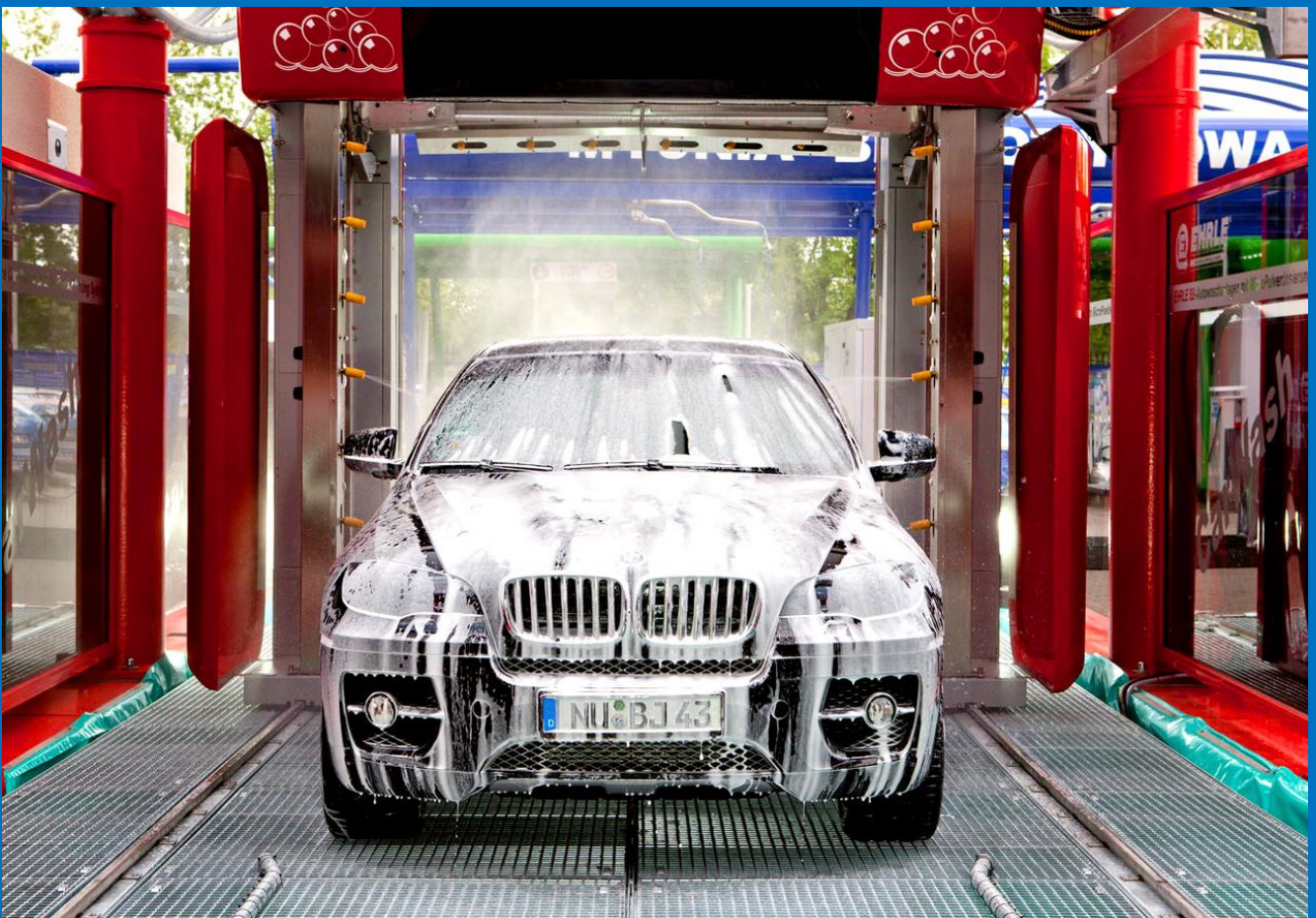


BUSINESS PLAN



Car Wash



2014

Adaptation of this business plan is possible for similar project around the world.

Business Plan Description

Project Idea

The creation of car wash of manual type in *** Administrative District (*AD) in Moscow, the services of which will be high-quality, available and demanded by consumers.

Market

*AD is the largest by the amount of population number in Moscow and the second by the total area and density of population. Subsequently it led to the fact that indicators of congestions by cars and the number of car owners in this district are the highest in Moscow. Due to the increasing of cars amount in Moscow the average growth rate of capital car washout is about **%. The share of capital market is **% of Russian market by the amount of car washes and **% by amount of car wash posts. The car of manual type composes the largest part (**%) of the market.

Advantages of proposed services:

- presence of alternative: manual or contactless car wash;
- small amount of time and thoroughness of the service;
- minimal risk of the car surface damage.

Competitive environment:

In the market of car wash services of *AD about *** of car washes are represented which combines the providing of basic services with additional like cleaning and chemical cleaning of the internal surfaces of cars, car tire fitting, repair, noise insulation. Indirect competitors are the enterprises, which produce or sell the manual car washes for car caring by their owners themselves.

Finance

Project Basic Financial Indicators

Financial Indicators by the Project	Value
Revenue for 3 years of operating	***
Necessary investment	***
Net profit for 3 years of operating	***
NPV	***
IRR monthly	***
IRR annual	***
Payback Period	***
Discounted Payback Period	***

Excerpts from Research

The basic services are manual and contactless car wash, the prices for which vary depending on the car category:

- category 1 – passenger cars of mini, small and middle classes;
- category 2 – crossovers and passengers cars of executive class;
- category 3 – multivans and SUVs;
- category 4 – minibuses and heavy SUVs.

The favorable conditions for opening up the enterprises related on car services were formed on Russian market. Firstly, the level of population provision by means of transportation increases annual and in 2013 it reached *** cars per 1 000 inhabitants of Russian Federation. Secondly, in 2014-2015 the productivity of car market is expected by **% higher than in 2013. The capital is especially attractive for such field of business, because the market potential capacity is estimated at \$*** mln. Herewith the market volume reached the level of \$*** mln. Thus the market is full in **%. Besides the capital leads by such basic indicators of demand as share of car owners who use the car wash services, the average annual frequency of visiting of car wash, the average check (** RUB).

It is planned that the car wash will propose additional services in cleaning of salon, internal glasses and car baggage compartment as well to be competitive on the market. That's why except two portals for car wash there is a necessity in third as well,

where the cleaning services will be provided. Exactly two posts for providing of car wash services is the most widespread variant of car wash opening up in Moscow.

Also it is important to mention the seasonality of this business, because the highest demand – about **% of total possibility – is characterized for so-called «transitional» seasons – autumn and spring, which depend on contaminated roads in these periods. In winter and summer the workload of car wash is expected at the level of **% approximately.

The initial capital investment for car wash of considered type is *** thsd RUB according to the estimations: this sum depend on chosen equipment and level of premises specialization. Monthly budget for marketing is planned in the volume of *** thsd RUB.

Content

List of Figures, Diagrams, Tables and Charts	4
Executive Summary	7
1.0. Project Description	9
2.0. Analysis of Market of Car Wash Services	11
2.1. Car Washes Classifications	11
2.2. Analysis of Car Market of the Russian Federation	12
2.3. Analysis of Target Segment of Moscow Car Washes	17
2.4. Analysis of Car Wash Services of Moscow and Moscow Region	23
3.0. Competitive Environment	29
3.1. Main competitors	29
3.2. Indirect Competitors of «White Horse» Project	32
4.0. Marketing Plan	34
4.1. Site Usability	34
4.2. Flyer Advertising	36
4.3. Search Engine Optimization of the Site	37
4.4. Contextual Advertising	40
4.5. Social Media Marketing	41
4.6. Marketing Budget	42
5.0. Organizational Plan	43
6.0. Financial Plan	47
6.1. Project Assumption	47
6.2. Plan of Sales	49
6.4. Sales Revenue	57
6.5. Variable Costs	63
6.6. Fixed Costs	64
6.7. Capital Expenditure	64
6.8. Taxes	65
6.9. Profit and Loss Statement	67
6.10. Discount Rate	70
6.11. Cash Flow Statement	80
6.12. Financial Indicators	83
7.0. Sensibility Analysis	85

7.1. Changing of Prices Level	85
7.2. Changing of Fixed Costs	88
7.3. Changing of Discount Rate	90
General Conclusions by the Project	92
INFORMATION ABOUT THE «VTSConsulting» COMPANY	95

List of Figures, Diagrams, Tables and Charts

Figures

Figure 1.1. Car Categories	9
Figure 3.1. Map of Car Washes Location in *AD of Moscow	29
Figure 5.1. Premises Layout of Car Wash	45
Figure 5.2. Scheme of Purification Facilities of Car Wash Water Recycling	46

Diagrams

Diagram 2.1. Dynamics of Amount of Passenger Cars per 1 000 Inhabitants of the Russian Federation	13
Diagram 2.2. Changing of Car Market Productivity	16
Diagram 2.3. Population by Administrative Districts of Moscow in 2012	17
Diagram 2.4. Ratio of number of cars in 2012 by Moscow and Moscow Region	18
Diagram 2.5. Congestion by automobile transport of Moscow	19
Diagram 2.6. Amount of Passenger Automobiles per 1 000 Inhabitants of Moscow and Moscow Region	19
Diagram 2.7. Moscow Population Distribution by age groups in 2012	20
Diagram 2.8. Structure of Car Owners by District of Moscow	21
Diagram 2.9. Wages Level in Moscow for 2011-2012	22
Diagram 2.10. Increase of Cars Park of Moscow	23
Diagram 2.11. Amount of Car Wash Complexes in Moscow and Moscow Region	25
Diagram 2.12. Frequency of Visiting of Moscow Car Washes	26

Tables

Table 2.1. Car Washes Classification	11
Table 2.2. Amount of Cars of the Russian Federation by Year of Manufacture	14
Table 2.3. Passenger Cars Park in the Russian Federation (at 1.01.2013)	14
Table 3.1. Car Wash Competitor	30
Table 3.2. Rank of Internet Resources Popularity by Sales Volumes of Car Washers in the Russian Federation (at 30.01.2014)	32
Table 4.1. Budget for Advertising on Flyers and Billboards	37
Table 4.2. Budget for Marketing	42
Table 5.1. Payroll Payments	44

Table 5.2. Distribution of the Main Object Areas	45
Table 6.1. Plan of Sales	49
Table 6.2. Sales Volumes	51
Table 6.3. Sales Revenue	57
Table 6.4. Variable Costs	63
Table 6.5. Fixed Costs	64
Table 6.6. Purchases of Project Equipment	64
Table 6.7. Purchase of Furniture and Household Appliances	64
Table 6.8. Taxes	66
Table 6.9. Profit and Loss Statement	67
Table 6.10. Calculation of Long-Term Profits over CAPM for Portfolios of Decimal Groups NYSE/AMEX/NASDAQ	75
Table 6.11. Algorithm for Determining the Risk of Company	76
Table 6.12. Algorithm for Calculating the Specific risk Premium	77
Table 6.13. Calculation of Discount Rate by WACC-Method	78
Table 6.14. Cash Flow Statement	80
Table 6.15. Financial Indicators by the Project	84
Table 7.1. Changing of Prices Level	85
Table 7.2. Changing of Fixed Costs	88
Table 7.3. Changing of Discount Rate	90

Charts

Chart 2.1. Dynamics of Population Growth in Moscow	21
Chart 7.1. Dynamics of Net Profit due to Changing of Prices Level	85
Chart 7.2. Dynamics of NPV due to Changing of Prices Level	86
Chart 7.3. Dynamics of IRR due to Changing of Prices Level	86
Chart 7.4. Dynamics of Payback Period (PP) due to Changing of Prices Level	87
Chart 7.5. Dynamics of Discounted Payback Period (DPP) due to Changing of Prices Level	87
Chart 7.6. Dynamics of Net Profit due to Changing of Fixed Costs	88
Chart 7.7. Dynamics of NPV due to Changing of Fixed Costs	88
Chart 7.8. Dynamics of IRR due to Changing of Fixed Costs	89
Chart 7.9. Dynamics of Payback Period (PP) due to Changing of Fixed Costs	89
Chart 7.10. Dynamics of Discounted Payback Period (DPP) due to Changing of Fixed Costs	90
Chart 7.11. Dynamics of NPV due to Changing of Discount Rate	91
Chart 7.12. Dynamics of Discounted Payback Period (DPP) due to Changing of Discount Rate	91

*We thank you for your confidence
and would like to remind you that:*

- ✓ with the purchase of the business plan of the
«VTSConsulting» company you'll have a guarantee of
getting a consultation from specialists who have
worked on a specific business plan*
- ✓ during one to two hours our team will be ready to
answer all questions related to the structure and
content of the business plan*

*Respectfully,
«VTSConsulting» team*

INFORMATION ABOUT THE «VTSConsulting» COMPANY

«VTSConsulting» company was founded in May 2010 by a team of professionals led by Vladyslav Tsygoda. Vladyslav Tsygoda is a business consultant, a recognized leader in the field of business planning in the CIS countries (according to the portal free-lance.ru), today he is the head of the rating of the consulting company.

Development of business plans, feasibility studies, investment memorandums, financial models and business presentations are the main directions of the team, which includes highly skilled analysts.

Experience of the team in the development of investment documents is more than 6 years, and today «VTSConsulting» is the only company in Ukraine, which is a partner of the project «RBC. Market research».

«VTSConsulting» team and principles of work

- ✓ a unique approach to solving problems;
- ✓ an impeccable reputation and a high degree of customer confidence;
- ✓ high professionalism regardless of field of study;
- ✓ practical experience, including the implementation of complex highly specialized projects.

**We appreciate greatly the cooperation with each customer.
And we are proud of our customers!**

LLC «Zemleugodie-Invest», OJSC «Petrovizard» company, Port Temryuk, LLC «Portal Logistics», SPK «Votkinsky plant», SPE «Stealth», LLC «Spetsbudproekt», group of «Nauka», I.N. Frantsevich Institute of Materials of NAS of Ukraine, NTUU State Enterprise UkrSRIPRI companies «SEMPROGROUP», LLC «KPI», Science Park «Kyiv Polytechnic», The Russian Government, Verkhovna Rada of Ukraine «Masma», «Reproto Technologies», «Maximus Construction», «Rosmolodezh», LLC «Sisif Service», LLC «Plant TITAN», LLC «Project K»,

This is not a complete list of those
who was pleased with the cooperation with «VTSConsulting».

«VTSConsulting» company is a team of professionals, whose knowledge and experience will allow you to save money, nerves and time: preparation of investment documents will take from 4 to 10 days.

Our customers recommend us to their friends and partners, because we work for the results and complete satisfaction of a Client. Thus, ordering business plan, information or investment memorandum from us, you do not just spend money.

You invest.

*Respectfully,
Vladyslav Tsygoda,
the head of «VTSConsulting»*