

## Government Commitment

According to the order of the President of Russia, Dmitry Medvedev, concerning the creation and development of the touristic cluster in the North Caucasus Federal District, the Republic of Adygea and the Krasnodar region, five ski resorts and associated infrastructures are planned to be built in these regions.

The Project provides for

- \* the possibility of public and private investment
- \* the use of loans and guarantees (including governmental)
- \* public-private partnerships
- \* synchronization with the investment programs of public monopolies and the existing federal target programs

Investments will be required for the following types of infrastructures:

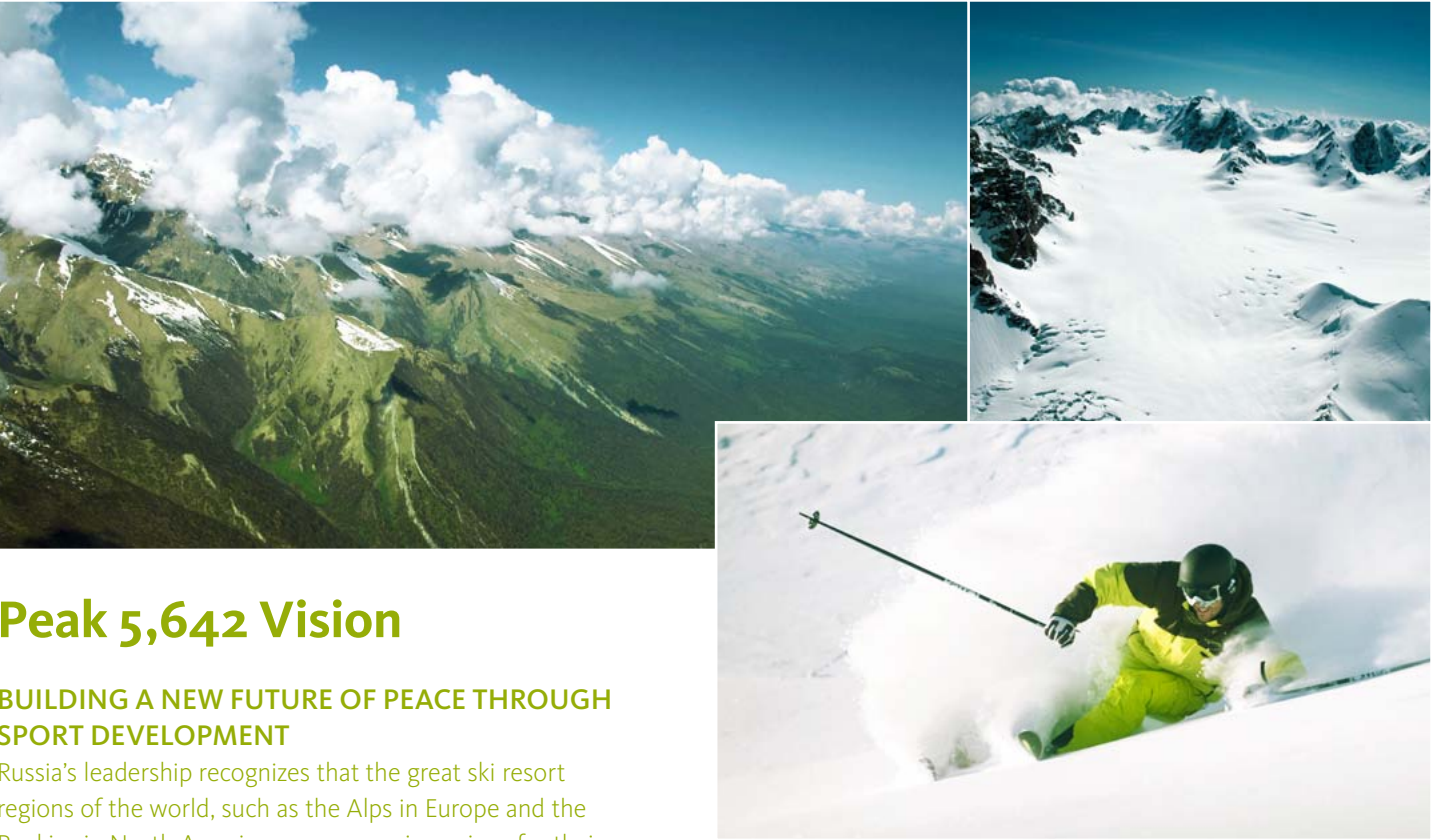
- \* Sport – the slopes and lift construction
- \* Resort – hotels
- \* Commercial centers
- \* Social and urban infrastructure
- \* Residential areas
- \* Power supply & utilities
- \* Communication infrastructure
- \* Transport infrastructure such as roads, airports, railway tracks & stations

The total combined funding for the construction of ski-recreational resorts in the selected pilot areas is 451.4 billion rubles (15 Billion \$) including:

- \* **Up to 60 billion rubles – for providing internal and external transport and communal infrastructure**
- \* **Up to 90 billion rubles – to finance slopes and sport facilities construction**
- \* **295 billion rubles – for resort infrastructure**

Special constitutional conditions:

- \* Amendments to the Federal law concerning special economic zones in Russia
- \* Amendments to the tax and customs legislation
- \* Reservation of land allotment for construction of recreational facilities and engineering infrastructure
- \* simplification of the passport-visa regime for international tourists
- \* direct government investments, including synchronization with federal and regional target programs



## Peak 5,642 Vision

### BUILDING A NEW FUTURE OF PEACE THROUGH SPORT DEVELOPMENT

Russia's leadership recognizes that the great ski resort regions of the world, such as the Alps in Europe and the Rockies in North America, are economic engines for their alpine communities and neighboring states. But it is clear that it takes a critical mass of great resorts to attract millions of tourists and create the foundations necessary for the enduring traditions of the hospitality industry. With its commitment to steer investments of \$15 billion into the five world-class resorts across the Northern Caucasus, Russia is building a new tomorrow for the region and its people, striving to overcome a history filled with conflicts through the promise of a future filled with opportunity and peace. More than 160,000 new jobs will be created through this development over the next decade. The Russian Federation will begin major transportation and accommodations infrastructure investments in 2011. Through a state/private partnership, the Kremlin has aligned a group of prestigious international investors from around the world to fund the development of the work, which will be completed in 2020. The extraordinary beauty of the Northern Caucasus is a national treasure that is about to be opened up for the benefit of the people of the region. The world-class alpine sports resorts envisioned in this mountain range will fill the hills, the forests, the canyons, the rivers and the valleys of this magnificent territory with a new spirit of hope for the better world ahead.

## Contact

### The Masterplanning Group LLC

**Office Russia:**  
Aptekarskaya nab.20A / St.Petersburg / Russia

**Office Austria:**  
Mariahilferstrasse 119/17 / 1060 Wien / Austria

tel: +43 699 190 834 46 / fax: ++43 662 83 13 69  
office@masterconcept.at / www.masterplanning.eu

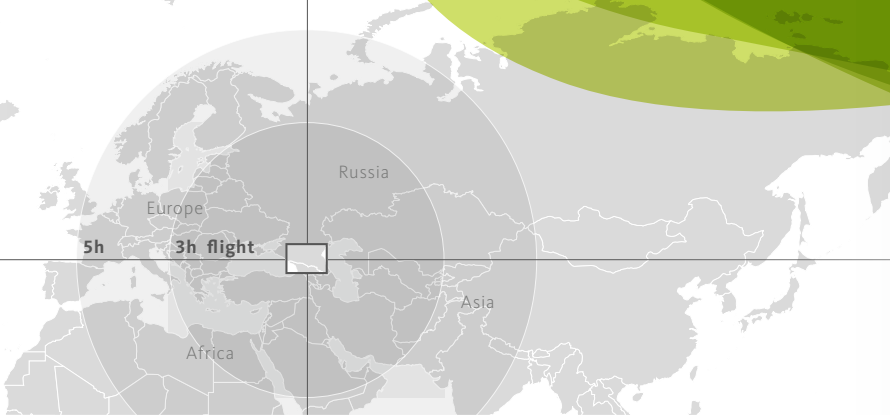
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GROUP



PEAK 5,642



## The Caucasus Mountains Reach for New Heights in Russia’s Visionary \$15 Billion, Five-Resort Plan



In the masterplan envisioned by Russia, the five resorts, which will cover land masses ranging in size from 800km<sup>2</sup> to 100km<sup>2</sup>, will yield 803km of ski trails served by more than 200 lifts. With an overriding objective of attracting 5-10 million visitors a year once established, 13 distinct villages will be built across the five resorts in 213 3- to 5-star hotel properties, 3,375 apartments and more than 2,250 cottages. In total, the five resorts will feature more than 80,000 guest beds, creating a new global tourism market supported by the state-of-the-art amenities found in the finest European and North American alpine resorts.

Among the world’s greatest natural alpine treasures, the Caucasus Mountains in southern Russia sparkle like a necklace of rare jewels. Extending 1,200 kilometers between two of the world’s largest inland oceans—the Black Sea and the Caspian Sea—the Northern Caucasus are as long as the Alps, but even higher. With ten peaks standing taller than Mont Blanc (4,807m), the Caucaus are the highest range on the continent, reaching their summit at 5,642m at Mount Elbrus, Europe’s highest peak.

Rising majestically from the northwest shores of the Black Sea, the Caucasus reach east to the coast of the Caspian Sea, unfolding in a pristine natural realm of magnificent peaks, canyons, rivers and valleys of ecological diversity and sheer beauty. Recognized as a UNESCO World Heritage Site, this is an undiscovered wonderland of year-round sport and recreation, an extraordinary wilderness that offers the unmatched experience of an untouched natural environment.

### THE SUSTAINABLE DEVELOPMENT OF A GLORIOUS ALPINE REGION

With an uncompromising commitment to protect the region’s natural resources, the Kremlin has created a low impact, fully sustainable resort development plan for five distinct alpine villages that follow the ridge line of the Caucasus from east to west: Lagonaki, Krasnodar, Adygeya, Arhyz, Karachayevo-Cherkessia, Mount Elbrus in Kabardino-Balkaria, Mamison, North Ossetia, and Matlas in Dagestan. Each offers a unique environmental setting of stunning beauty with alpine topography and natural characteristics ideal for the development of new world-class mountain resorts and enhancements to the quality of life and infrastructure within each region.

### A DAZZLING ARRAY OF SPORT AND RECREATION ALL YEAR-ROUND

The diverse microclimates of the Northern Caucasus offer temperate zones that reach from the subtropical to the alpine. There are seaside beaches and alpine lakes in the summer and high snow reliability and ice in the winter. For mountain climbers, hikers, hunters, fishermen, skiers, skaters, bikers and hang-gliders, the Caucasus are an undiscovered paradise. And the five planned resorts will add world-class accommodations and spas, hospitality, dining, entertainment and events to the pure inspiration offered by nature’s year-round calendar.

## Resort Statistics

### LAGONAKI RESORT

* Development Area:		80 km²
* Village Areas:	Village 1 Village 2 (lake)	185 ha 240 ha 165 km
* Total Slope Length:		1,320 ha
* Slope Area:		30
* Number Lifts:		420 m (AMSL)
* Elevation:	Base Top	2,450 m (AMSL)

### ARHYZ RESORT

* Development Area:		700 km²
* Village Areas:	Village at the River Village Moon Valley Village High Resort	360 ha 160 ha 200 ha 265 km
* Total Slope Length:		2,120 ha
* Slope Area:		64
* Number Lifts:		1,450 m (AMSL)
* Elevation:	Base Top	3,070 m (AMSL)

### ELBRUS-BESENGI RESORT

* Development Area:		320 km²
* Village Areas:	Village Besengi Village Chegem 1 Village Chegem 2	70 ha 70 ha 85 ha 170 km
* Total Slope Length:		1,360 ha
* Slope Area:		30
* Number Lifts:		1,400 m (AMSL)
* Elevation:	Base Top	4,160 m (AMSL)

### MAMISON RESORT

#### MAMISON A

* Development Area:		450 km²
* Village Areas:	Village 1 Village 2 (lake)	50 ha 55 ha 170 km
* Total Slope Length:		1,360 ha
* Slope Area:		35
* Number Lifts:		1,940 m (AMSL)
* Elevation:	Base Top	4,230 m (AMSL)

#### MAMISON B

* Development Area:		120 km²
* Village Areas:	Village 1	100 ha 50 km
* Total Slope Length:		400 ha
* Slope Area:		19
* Number Lifts:		2,000 m (AMSL)
* Elevation:	Base Top	3,730 m (AMSL)

#### MAMISON TOTAL

* Development Area:		570 km²
* Village Areas:	Mamison A Village 1 Mamison A Village 2 Mamison B Village 1	50 ha 55 ha 100 ha 340 km
* Total Slope Length:		1,430 ha
* Slope Area:		54
* Number Lifts:		1,940 m (AMSL)
* Elevation:	Base Top	4,230 m (AMSL)

### MATLAS RESORT

* Development Area:		150 km²
* Village Areas:	Village 1 Village 2 (lake)	130 ha 50 ha 110 km
* Total Slope Length:		880 ha
* Slope Area:		19
* Number Lifts:		1,800 m (AMSL)
* Elevation:	Base Top	2,770 m (AMSL)

