total costs and expenses</b>	<b>2,063</b>	<b>2,265</b>	<b>4,250</b>	<b>4,583</b>	<b>4,916</b>	<b>5,249</b>	<b>5,581</b>	<b>5,914</b>	<b>6,247</b>	<b>6,580</b>	<b>6,913</b>	<b>7,246</b>	<b>7,579</b>	<b>7,912</b>	<b>8,245</b>	<b>8,578</b>
<b>Operating income before profit taxes</b>	<b>3,392</b>	<b>3,683</b>	<b>2,212</b>	<b>2,413</b>	<b>2,635</b>	<b>2,878</b>	<b>3,195</b>	<b>3,520</b>	<b>3,893</b>	<b>4,285</b>	<b>4,687</b>	<b>5,089</b>	<b>5,491</b>	<b>5,893</b>	<b>6,295</b>	<b>6,697</b>
<b>Operating margin in % of revenues</b>	<b>62</b>	<b>62</b>	<b>34</b>	<b>34</b>	<b>35</b>	<b>35</b>	<b>36</b>	<b>37</b>	<b>37</b>	<b>38</b>	<b>38</b>	<b>38</b>	<b>39</b>	<b>39</b>	<b>40</b>	<b>40</b>
<b>Cash flow analysis:</b>																
Cash received:																
Operating income before taxes	3,392	3,683	2,212	2,413	2,635	2,878	3,195	3,520	3,893	4,285	4,687	5,089	5,491	5,893	6,295	6,697
Add back depreciation	712	712	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255	1,255
<b>Net cash flow from operations</b>	<b>4,104</b>	<b>4,395</b>	<b>3,467</b>	<b>3,669</b>	<b>3,891</b>	<b>4,134</b>	<b>4,451</b>	<b>4,775</b>	<b>5,148</b>	<b>5,540</b>	<b>5,943</b>	<b>6,345</b>	<b>6,748</b>	<b>7,151</b>	<b>7,554</b>	<b>7,957</b>
<b>Cash payments:</b>																
Payments for investments:																
Investments in infrastructure and equipment	9,210	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total cash payments</b>	<b>9,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net cash flow - year</b>	<b>(5,106)</b>	<b>4,395</b>	<b>3,467</b>	<b>3,669</b>	<b>3,891</b>	<b>4,134</b>	<b>4,451</b>	<b>4,775</b>	<b>5,148</b>	<b>5,540</b>	<b>5,943</b>	<b>6,345</b>	<b>6,748</b>	<b>7,151</b>	<b>7,554</b>	<b>7,957</b>
<b>Cumulative net cash flow</b>	<b>(5,106)</b>	<b>(711)</b>	<b>2,756</b>	<b>6,425</b>	<b>10,316</b>	<b>14,449</b>	<b>18,900</b>	<b>23,675</b>	<b>28,823</b>	<b>34,363</b>	<b>40,306</b>	<b>46,651</b>	<b>53,399</b>	<b>60,550</b>	<b>68,104</b>	<b>76,061</b>
<b>Net present value of cash flows - 10%</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>
<b>Net present value of cash flows - 15%</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>
<b>Internal rate of return</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>	<b>FEHLER</b>
<b>Residual value of assets 2015</b>	<b>2,686</b>															<b>2,686</b>
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	390	405	420	434	449	464	484	504	524	544	564	591	617	644	670	697
Neobulk cargo tons	310	331	352	373	394	415	443	471	499	527	555	593	630	668	705	743



Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis. Container terminal.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General cargo tons	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Containers - CY 20 ft.	24,600	24,391	24,191	23,972	23,762	23,553	23,767	23,981	24,195	24,410	24,624	26,290	27,956	29,621	31,287	32,953
Containers - CY 40 ft.	6,150	8,060	9,971	11,881	13,792	15,702	17,486	19,271	21,055	22,840	24,624	26,290	27,956	29,621	31,287	32,953
No. of 20 ft. containers - stripped or stuffed	3,547	3,630	3,713	3,795	3,878	3,961	4,052	4,143	4,235	4,326	4,417	4,508	4,599	4,690	4,781	4,872
No. of 40 ft. containers - stripped or stuffed	0,443	0,618	0,794	0,969	1,145	1,320	1,498	1,676	1,853	2,031	2,209	2,387	2,565	2,743	2,921	3,099
No. of vessels arriving	242	256	269	282	296	309	327	344	362	379	397	420	444	467	490	514
Handling charges:																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call.	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Operating and crew assumptions:																
Number of port workers:	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 1 - Top management	8	8	9	9	9	9	9	9	9	9	9	9	9	9	9	9
Level 2 - Middle management	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52	52
Level 3 - Foremen, equipment operators, clerical staff	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18	18
Level 4 - Labor A - specialized labor/dockers	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Level 5 - Labor B - general port workers	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6	6
Level 6 - General labor	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95	95
Monthly wages - all inclusive:																
Level 1 - Top management	900	1,173	1,447	1,720	1,993	2,267	2,540	2,813	3,087	3,360	3,633	3,907	4,180	4,453	4,727	5,000
Level 2 - Middle management	550	720	890	1,060	1,230	1,400	1,570	1,740	1,910	2,080	2,250	2,420	2,590	2,760	2,930	3,100
Level 3 - Foremen, equipment operators, clerical staff	450	587	723	860	997	1,133	1,270	1,407	1,543	1,680	1,817	1,953	2,090	2,227	2,363	2,500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1,000	1,120	1,240	1,360	1,480	1,600	1,720	1,840	1,960	2,080	2,200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1,067	1,153	1,240	1,327	1,413	1,500
Electricity consumption kwh ('000)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	995,2	995,2	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4	2,000,4
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
Total investments:																
Quaywalls and structures	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446	4,446
Utilities etc	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	2,000	2,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000
Reach stackers	800	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200
Forklifts	1,130	1,130	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460	3,460
Mafi. trailers, tractors/tugmasters, other equipment	540	540	850	850	850	850	850	850	850	850	850	850	850	850	850	850
Total investments	9,210	9,210	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450	14,450
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	178	178	178	178	178	178	178	178	178	178	178	178	178	178	178	178
Buildings and utilities - 15 years depr.	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33	33
Cranes - 15 years depr.	133	133	267	267	267	267	267	267	267	267	267	267	267	267	267	267
Forklifts, stackers - 8 years depr.	216	216	583	583	583	583	583	583	583	583	583	583	583	583	583	583
Tractors, tugmasters, trailers etc. - 7 years depr.	77	77	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Total depreciation	637	637	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181	1,181
Tax depreciation - new projects:																
Total tax depreciation - new assets 4.876%	449	449	705	705	705	705	705	705	705	705	705	705	705	705	705	705
Maintenance costs - new investments																
Quaywalls etc. - 1%	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44	44
Buildings and utilities etc. - 4%	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20	20



**Investment analysis model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis. Container terminal.**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Table 9 - (invyac.ont)</b>																
Mobile cranes, forklifts, reachstackers - 10%	173	173	466	466	466	466	466	466	466	466	466	466	466	466	466	466
Gantry cranes - 6%	120	120	240	240	240	240	240	240	240	240	240	240	240	240	240	240
Tractors, tugmasters, trailers etc - 4%	22	22	34	34	34	34	34	34	34	34	34	34	34	34	34	34
Total maintenance and repair	379	379	904	904	904	904	904	904	904	904	904	904	904	904	904	904
<b>Investments - phase 1</b>																
Quaywalls and structures	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446	4.446
Buildings and utilities etc	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494	494
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130	1.130
Mafi trailers, tractors/tugmasters, other equipment	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540	540
Total	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210	9.210
Cumulative total	9.210															
<b>Investments - phase 2</b>																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Mafi trailers, tractors/tugmasters, other equipment																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	0															
<b>Investments - phase 1 - Stage 2</b>																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry cranes			2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000	2.000
Reach stackers			600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts			2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330	2.330
Mafi trailers, tractors/tugmasters, other equipment			310	310	310	310	310	310	310	310	310	310	310	310	310	310
Total	0	0	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240	5.240
Cumulative total	5.240															
<b>Renewal investments:</b>																
<b>Phase 1:</b>									1.730							
Reach stackers, forklifts								540							540	
Tractors/tugmasters, trailers etc																0
<b>Phase 2:</b>																
Reach stackers, forklifts																0
Tractors/tugmasters, trailers etc																0
<b>Phase 1 - Stage 1</b>																
Reach stackers, forklifts																2.930
Tractors/tugmasters, trailers etc																310
Renewal investments total:	0	0	0	0	0	0	0	540	1.730	310	2.930	0	0	0	540	0
Cumulative reinvestments	6.050															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investment payments	9.210							0								

**Table 10 - Financial model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis.**

(financial model)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues, all inclusive	491	530	569	608	647	686	700	714	728	742	756	771	786	802	817	832
<b>Cargo handling charges:</b>																
Bulk cargoes	682	808	938	1,072	1,211	1,354	1,505	1,661	1,823	1,989	2,160	2,340	2,524	2,714	2,909	3,110
Neobulk cargoes	930	1,060	1,195	1,336	1,482	1,633	1,796	1,965	2,140	2,321	2,508	2,709	2,918	3,133	3,355	3,584
General cargoes	238	248	250	238	243	238	228	233	280	307	336	365	396	427	460	493
Total	1,849	2,116	2,383	2,652	2,970	3,190	3,529	3,880	4,242	4,617	5,004	5,414	5,838	6,274	6,724	7,187
<b>Container yard handling:</b>																
Container handling, CY and seabome	3,263	3,408	3,557	3,709	3,864	4,023	4,153	4,285	4,419	4,556	4,694	4,905	5,120	5,340	5,564	5,793
Stuffing/stripping in CFS - 20 ft. containers	494	525	557	588	619	649	674	698	721	744	765	1,047	1,347	1,667	2,006	2,365
Stuffing/stripping in CFS - 40 ft. containers	93	131	173	220	270	325	369	416	466	519	574	613	653	694	736	779
Total	3,849	4,065	4,287	4,517	4,753	4,997	5,196	5,400	5,607	5,818	6,033	6,567	7,120	7,701	8,307	8,937
<b>Total revenues</b>	<b>6,180</b>	<b>6,710</b>	<b>7,239</b>	<b>7,776</b>	<b>8,321</b>	<b>8,873</b>	<b>9,425</b>	<b>9,993</b>	<b>10,577</b>	<b>11,177</b>	<b>11,793</b>	<b>12,749</b>	<b>13,744</b>	<b>14,777</b>	<b>15,848</b>	<b>16,957</b>
<b>Operating Costs:</b>																
<b>Direct costs:</b>																
Labor:																
Direct wages	1,505	1,976	2,447	2,918	3,389	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,125	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,643	5,288	5,934	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	728	728	728	728	728	728	728	728	728	728	728	728	728	728	728	728
Total direct	2,867	3,512	4,158	4,803	5,448	6,283	6,928	7,574	8,219	8,864	9,510	10,155	10,800	11,446	12,091	12,736
<b>Indirect costs:</b>																
Depreciation - new facilities:																
Tax depreciation	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038	1,038
Add'l depreciation	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236	236
Total depreciation - new facilities	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274	1,274
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345
Interest on loans - new investments	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490	1,490
Other finance costs - new investments	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213	213
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	3,808	3,596	3,596	3,596	3,512	3,806	3,776	3,674	3,565	3,439	3,304	3,160	3,005	2,840	2,663	2,474
<b>General and administrative costs:</b>																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - mgmt	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
<b>Total costs and expenses</b>	<b>6,971</b>	<b>7,442</b>	<b>8,125</b>	<b>8,808</b>	<b>9,408</b>	<b>10,665</b>	<b>11,229</b>	<b>11,810</b>	<b>12,384</b>	<b>12,941</b>	<b>13,490</b>	<b>14,029</b>	<b>14,558</b>	<b>15,076</b>	<b>15,582</b>	<b>16,076</b>
<b>Operating income</b>	<b>(783)</b>	<b>(732)</b>	<b>(886)</b>	<b>(1,032)</b>	<b>(1,088)</b>	<b>(1,792)</b>	<b>(1,804)</b>	<b>(1,817)</b>	<b>(1,807)</b>	<b>(1,765)</b>	<b>(1,697)</b>	<b>(1,280)</b>	<b>(814)</b>	<b>(299)</b>	<b>265</b>	<b>881</b>
<b>Taxes payable:</b>																
Profit tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disability (disability) fund tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes	(783)	(732)	(886)	(1,032)	(1,088)	(1,792)	(1,804)	(1,817)	(1,807)	(1,765)	(1,697)	(1,280)	(814)	(299)	265	881
<b>Net income after taxes</b>	<b>(13)</b>	<b>(11)</b>	<b>(12)</b>	<b>(13)</b>	<b>(13)</b>	<b>(20)</b>	<b>(19)</b>	<b>(18)</b>	<b>(17)</b>	<b>(16)</b>	<b>(14)</b>	<b>(10)</b>	<b>(6)</b>	<b>(2)</b>	<b>0</b>	<b>3</b>
<b>Net profit margin in % of revenues</b>																
<b>Cash flow analysis:</b>																
Cash received:																
Net income after taxes	(783)	(732)	(886)	(1,032)	(1,088)	(1,792)	(1,804)	(1,817)	(1,807)	(1,765)	(1,697)	(1,280)	(814)	(299)	265	881
Add back depreciation	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348	1,348
Net cash flow from operations	566	616	462	316	260	(202)	(214)	(227)	(218)	(175)	(107)	310	776	1,268	1,629	2,023
Loans from EBRD	21,285	0	0	0	0	2,380	0	0	0	0	0	0	0	0	0	0
Total cash received	21,851	616	462	316	260	2,178	(214)	(227)	(218)	(175)	(107)	310	776	1,268	1,629	2,023

**Table 10 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis.**

(financial mod)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Cash payments:																
Installments - EBRD loan	0	0	0	1,190	1,273	1,362	1,458	1,560	1,802	1,928	2,063	2,207	2,362	2,527	2,704	2,890
Payments for investments	21,285	0	0	0	0	2,390	0	0	0	0	0	0	140	1,240	715	0
Renewal investments - equipment	21,285	0	0	0	0	715	1,458	2,275	3,762	1,928	2,063	2,207	2,362	3,767	3,419	1,809
Total cash payments	566	616	462	(874)	(1,013)	(1,564)	(1,672)	(2,502)	(3,979)	(2,103)	(2,170)	(1,897)	(1,726)	(2,499)	(1,790)	1,809
Net cash flow - year	566	1,182	1,644	770	(243)	(1,807)	(3,479)	(5,981)	(9,960)	(12,063)	(14,234)	(16,131)	(17,857)	(20,356)	(22,146)	(20,337)
Cumulative net cash flow																5,393
Residual value of assets 2015																
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	235	239	244	248	253	257	262	267	273	278	283	289	294	300	305	311
Seabulk cargo tons	50	45	39	34	28	23	24	24	25	25	26	27	27	28	28	29
General cargo tons	17,400	16,816	16,233	15,649	15,066	14,482	13,810	13,137	12,464	11,791	11,118	10,445	9,772	9,100	8,427	7,754
Containers - CY 20 ft.	4,350	5,411	6,472	7,533	8,594	9,655	10,716	11,777	12,838	13,899	14,960	16,021	17,082	18,143	19,204	20,265
Containers - CY 40 ft.	2,469	2,462	2,455	2,448	2,441	2,435	2,429	2,423	2,417	2,411	2,405	2,399	2,393	2,387	2,381	2,375
No. of 20 ft. containers - stripped or stuffed	0,309	0,410	0,510	0,611	0,711	0,812	0,913	1,014	1,115	1,216	1,317	1,418	1,519	1,620	1,721	1,822
No. of 40 ft. containers - stripped or stuffed	158	171	183	196	209	221	236	250	265	279	294	309	324	339	354	369
<b>Handling charges:</b>																
Dry bulk per ton	2,900	3,377	3,854	4,332	4,799	5,277	5,774	6,291	6,828	7,385	7,963	8,562	9,182	9,823	10,485	11,168
Seabulk per ton	6,000	6,677	7,333	8,000	8,677	9,333	10,000	10,677	11,333	12,000	12,677	13,333	14,000	14,677	15,333	16,000
General cargo per ton	4,750	5,577	6,388	7,200	8,022	8,833	9,655	10,477	11,288	12,100	12,922	13,733	14,555	15,377	16,188	17,000
Containers per 20ft.	150,000	153,333	156,667	160,000	163,333	166,667	170,000	173,333	176,667	180,000	183,333	186,667	190,000	193,333	196,667	200,000
Containers per 40ft.	150,000	153,333	156,667	160,000	163,333	166,667	170,000	173,333	176,667	180,000	183,333	186,667	190,000	193,333	196,667	200,000
Container stuffing/stripping charge per 20 ft.	200,000	213,333	226,667	240,000	253,333	266,667	280,000	293,333	306,667	320,000	333,333	346,667	360,000	373,333	386,667	400,000
Container stuffing/stripping charge per 40 ft.	300,000	320,000	340,000	360,000	380,000	400,000	420,000	440,000	460,000	480,000	500,000	520,000	540,000	560,000	580,000	600,000
<b>Vessel dues - average per vessel call</b>	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
<b>Operating and cost assumptions:</b>																
<b>Number of port workers:</b>																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, electrical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/dockers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Monthly wages - all inclusive:																
Level 1 - Top management	900	1,173	1,447	1,720	1,993	2,267	2,540	2,813	3,087	3,360	3,633	3,907	4,180	4,453	4,727	5,000
Level 2 - Middle management	550	720	890	1,060	1,230	1,400	1,570	1,740	1,910	2,080	2,250	2,420	2,590	2,760	2,930	3,100
Level 3 - Foremen, equipment operators, electrical staff	450	587	723	860	997	1,133	1,270	1,407	1,543	1,680	1,817	1,953	2,090	2,227	2,363	2,500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1,000	1,120	1,240	1,360	1,480	1,600	1,720	1,840	1,960	2,080	2,200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1,067	1,153	1,240	1,327	1,413	1,500
Electricity consumption kWh ('000)	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368	10,368
Avg. cost per kWh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
<b>Total investments:</b>																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobility cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Main trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715

**Table 10 - Financial model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis.**

(financial mod)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total investments	21,285	21,285	21,285	21,285	21,285	23,665	23,665	23,665	23,665	23,665	23,665	23,665	23,665	23,665	23,665	23,665
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471	471
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	440	440	440	440	440	440	440	440	440	440	440
Forklifts, stackers - 8 years depr.	245	245	245	245	245	400	400	400	400	400	400	400	400	400	400	400
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	102	102	102	122	122	122	122	122	122	122	122	122	122	122
Total depreciation	1,274	1,274	1,274	1,274	1,274	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516	1,516
Tax depreciation - new projects:																
Total tax depreciation - new assets - 4.876%	1,038	1,038	1,038	1,038	1,038	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154	1,154
Maintenance costs - new investments																
Quaywalls etc - 1%	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118	118
Buildings and utilities etc - 4%	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mobile cranes, forklifts, reachstackers - 10%	196	196	196	196	196	320	320	320	320	320	320	320	320	320	320	320
Gantry cranes - 6%	336	336	336	336	336	396	396	396	396	396	396	396	396	396	396	396
Tractors, tugmasters, trailers etc - 4%	29	29	29	29	29	34	34	34	34	34	34	34	34	34	34	34
Total maintenance and repair	728	728	728	728	728	918	918	918	918	918	918	918	918	918	918	918
Financing costs - Phase 1 - Stage 1																
Front end fee - 1% of investment sum	213															
Commitment fee - 0.5% pa of unused loan	1,490	1,490	1,490	1,490	1,407	1,318	1,222	1,120	1,011	894	769	635	492	339	175	
Interest - LIBOR + 1% (LIBOR = 6%)				1,190	1,273	1,362	1,458	1,560	1,669	1,786	1,911	2,044	2,188	2,341	2,505	
Installments: 3 year grace period - 12 years payback																
Loan amount	21,285															
Financing costs - Phase 2																
Front end fee - 1% of investment sum																
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	2,380															
Investments - phase 1 - Stage 1																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Maff trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285
Cumulative total																
Investments - phase 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Maff trailers, tractors/tugmasters, other equipment																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total																
Investments - phase 1 - Stage 2																
Quaywalls and structures																

**Table 10 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis.**

(financi.mod)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings and utilities etc						0	0	0	0	0	0	0	0	0	0	0
Mobile cranes						0	0	0	0	0	0	0	0	0	0	0
Gantry cranes						1,000	1,000	1,000	1,040	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reach stackers						600	600	640	640	600	600	600	600	600	600	600
Forklifts						640	640	640	640	640	640	640	640	640	640	640
Maff trailers, tractors/lugmasters, other equipment						140	140	140	140	140	140	140	140	140	140	140
Total	0	0	0	0	0	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Cumulative total	2,380															
Renewal investments:																
Phase 1 - Stage 1									1,960							
Reach stackers, forklifts								715							715	
Tractors/lugmasters, trailers etc																
Phase 2:																
Reach stackers, forklifts																0
Tractors/lugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts														1,240		
Tractors/lugmasters, trailers etc													140			
Renewal investments total:	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	715	0
Cumulative reinvestments	4,770															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loan payments	21,285					2,380	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015

Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment of USD 1.5 mill. and 5% increased revenues.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:																
Vessel dues:																
Vessel dues, all inclusive	515	556	597	638	679	720	735	749	764	779	793	810	826	842	858	874
Cargo handling charges:																
Bulk cargoes	716	848	985	1,126	1,271	1,421	1,580	1,745	1,914	2,089	2,268	2,457	2,650	2,850	3,055	3,266
Neobulk cargoes	977	1,113	1,255	1,403	1,556	1,715	1,886	2,063	2,247	2,437	2,633	2,845	3,063	3,289	3,523	3,763
General cargoes	249	261	263	256	239	213	239	296	294	323	353	349	416	449	463	518
Total	1,941	2,222	2,503	2,784	3,066	3,350	3,705	4,074	4,454	4,848	5,254	5,685	6,129	6,588	7,060	7,546
Container yard handling:																
Container handling, CY and seaborne	3,426	3,579	3,735	3,895	4,058	4,224	4,361	4,500	4,640	4,783	4,928	5,150	5,376	5,607	5,843	6,083
Stuffing/stripping in CFS - 20 ft. containers	518	552	584	617	650	682	708	733	757	781	804	1,099	1,415	1,751	2,107	2,483
Stuffing/stripping in CFS - 40 ft. containers	97	138	182	231	284	338	388	437	490	545	603	643	685	728	773	818
Total	4,041	4,268	4,501	4,743	4,991	5,247	5,456	5,670	5,887	6,109	6,335	6,892	7,476	8,086	8,722	9,384
Total Revenues	6,498	7,046	7,601	8,165	8,737	9,317	9,896	10,493	11,106	11,736	12,362	13,387	14,431	15,515	16,640	17,805
Operating Costs:																
Direct costs:																
Labour:																
Direct wages	1,505	1,976	2,447	2,918	3,389	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,126	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,643	5,288	5,933	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	713	713	713	713	713	713	713	713	713	713	713	713	713	713	713	713
Total direct	2,852	3,497	4,143	4,788	5,433	6,078	6,723	7,368	8,013	8,658	9,303	9,948	10,593	11,238	11,883	12,528
Indirect costs:																
Depreciation - new facilities:																
Tax depreciation	965	965	965	965	965	965	965	965	965	965	965	965	965	965	965	965
Add'l depreciation	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249	249
Total depreciation - new facilities	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345	345
Interest on loans - new investments	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385	1,385
Other finance costs - new investments	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198	198
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	3,628	3,431	3,431	3,431	3,353	3,743	3,630	3,535	3,434	3,316	3,190	3,065	2,910	2,756	2,601	2,446
General and administrative costs:																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - m	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
Total costs and expenses	6,776	7,262	7,945	8,628	9,234	10,497	11,068	11,856	12,238	12,803	13,361	13,909	14,448	14,977	15,495	16,001
Operating income	(278)	(216)	(344)	(463)	(498)	(1,180)	(1,171)	(1,163)	(1,132)	(1,068)	(978)	(522)	(17)	539	1,145	1,803
Taxes payable:																
Profit tax	0	12	0	0	0	0	0	0	0	0	0	0	125	320	532	762
Disability (disability) fund tax	0	0	0	0	0	0	0	0	0	0	0	0	4	9	15	22
Total taxes	0	12	0	0	0	0	0	0	0	0	0	0	129	329	547	784
Net income after taxes	(278)	(228)	(344)	(463)	(498)	(1,180)	(1,171)	(1,163)	(1,132)	(1,068)	(978)	(522)	(146)	210	598	1,019
Net profit margin in % of revenues	(4)	(3)	(5)	(6)	(6)	(13)	(12)	(11)	(10)	(9)	(8)	(4)	(1)	1	4	6
Cash flow analysis:																
Cash received:																
Net income after taxes	(278)	(228)	(344)	(463)	(498)	(1,180)	(1,171)	(1,163)	(1,132)	(1,068)	(978)	(522)	(146)	210	598	1,019
Add back depreciation	1,288	1,288	1,288	1,288	1,288	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Net cash flow from operations	1,010	1,060	944	825	790	350	358	366	398	462	551	1,007	1,384	1,739	2,128	2,549
Loans from EBRD	19,785	0	0	0	0	2,380	0	0	0	0	0	0	0	0	0	0
Total cash received	20,795	1,060	944	825	790	2,730	358	366	398	462	551	1,007	1,384	1,739	2,128	2,549

Table 11 - (financial) - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment of USD 1.5 mill. and 5% increased revenues.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Cash payments:</b>																
Installments - EBRD loan	0	0	0	1,106	1,183	1,266	1,355	1,450	1,684	1,802	1,928	2,063	2,208	2,362	2,528	214
Payments for investments	19,785	0	0	0	0	2,380	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	715	0
Total cash payments	19,785	0	0	1,106	1,183	3,646	1,355	2,165	3,644	1,802	1,928	2,063	2,348	3,602	3,243	214
Net cash flow - year	1,010	1,060	944	(281)	(393)	(917)	(957)	(1,799)	(3,247)	(1,340)	(1,377)	(1,056)	(964)	(1,863)	(1,115)	2,335
Cumulative net cash flow	1,010	2,070	3,014	2,733	2,340	1,423	426	(1,372)	(4,619)	(5,959)	(7,336)	(8,392)	(9,356)	(11,219)	(12,334)	(9,999)
Residual value of assets 2015	4,853															4,853
<b>Assumptions and bases for calculations:</b>																
<b>Cargoes in '000 tons or '000 containers:</b>																
Dry bulk cargo tons	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Neobulk cargo tons	235	239	244	248	253	257	262	267	273	278	283	289	294	300	305	311
General cargo tons	155	159	163	167	171	175	180	184	189	193	198	203	208	214	219	224
Containers - CY 20 ft.	50	45	39	34	28	23	24	24	24	25	26	27	27	28	28	29
Containers - CY 40 ft.	17,400	16,816	16,233	15,649	15,066	14,482	14,146	13,810	13,473	13,137	12,801	13,137	13,474	13,810	14,147	14,483
No. of 20 ft. containers - stripped or stuffed	4,350	5,411	6,472	7,533	8,594	9,655	10,784	10,913	11,543	12,172	12,801	13,137	13,474	13,810	14,147	14,483
No. of 40 ft. containers - stripped or stuffed	2,469	2,462	2,455	2,449	2,442	2,435	2,407	2,379	2,352	2,324	2,296	3,019	3,742	4,466	5,189	5,912
No. of vessels arriving	0,309	0,410	0,510	0,611	0,711	0,812	0,879	0,946	1,014	1,081	1,148	1,178	1,208	1,239	1,269	1,299
Handling charges:	158	171	183	196	209	221	226	230	235	239	244	249	254	259	264	269
Dry bulk per ton	3,05	3,54	4,04	4,54	5,03	5,53	6,03	6,52	7,02	7,52	8,02	8,51	9,01	9,51	10,00	10,50
Neobulk per ton	6,30	7,00	7,70	8,40	9,10	9,80	10,50	11,20	11,90	12,60	13,30	14,00	14,70	15,40	16,10	16,80
General cargo per ton	4,99	5,85	6,70	7,56	8,42	9,28	10,13	10,99	11,85	12,71	13,56	14,42	15,28	16,14	16,99	17,85
Containers per 20ft.	157,50	161,00	164,50	168,00	171,50	175,00	178,50	182,00	185,50	189,00	192,50	196,00	199,50	203,00	206,50	210,00
Containers per 40ft.	157,50	161,00	164,50	168,00	171,50	175,00	178,50	182,00	185,50	189,00	192,50	196,00	199,50	203,00	206,50	210,00
Container stuffing/stripping charge per 20 ft.	210,00	224,00	238,00	252,00	266,00	280,00	294,00	308,00	322,00	336,00	350,00	364,00	378,00	392,00	406,00	420,00
Container stuffing/stripping charge per 40 ft.	315,00	336,00	357,00	378,00	399,00	420,00	441,00	462,00	483,00	504,00	525,00	546,00	567,00	588,00	609,00	630,00
Vessel dues - average per vessel call	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255	3,255
<b>Operating and cost assumptions:</b>																
<b>Number of port workers:</b>																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, clerical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/dockers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	720	890	1060	1230	1400	1570	1740	1910	2080	2250	2420	2590	2760	2930	3100
Level 3 - Foremen, equipment operators, clerical	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption kwh ('000)	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368	10368
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,09	2,651,09	2,651,09	2,651,1	2,651,1	2,651,1	2,651,1	2,651,1	2,651,1	2,651,1	2,651,1
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
<b>Total investments:</b>																
Quarries and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715

Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment of USD 1.5 mill. and 5% increased revenues.

Table 11 - (financial)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total investments	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373
Forklifts, stackers - 8 years depr.	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
Total depreciation	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214
Tax depreciation - new projects:																
Total tax depreciation - new assets 4,876 %	965	965	965	965	965	965	965	965	965	965	965	965	965	965	965	965
Maintenance costs - new investments																
Quaywalls etc - 1 %	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103
Buildings and utilities etc - 4 %	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mobile cranes, forklifts, reachstackers - 10 %	196	196	196	196	196	196	196	196	196	196	196	196	196	196	196	196
Gantry cranes - 6 %	336	336	336	336	336	336	336	336	336	336	336	336	336	336	336	336
Tractors, tugmasters, trailers etc - 4 %	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
Total maintenance and repair	713	713	713	713	713	713	713	713	713	713	713	713	713	713	713	713
Financing costs - Phase 1 - Stage 1																
Front end fee - 1 % of investment sum	198															
Commitment fee - 0.5 % pa of unused loan																
Interest - LIBOR + 1% (LIBOR=6%)	1,385	1,385	1,385	1,385	1,308	1,225	1,136	1,041	940	831	715	591	458	315	163	
Installments: 3 year grace period - 12 years payback					1,106	1,266	1,355	1,450	1,551	1,660	1,776	1,900	2,033	2,176	2,328	
Loan amount	19,785															
Financing costs - Phase 2																
Front end fee - 1 % of investment sum																
Commitment fee - 0.5 % pa of unused loan																
Interest - LIBOR + 1% (LIBOR=6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	0															
Financing costs - Phase 1 - Stage 2																
Front end fee - 1 % of investment sum						24										
Commitment fee - 0.5 % pa of unused loan																
Interest - LIBOR + 1% (LIBOR=6%)																
Installments: 3 year grace period - 12 years payback						167	167	167	167	157	147	137	125	113	100	86
Loan amount	2,380															
Investments - phase 1 - Stage 1																
Quaywalls and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Cumulative total																
Investments - phase 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Mafi trailers, tractors/tugmasters, other equipment																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total																
Investments - phase 1 - Stage 2																
Quaywalls and structures																



Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment of USD 1.5 mill. and 5% increased revenues.

Table 11 - (financi.alp)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings and utilities etc						0	0	0	0	0	0	0	0	0	0	0
Mobile cranes						0	0	0	0	0	0	0	0	0	0	0
Gantry cranes						1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reach stackers						600	600	600	600	600	600	600	600	600	600	600
Forklifts						640	640	640	640	640	640	640	640	640	640	640
Mail trailers, tractors/tugmasters, other equipment						140	140	140	140	140	140	140	140	140	140	140
Total	0	0	0	0	0	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Cumulative total	2,380															
Renewal investments:																
Phase 1 - Stage 1									1,960							
Reach stackers, forklifts								715							715	
Tractors/tugmasters, trailers etc																0
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts														1,240		
Tractors/tugmasters, trailers etc													140			
Renewal investments total:	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	715	0
Cumulative reinvestments	4,770															
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loan payments	19,785					2,380		0								

Table 12 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis.

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues, all inclusive	751	792	834	875	917	958	1,012	1,067	1,121	1,176	1,230	1,302	1,375	1,448	1,520	1,593
Cargo handling charges:																
Bulk cargoes	1,131	1,366	1,614	1,877	2,153	2,444	2,778	3,132	3,504	3,895	4,305	4,788	5,296	5,829	6,387	6,970
Neobulk cargoes	1,860	2,207	2,581	2,984	3,416	3,873	4,330	5,024	5,655	6,324	7,030	7,901	8,823	9,794	10,816	11,888
General cargoes	238	253	260	261	253	239	278	320	366	414	465	527	594	664	738	816
Total	3,229	3,825	4,456	5,121	5,821	6,556	7,486	8,476	9,525	10,633	11,800	13,216	14,717	16,287	17,941	19,674
<b>Container yard handling:</b>																
Container handling, CY and seaborne	4,613	4,976	5,350	5,736	6,134	6,543	7,013	7,497	7,994	8,505	9,029	9,615	10,263	11,454	12,306	13,181
Stuffing/striping in CFS - 20 ft. containers	709	774	842	911	982	1,056	1,135	1,215	1,299	1,384	1,472	1,635	1,805	1,984	2,170	2,365
Stuffing/striping in CFS - 40 ft. containers	133	198	270	349	435	528	629	737	853	975	1,105	1,276	1,488	1,628	1,774	1,924
Total	5,455	5,948	6,462	6,996	7,551	8,127	8,777	9,450	10,145	10,864	11,606	12,676	13,783	14,926	16,104	17,320
<b>Total revenues</b>	<b>9,434</b>	<b>10,565</b>	<b>11,751</b>	<b>12,993</b>	<b>14,289</b>	<b>15,640</b>	<b>17,275</b>	<b>18,992</b>	<b>20,791</b>	<b>22,673</b>	<b>24,636</b>	<b>27,195</b>	<b>29,870</b>	<b>32,660</b>	<b>35,565</b>	<b>38,586</b>
<b>Operating Costs:</b>																
<b>Direct costs:</b>																
Labor:																
Direct wages	1,569	2,060	2,954	3,523	4,091	4,660	5,229	6,663	7,316	7,989	8,623	9,276	9,930	10,583	11,236	11,890
Contribution pension and unemployment fund	591	782	1,093	1,303	1,514	1,724	1,935	2,465	2,707	2,949	3,190	3,432	3,674	3,916	4,157	4,399
Total labor	2,160	2,842	4,048	4,826	5,605	6,384	7,163	9,128	10,023	10,938	11,813	12,708	13,603	14,499	15,394	16,289
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	728	728	1,153	1,153	1,153	1,153	1,153	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
Total direct	2,965	3,628	5,278	6,057	6,836	7,615	8,394	10,849	11,744	12,639	13,534	14,429	15,324	16,219	17,114	18,009
<b>Indirect costs:</b>																
Depreciation - new facilities:																
Tax depreciation	1,038	1,038	1,293	1,293	1,293	1,293	1,293	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Add'l depreciation	236	236	525	525	525	525	525	572	572	572	572	572	572	572	572	572
Total depreciation - new facilities	1,274	1,274	1,818	1,818	1,818	1,818	1,818	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	605	605	605	605	605	605	605	605	605
Fuel consumption - machinery	345	345	475	475	475	475	475	506	506	506	506	506	506	506	506	506
Interest on loans - new investments	1,490	1,490	1,857	1,857	1,773	1,568	1,568	2,749	2,749	2,607	2,573	2,959	2,130	1,895	1,602	1,300
Other finance costs - new investments	213	0	52	0	0	0	0	205	0	0	52	0	0	0	0	0
Total indirect costs	3,808	3,596	4,689	4,637	4,554	4,465	4,349	7,188	6,850	6,709	6,727	6,460	6,231	5,986	5,703	5,401
<b>General and administrative costs:</b>																
Management wages	103	135	178	211	245	279	313	389	427	465	503	541	579	616	654	692
Contribution pension and unemployment fund - m.	38	50	66	78	91	103	116	144	158	172	186	200	214	228	242	256
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	314	357	416	462	509	555	601	705	757	809	861	913	965	1,017	1,069	1,121
Total costs and expenses	7,077	7,581	10,393	11,156	11,898	12,634	13,344	18,742	19,351	20,156	21,122	21,802	22,521	23,222	23,887	24,531
<b>Operating income</b>	<b>2,357</b>	<b>2,984</b>	<b>1,368</b>	<b>1,836</b>	<b>2,391</b>	<b>3,006</b>	<b>3,931</b>	<b>250</b>	<b>1,440</b>	<b>2,516</b>	<b>3,514</b>	<b>5,393</b>	<b>7,349</b>	<b>9,437</b>	<b>11,679</b>	<b>14,055</b>
<b>Taxes payable:</b>																
Profit tax	908	1,127	662	826	1,020	1,236	1,560	288	704	1,081	1,430	2,088	2,773	3,503	4,288	5,120
Disability (disability) fund tax	26	32	19	24	29	35	45	8	20	31	41	60	79	100	123	146
Total taxes	934	1,159	681	850	1,049	1,271	1,604	296	725	1,112	1,471	2,147	2,852	3,604	4,410	5,266
<b>Net income after taxes</b>	<b>1,424</b>	<b>1,825</b>	<b>687</b>	<b>986</b>	<b>1,341</b>	<b>1,735</b>	<b>2,327</b>	<b>(46)</b>	<b>716</b>	<b>1,404</b>	<b>2,043</b>	<b>3,245</b>	<b>4,497</b>	<b>5,834</b>	<b>7,268</b>	<b>8,789</b>
<b>Net profit margin in % of revenues</b>	<b>15</b>	<b>17</b>	<b>6</b>	<b>8</b>	<b>9</b>	<b>11</b>	<b>13</b>	<b>(0)</b>	<b>3</b>	<b>6</b>	<b>8</b>	<b>12</b>	<b>15</b>	<b>18</b>	<b>20</b>	<b>23</b>
<b>Cash flow analysis:</b>																
<b>Cash received:</b>																
Net income after taxes	1,424	1,825	687	986	1,341	1,735	2,327	(46)	716	1,404	2,043	3,245	4,497	5,834	7,268	8,789
Add back depreciation	1,348	1,348	1,892	1,892	1,892	1,892	1,892	2,891	2,891	2,891	2,891	2,941	2,941	2,941	2,941	2,941
Net cash flow from operations	2,772	3,173	2,579	2,878	3,233	3,627	4,219	2,895	3,697	4,345	4,984	6,186	7,438	8,775	10,209	11,730

**Table 12 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis.**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>(financial)</b>																
Loans from EBRD	21,285	0	5,240	0	0	0	0	20,531	0	0	0	0	0	0	0	0
Total cash received	24,057	3,173	7,819	2,878	3,233	3,627	4,219	23,426	3,657	4,345	4,984	6,186	7,438	8,775	10,209	11,730
Cash payments:																
Installments - EBRD loan	0	0	0	1,190	1,273	1,655	1,771	1,895	2,028	2,170	3,058	3,273	3,502	4,040	4,322	1,945
Payments for investments	21,285	0	5,240	0	0	0	0	20,531	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	715	1,960	310	2,930	0	0	0	865	1,200
Total cash payments	21,285	0	5,240	1,190	1,273	1,655	1,771	23,141	3,988	2,480	5,980	3,273	3,502	4,040	5,187	3,145
Net cash flow - year	2,772	3,173	2,579	1,689	1,960	1,972	2,448	285	(331)	1,866	(1,005)	2,914	3,937	4,735	5,022	8,585
Cumulative net cash flow	2,772	5,945	8,523	10,212	12,172	14,143	16,591	16,876	16,545	18,411	17,406	20,320	24,256	28,992	34,013	42,598
Residual value of assets 2015	17,597															17,597
<b>Assumptions and bases for calculations:</b>																
Cargoes in '000 tons or '000 containers:	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	390	405	420	434	449	464	484	504	524	544	564	591	617	644	670	697
Neobulk cargo tons	310	331	352	373	394	415	443	471	499	527	555	593	630	668	705	743
General cargo tons	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Containers - CY 20 ft.	24,600	24,391	24,181	23,972	23,762	23,553	23,767	23,981	24,196	24,410	24,624	26,290	27,956	29,621	31,287	32,953
Containers - CY 40 ft.	6,150	8,060	9,971	11,881	13,792	15,702	17,486	19,271	21,055	22,840	24,624	26,290	27,956	29,621	31,287	32,953
No. of 20 ft. containers - stripped or stuffed	3,547	3,630	3,713	3,795	3,878	3,961	4,052	4,143	4,235	4,326	4,417	4,716	5,015	5,314	5,613	5,912
No. of 40 ft. containers - stripped or stuffed	0,443	0,618	0,794	0,969	1,145	1,320	1,498	1,676	1,853	2,031	2,209	2,358	2,508	2,657	2,807	2,956
No. of vessels arriving	242	256	269	282	296	309	327	344	362	379	397	420	444	467	490	514
Handling charges:																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
Operating and tow assumptions:																
Number of port workers:																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	14	14	15	15	15	15	15	17	17	17	17	17	17	17	17	17
Level 3 - Foremen, equipment operators, clerical st	97	97	135	135	135	135	135	160	160	160	160	160	160	160	160	160
Level 4 - Labor A - specialized labor/dockers	118	118	122	122	122	122	122	136	136	136	136	136	136	136	136	136
Level 5 - Labor B - general port workers	125	125	129	129	129	129	129	147	147	147	147	147	147	147	147	147
Level 6 - General labor	12	12	16	16	16	16	16	18	18	18	18	18	18	18	18	18
Total work force	367	367	367	367	367	367	367	479	479	479	479	479	479	479	479	479
Monthly wages - all inclusive:																
Level 1 - Top management	900	1,173	1,447	1,720	1,993	2,267	2,540	2,813	3,087	3,360	3,633	3,907	4,180	4,453	4,727	5,000
Level 2 - Middle management	550	720	890	1,060	1,230	1,400	1,570	1,740	1,910	2,080	2,250	2,420	2,590	2,760	2,930	3,100
Level 3 - Foremen, equipment operators, clerical	450	587	723	860	997	1,133	1,270	1,407	1,543	1,680	1,817	1,953	2,090	2,227	2,363	2,500
Level 4 - Labor A - specialized labor/dockers	400	520	640	760	880	1,000	1,120	1,240	1,360	1,480	1,600	1,720	1,840	1,960	2,080	2,200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1,000	1,100	1,200	1,300	1,400	1,500	1,600	1,700	1,800
Level 6 - General labor, janitors etc	200	287	373	460	547	633	720	807	893	980	1,067	1,153	1,240	1,327	1,413	1,500
Electricity consumption kwh ('000)	10,368	10,368	10,368	10,368	10,368	10,368	10,368	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280	17,280
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	3,656,4	3,656,4	3,656,4	3,656,4	3,656,4	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7	3,889,7
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
Total investments:																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	26,813	26,813	26,813	26,813	26,813	26,813	26,813	26,813	26,813
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	2,979	2,979	2,979	2,979	2,979	2,979	2,979	2,979	2,979
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	7,600	7,600	7,600	7,600	7,600	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
Reach stackers	600	600	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200

Table 12 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis.

(financi.all)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Forklifts	1,360	1,360	3,690	3,690	3,690	3,690	4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890	4,890
Mafi trailers, tractors/tugmasters, other equipment	715	715	1,025	1,025	1,025	1,025	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175	1,175
Total investments	21,285	21,285	26,525	26,525	26,525	26,525	47,057	47,057	47,057	47,057	47,057	47,057	47,057	47,057	47,057	47,057
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	471	471	471	471	471	471	471	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073	1,073
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	199	199	199	199	199	199	199	199	199
Cranes - 15 years depr.	373	373	507	507	507	507	507	667	667	667	667	667	667	667	667	667
Forklifts, stackers - 8 years depr.	245	245	611	611	611	611	611	761	761	761	761	761	761	761	761	761
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	146	146	146	146	146	168	168	168	168	168	168	168	168	168
Total depreciation	1,274	1,274	1,818	1,818	1,818	1,818	1,818	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867	2,867
Tax depreciation - new projects:																
Total tax depreciation - new assets 4.876%	1,038	1,038	1,293	1,293	1,293	1,293	1,293	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294	2,294
Maintenance costs - new investments																
Quaywalls etc - 1%	118	118	118	118	118	118	118	268	268	268	268	268	268	268	268	268
Buildings and utilities etc. - 4%	50	50	50	50	50	50	50	119	119	119	119	119	119	119	119	119
Mobile cranes, forklifts, reachstackers - 10%	196	196	489	489	489	489	489	609	609	609	609	609	609	609	609	609
Gantry cranes - 6%	336	336	456	456	456	456	456	600	600	600	600	600	600	600	600	600
Tractors, tugmasters, trailers etc - 4%	29	29	41	41	41	41	41	47	47	47	47	47	47	47	47	47
Total maintenance and repair	728	728	1,153	1,153	1,153	1,153	1,153	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643	1,643
Financing costs - Phase 1 - Stage 1																
Front end fee - 1% of investment sum	213															
Commitment fee - 0.5% pa of unused loan			1,490	1,490	1,407	1,318	1,222	1,120	1,011	894	769	635	492	339	175	
Interest - LIBOR + 1% (LIBOR = 6%)	1,490	1,490	1,490	1,190	1,273	1,362	1,458	1,560	1,669	1,786	1,911	2,044	2,188	2,341	2,505	
Installments: 3 year grace period - 12 years payback																
Loan amount	21,285															
Financing costs - Phase 2								205								
Front end fee - 1% of investment sum																
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	20,531															
Financing costs - Phase 1 - Stage 2																
Front end fee - 1% of investment sum			52													
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	5,240															
Investments - phase 1 - Stage 1																
Quaywalls and structures	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768	11,768
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285	21,285
Cumulative total																
Investments - phase 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Mafi trailers, tractors/tugmasters, other equipment																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	20,531															

Table 12 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Most likely scenario analysis.

(financial)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Investments - phase 1 - Stage 2																
Quaywalls and structures			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Buildings and utilities etc			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mobile cranes			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes			2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Reach stackers			600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts			2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330	2,330
Mafi trailers, tractors/tugmasters, other equipment			310	310	310	310	310	310	310	310	310	310	310	310	310	310
Total	0	0	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240	5,240
Cumulative total	5,240															
Renewal investments:																
Phase 1 - Stage 1																
Reach stackers, forklifts								715	1,960						715	
Tractors/tugmasters, trailers etc																
Phase 2:																
Reach stackers, forklifts																
Tractors/tugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts															150	
Tractors/tugmasters, trailers etc											2,930					
Renewal investments total:	0	0	0	0	0	0	0	715	1,960	310	2,930	0	0	0	865	1,200
Cumulative reinvestments	7,980	0	0	0	0	0	0	715	1,960	310	2,930	0	0	0	865	1,200
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loan payments	21,285		5,240					20,531								

Table 13 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment.

(financial)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>																
Vessel dues, all inclusive	491	530	569	608	647	686	700	714	728	742	756	771	786	802	817	832
Cargo handling charges:																
Bulk cargoes	682	808	938	1,072	1,211	1,354	1,505	1,661	1,823	1,989	2,160	2,340	2,524	2,714	2,909	3,110
Neobulk cargoes	930	1,060	1,195	1,336	1,482	1,633	1,796	1,965	2,140	2,321	2,508	2,709	2,918	3,133	3,355	3,584
General cargoes	238	248	250	243	228	203	228	230	280	307	336	365	396	427	460	493
Total	1,849	2,116	2,388	2,652	2,970	3,190	3,529	3,880	4,242	4,617	5,004	5,414	5,838	6,274	6,724	7,187
Container yard handling:																
Container handling, CY and seaborne	3,263	3,408	3,557	3,709	3,864	4,023	4,153	4,285	4,419	4,556	4,694	4,905	5,120	5,340	5,564	5,793
Stuffing/striping in CFS - 20 ft. containers	491	525	557	588	619	649	674	705	721	744	765	787	809	831	853	875
Stuffing/striping in CFS - 40 ft. containers	93	131	173	220	270	325	369	416	466	519	574	633	694	751	810	870
Total	3,849	4,065	4,287	4,517	4,753	4,997	5,196	5,400	5,607	5,818	6,033	6,264	6,494	6,721	6,954	7,187
Total revenues	6,189	6,710	7,239	7,776	8,321	8,873	9,425	9,993	10,577	11,177	11,793	12,429	13,144	13,871	14,618	15,377
<b>Operating Costs:</b>																
Direct costs:																
Labor:																
Direct wages	1,505	1,976	2,447	2,918	3,389	3,860	4,331	4,802	5,273	5,744	6,215	6,686	7,157	7,628	8,099	8,570
Contribution pension and unemployment fund	557	731	905	1,080	1,254	1,428	1,602	1,777	1,951	2,125	2,300	2,474	2,648	2,822	2,997	3,171
Total labor	2,062	2,707	3,352	3,998	4,643	5,288	5,934	6,579	7,224	7,869	8,515	9,160	9,805	10,451	11,096	11,741
Maintenance and repair - existing facilities	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77	77
Maintenance and repair - new facilities/equipment	713	713	713	713	713	903	903	903	903	903	903	903	903	903	903	903
Total direct	2,852	3,497	4,143	4,788	5,433	6,268	6,913	7,559	8,204	8,849	9,495	10,140	10,785	11,431	12,076	12,721
Indirect costs:																
Depreciation - new facilities:																
Tax depreciation	965	965	965	965	965	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081	1,081
Add'l depreciation	249	249	249	249	249	375	375	375	375	375	375	375	375	375	375	375
Total depreciation - new facilities	1,214	1,214	1,214	1,214	1,214	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456	1,456
Depreciation existing facilities	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74	74
Utilities, electricity	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363	363
Fuel consumption - machinery	345	345	345	345	345	385	385	385	385	385	385	385	385	385	385	385
Interest on loans - new investments	1,385	1,385	1,385	1,385	1,308	1,391	1,303	1,208	1,106	988	862	727	583	428	263	86
Other finance costs - new investments	198	0	0	0	0	24	0	0	0	0	0	0	0	0	0	0
Other indirect costs	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Total indirect costs	3,628	3,431	3,431	3,431	3,353	3,743	3,630	3,535	3,434	3,316	3,190	3,055	2,910	2,756	2,591	2,414
General and administrative costs:																
Management wages	90	118	146	173	201	229	257	284	312	340	368	395	423	451	479	506
Contribution pension and unemployment fund - mgmt.	33	44	54	64	74	85	95	105	115	126	136	146	157	167	177	187
Land fund tax	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5	5
Transport tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Corporate management and G & A - ISPB	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167	167
Total G & A	296	334	372	410	448	486	524	562	600	638	676	714	752	790	828	866
Total costs and expenses	6,776	7,462	8,148	8,834	9,520	10,206	10,892	11,578	12,264	12,950	13,636	14,322	15,008	15,694	16,380	17,066
Operating income	(588)	(752)	(909)	(1,067)	(1,225)	(1,383)	(1,441)	(1,500)	(1,559)	(1,618)	(1,677)	(1,736)	(1,795)	(1,854)	(1,913)	(1,972)
Taxes payable:																
Profit tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Disability (disability) fund tax	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total taxes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net income after taxes	(588)	(752)	(909)	(1,067)	(1,225)	(1,383)	(1,441)	(1,500)	(1,559)	(1,618)	(1,677)	(1,736)	(1,795)	(1,854)	(1,913)	(1,972)
Net profit margin in % of revenues	(9)	(11)	(12)	(14)	(15)	(16)	(15)	(15)	(15)	(15)	(14)	(14)	(14)	(14)	(14)	(14)
<b>Cash flow analysis:</b>																
Cash received:																
Net income after taxes	(588)	(552)	(706)	(852)	(914)	(1,024)	(1,063)	(1,163)	(1,263)	(1,363)	(1,463)	(1,563)	(1,663)	(1,763)	(1,863)	(1,963)
Add back depreciation	1,288	1,288	1,288	1,288	1,288	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530	1,530
Net cash flow from operations	700	736	582	436	374	(94)	(113)	(133)	(153)	(173)	(193)	(213)	(233)	(253)	(273)	(293)
Loans from EHRD	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total cash received	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486	20,486

Table 13 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment.

(financial: a10)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Cash payments:</b>																
Installments - FBRD loan	0	0	0	1,106	1,183	1,266	1,355	1,450	1,684	1,802	1,928	2,063	2,208	2,362	2,528	2,704
Payments for investments	19,785	0	0	0	0	2,380	0	0	0	0	0	0	0	0	0	0
Renewal investments - equipment	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	715	0
Total cash payments	19,785	0	0	1,106	1,183	3,646	1,355	2,165	3,644	1,802	1,928	2,063	2,348	3,602	3,243	2,704
Net cash flow - Year	701	736	582	(670)	(889)	(1,360)	(1,468)	(2,298)	(3,776)	(1,892)	(1,967)	(1,694)	(1,522)	(2,336)	(1,622)	(1,793)
Cumulative net cash flow	701	1,437	2,019	1,349	540	(820)	(2,288)	(4,586)	(8,362)	(10,254)	(12,228)	(13,921)	(15,444)	(17,779)	(19,401)	(21,194)
Residual value of assets 2015	4,853															4,853
<b>Assumptions and bases for calculations:</b>																
<b>Cargoes in '000 tons or '040 containers:</b>																
Dry bulk cargo tons	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Dry bulk cargo tons	235	239	244	248	253	257	262	267	273	278	283	289	294	300	305	311
Neobulk cargo tons	155	159	163	167	171	175	179	184	189	193	198	203	208	214	219	224
General cargo tons	50	45	39	34	28	23	24	24	24	25	26	27	27	28	28	29
Containers - CY 40 ft.	17,400	16,816	16,233	15,649	15,066	14,482	14,146	13,810	13,473	13,137	12,801	13,137	13,474	13,810	14,147	14,483
Containers - CY 40 ft.	4,350	5,411	6,472	7,533	8,594	9,655	10,284	10,913	11,543	12,172	12,801	13,137	13,474	13,810	14,147	14,483
No. of 20 ft. containers - stripped or stuffed	2,469	2,463	2,455	2,449	2,442	2,435	2,427	2,420	2,413	2,406	2,399	2,392	2,385	2,378	2,371	2,364
No. of 40 ft. containers - stripped or stuffed	0,309	0,410	0,510	0,611	0,711	0,812	0,879	0,946	1,014	1,081	1,148	1,178	1,208	1,239	1,269	1,299
No. of vessels arriving	158	171	183	196	209	221	236	250	265	279	294	309	324	339	354	369
<b>Handling charges:</b>																
Dry bulk per ton	2,90	3,37	3,85	4,32	4,79	5,27	5,74	6,21	6,69	7,16	7,63	8,11	8,58	9,05	9,53	10,00
Neobulk per ton	6,00	6,67	7,33	8,00	8,67	9,33	10,00	10,67	11,33	12,00	12,67	13,33	14,00	14,67	15,33	16,00
General cargo per ton	4,75	5,57	6,38	7,20	8,02	8,83	9,65	10,47	11,28	12,10	12,92	13,73	14,55	15,37	16,18	17,00
Containers per 20ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Containers per 40ft.	150,00	153,33	156,67	160,00	163,33	166,67	170,00	173,33	176,67	180,00	183,33	186,67	190,00	193,33	196,67	200,00
Container stuffing/stripping charge per 20 ft.	200,00	213,33	226,67	240,00	253,33	266,67	280,00	293,33	306,67	320,00	333,33	346,67	360,00	373,33	386,67	400,00
Container stuffing/stripping charge per 40 ft.	300,00	320,00	340,00	360,00	380,00	400,00	420,00	440,00	460,00	480,00	500,00	520,00	540,00	560,00	580,00	600,00
Vessel dues per ship call:																
Vessel dues - average per vessel call	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100	3,100
<b>Operating and cost assumptions:</b>																
<b>Number of port workers:</b>																
Level 1 - Top management	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Level 2 - Middle management	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12	12
Level 3 - Foremen, equipment operators, clerical staff	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94	94
Level 4 - Labor A - specialized labor/workers	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112	112
Level 5 - Labor B - general port workers	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121	121
Level 6 - General labor	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10	10
Total work force	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350	350
Monthly wages - all inclusive:																
Level 1 - Top management	900	1173	1447	1720	1993	2267	2540	2813	3087	3360	3633	3907	4180	4453	4727	5000
Level 2 - Middle management	550	730	909	1088	1267	1446	1625	1804	1983	2162	2341	2520	2699	2878	3057	3236
Level 3 - Foremen, equipment operators, clerical staff	450	587	723	860	997	1133	1270	1407	1543	1680	1817	1953	2090	2227	2363	2500
Level 4 - Labor A - specialized labor/workers	400	520	640	760	880	1000	1120	1240	1360	1480	1600	1720	1840	1960	2080	2200
Level 5 - Labor B - general port workers	300	400	500	600	700	800	900	1000	1100	1200	1300	1400	1500	1600	1700	1800
Level 6 - General labor, janitors etc.	200	287	373	460	547	633	720	807	893	980	1067	1153	1240	1327	1413	1500
Electricity consumption (kwh ('000))	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68	103,68
Avg. cost per kwh	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035	0,035
Fuel consumption ('000 liters)	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2	2,651,2
Avg. cost of fuel per liter	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13	0,13
<b>Total investments:</b>																
Quays and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/lugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715

**Table 13 - Financial model of the International Seaport of Baku (all figures in '000 USD) - Pessimistic/low growth scenario analysis - sensitivity with reduced investment.**

(financial)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total investments	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	22,165	22,165	22,165	22,165	22,165	22,165
Depreciation calculation:																
Quaywalls and infrastructure - 25 years depr.	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411	411
Buildings and utilities - 15 years depr.	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83	83
Cranes - 15 years depr.	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373	373
Forklifts, stackers - 8 years depr.	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245	245
Tractors, tugmasters, trailers etc - 7 years depr.	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102	102
Total depreciation	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,214	1,456	1,456	1,456	1,456	1,456	1,456
Tax depreciation - new projects:																
Total tax depreciation - new assets - 4.876%	965	965	965	965	965	965	965	965	965	965	1,081	1,081	1,081	1,081	1,081	1,081
Maintenance costs - new investments																
Quaywalls etc - 1%	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103	103
Buildings and utilities etc. - 4%	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50	50
Mobile cranes, forklifts, reachstackers - 10%	196	196	196	196	196	196	196	196	196	196	196	196	196	196	196	196
Gantry cranes - 6%	336	336	336	336	336	336	336	336	336	336	336	336	336	336	336	336
Tractors, tugmasters, trailers etc - 4%	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
Total maintenance and repair	713	713	713	713	713	713	713	713	713	713	903	903	903	903	903	903
Financing costs - Phase 1 - Stage 1																
Front end fee - 1% of investment sum	198															
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)	1,385	1,385	1,385	1,385	1,308	1,225	1,136	1,041	940	831	715	591	458	315	163	
Installments: 3 year grace period - 12 years payback					1,183	1,266	1,355	1,450	1,551	1,660	1,776	1,900	2,033	2,176	2,328	
Loan amount	19,785															
Financing costs - Phase 2																
Front end fee - 1% of investment sum																
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	0															
Financing costs - Phase 1 - Stage 2																
Front end fee - 1% of investment sum																
Commitment fee - 0.5% pa of unused loan																
Interest - LIBOR + 1% (LIBOR = 6%)																
Installments: 3 year grace period - 12 years payback																
Loan amount	2,380															
Investments - phase 1 - Stage 1																
Quaywalls and structures	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268	10,268
Buildings and utilities etc	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242	1,242
Mobile cranes	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Gantry and other cranes	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600	5,600
Reach stackers	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600	600
Forklifts	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360	1,360
Mafi trailers, tractors/tugmasters, other equipment	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715	715
Total	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785	19,785
Cumulative total	19,785															
Investments - phase 2																
Quaywalls and structures																
Buildings and utilities etc																
Mobile cranes																
Gantry and other cranes																
Reach stackers																
Forklifts																
Mafi trailers, tractors/tugmasters, other equipment																
Total	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cumulative total	0															
Investments - phase 1 - Stage 2																
Quaywalls and structures																



Table 13 - Financial model of the International Seaport of Baku (all figures in '000 USD). - Pessimistic/low growth scenario analysis - sensitivity with reduced investment.

(financial aid)	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Buildings and utilities etc																
Mobile cranes						0	0	0	0	0	0	0	0	0	0	0
Gantry cranes						1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Reach stackers						600	600	600	600	600	600	600	600	600	600	600
Forklifts						640	640	640	640	640	640	640	640	640	640	640
Mafi trailers, tractors/hugmasters, other equipment						140	140	140	140	140	140	140	140	140	140	140
Total	0	0	0	0	0	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380	2,380
Cumulative total	2,380															
Renewal Investments:																
Phase 1 - Stage 1																
Reach stackers, forklifts								715	1,960							
Tractors/hugmasters, trailers etc															715	
Phase 2:																
Reach stackers, forklifts																
Tractors/hugmasters, trailers etc																
Phase 1 - Stage 1																
Reach stackers, forklifts																
Tractors/hugmasters, trailers etc																
Renewal investments total:	0	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	0	
Cumulative reinvestments	4,770	0	0	0	0	0	0	715	1,960	0	0	0	140	1,240	715	0
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Loan payments	19,785					2,380	2,006	2,007	2,008	2,009	2,010	2,011	2,012	2,013	2,014	2,015

**Table 14 - Port related economic impact (all figures in mill. USD)**  
(economi.cmo) - Most likely scenario

Cargo	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Bulk cargoes</b>																
Grain	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11	11
Other bulks	8	9	9	10	10	11	11	12	12	13	14	14	11	11	11	19
<b>Neobulk</b>																
Metals	22	24	25	27	28	30	32	34	36	36	38	40	43	46	48	51
Forest products	8	9	9	10	10	11	12	12	13	13	14	15	16	17	18	19
Others	20	22	23	25	26	27	29	31	33	33	35	36	39	41	44	49
<b>General cargoes, seaborne</b>																
Misc. general cargoes	10															
Containerized cargoes	10	12	14	17	19	21	23	24	25	27	28	30	32	34	36	38
<b>CFS - Container handling</b>																
Containerized cargoes	59	63	67	71	75	79	84	90	95	101	106	113	120	127	135	142
<b>Total</b>	149	149	160	170	180	190	202	215	227	239	251	262	278	294	309	332
<b>Avg. per ton</b>	135	128	130	132	133	135	135	136	136	136	137	144	145	146	147	138
<b>NPV 10%</b>	1582															
<b>NPV 15%</b>	1149															
<b>Tonnage</b>																
<b>Dry bulk cargoes:</b>																
Grain	170	170	170	170	170	170	170	170	170	170	170	170	170	170	170	170
Other bulks	220	235	250	265	280	295	315	335	354	374	394	399	297	304	311	528
<b>Total</b>	390	405	420	435	450	465	485	505	524	544	564	459	467	474	481	698
<b>Neobulk cargoes:</b>																
Timber and lumber	45	48	51	54	57	60	64	68	73	77	81	86	92	97	103	108
Metals	160	171	182	192	203	214	229	243	258	272	287	306	326	345	365	384
Others	105	112	119	127	134	141	150	159	169	178	187	200	213	225	238	251
<b>Total</b>	310	331	352	373	394	415	443	471	499	527	555	593	630	668	705	743
<b>General cargoes</b>																
Misc. general cargoes	50	45	41	36	32	27	29	31	32	34	36	38	41	43	46	48
Containerized cargoes	50	61	73	84	96	107	114	121	129	136	143	153	163	172	182	192
<b>Total</b>	100	107	114	120	127	134	143	152	161	170	179	191	203	216	228	240
<b>CFS/CY</b>																
Containerized cargoes	300	320	340	361	381	401	428	455	483	510	537	573	610	646	683	719
<b>Grand total</b>	1100	1163	1226	1289	1352	1415	1499	1583	1667	1751	1835	1816	1910	2004	2097	2400
<b>Factors - Impact per ton</b>																
Grain	65,075															
Sugar	65,075															
Other bulks	36,570															
Metals	140,220															
Autos	308,950															
Forest products	181,850															
Other general cargoes	194,370															
Containers	197,220															