

BASIC ELEMENT COMPLETES CONSTRUCTION OF CARGO PORT IN SOCHI

Sochi, 02 July, 2012 – Basic Element Group, one of Russia's leading diversified business groups, is pleased to announce the completion of construction of the Imeretinskiy cargo port in Sochi. The port's capacity is 5 million tonnes of cargo per year. The port's docks are up to 9.2 meters deep. Investment in the port construction amounted to USD 200 million (RUR 6 billion). The project was carried out by Transstroy, a part of Basic Element and Russia's leading transport and infrastructure construction company.

The port will serve to deliver cargo and construction materials to Imeretinskaya Valley, where most construction sites for the 2014 Sochi Winter Olympic Games are located. The launch of the port will open the shortest track for the cargo delivery to the area. After the Winter Olympics, the port will be retrofitted into a yacht marina.

The Imeretinskiy cargo port is the only versatile cargo port in the Sea of Azov and Black Sea basin to be built in the post-Soviet period. In addition, it is the only port to be built through a public-private partnership (PPP) in Russia. The fact that the port has been erected on the Black Sea coast near underwater canyons, which have a complicated tidal and seismic environment, makes this construction project unique.

The construction works have been completed in accordance with the project statement. There are eight all-purpose mooring facilities to receive general and bulk cargo, the seashore infrastructure has been developed and manufacturing equipment has been set in place. In addition, within the public part of the project, the harborage has been dredged and the undulatory-proof constructions have been built. The first phase of the port – three moorages with capacity for 2 million tonnes of cargo transfer – was launched in April 2010.

The port moorages are equipped with mobile harbour cranes Liebherr (LHM-280 and LHM-180), crane-manipulators, front-end loaders and forklift cargo handlers. The moorages are able to accommodate different loads including bulk cargos (crushed stone, sand), big bags of cement and other general cargos (including freights in containers) needed to build the Olympic facilities.

The project developer is the Port Sochi Imeretinskiy. The port maintenance is provided by Imeretinskaya Stevedore Company. Both companies are part of Basic Element.

The retrofitting of the port will begin after the end of the 2014 Sochi Olympics. It is estimated that marina capacity will reach 600-700 boats. Approximate investment into the port retrofitting is estimated at EUR 50 - 100 million, depending on the design plan which is currently under development.

Basic Element is now working on the project development together with leading European marina management operators, which will handle the marina management, its promotion, high-quality service development and technical maintenance for yachts.

The marina will be located near the Olympic Village, which is currently being built by Glavstroy (a part of Basic Element). After the Winter Olympics, this property will become part of the Sochnoe year-round resort complex.

Oleg Deripaska, CEO of Basic Element, said: "We are glad to announce the completion of all construction works in the Imeretinskiy port, which is the first cargo port built in modern Russia. The construction of this port is one of the fundamentals for the successful preparation of the Olympic Games in 2014. Development of infrastructure facilities is among the key strategic priorities of Basic Element. Creation of modern and solid foundation for the development of key Russian regions is at the forefront of this strategy."

About Basic Element

Basic Element (www.basel.ru) is one of Russia's largest and most dynamic diversified business groups. Basic Element's companies are controlled by or are within the scope of Oleg Deripaska's business interests. Through its affiliates, Basic Element owns significant stakes in and manages dozens of companies operating in several market sectors, including energy, manufacturing, financial services, construction, aviation, agriculture and others. The Group consists of over 100 companies

that between them employ more than 250,000 people across Russia, the CIS, Africa, Australia, Asia, Europe and Latin America. Many of Basic Element's companies play key roles in their respective market segments in Russia and internationally, including En+ Group, GAZ Group, Glavstroy, Basel Aero and others.

About Glavstroy

Glavstroy (www.glavstroy.ru) provides strategic management of the construction assets business group in "Basic Element". Glavstroy unites enterprises working in the sphere of development, construction of housing and public buildings, construction of transport infrastructure and production of building materials. It is a vertically integrated construction holding, engaging in everything from quarrying stone to the production of construction materials to commission new buildings.

About Transstroy

Transstroy (www.transstroy.ru) is one of Russia's leading holding companies specializing in the construction of transport infrastructure, including roads, bridges and crossings, railroads, airports, sea and river ports and hydraulic installations. In the last ten years, the holding's companies have built more than 100 large facilities. Today the holding is working on major projects in many regions of Russia - Krasnodar krai, Sochi, Yakutia, Northwestern region, Saint-Petersburg, Moscow and Moscow region, and abroad. Transstroy employs over 6,000 people, it's turnover in 2011 exceeded 40 billion rubles.