



**Equator Line Centre Ltd.
UGANDA**



Emission Prospect

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1. The Business Concept.

Uganda is one of the countries in the world fortunate to have rich natural resources. Located on the Equator in eastern Africa, the country has an elevation of between 800 and 2500 meters above sea level (the average is 1200 m.) Uganda has a temperate climate due to the many lakes and rivers, and occasional rains. The country has a great deal of tourist attractions with its many wild animals and beautiful natural surroundings.

The main highway from the capital city of Kampala goes south towards Congo, Tanzania and Rwanda, crossing the Equator at a certain point one hour's drive from Kampala.

At this point on the Equator, most tourists stop to take pictures of themselves with one foot on each side of Equator. Surveys show that 80% of the tourists who come to Uganda visit Queen Elisabeth National Park and *must* take this route.

No one had thought of developing this place earlier, due to Idi Amin's regime when all tourism stopped. During the last 20 years Uganda has had a fantastic and positive development. This is a result of the stable democratic politics and economy, in addition to a good business environment with numerous large and well-known companies that have recently made investments in this country.

The number of tourists in Uganda has increased from 0 in 1979, when Idi Amin lost power, to approximately 250,000 in 1995. In 2006 there were more than 500,000 tourists, and the tendency is growing. The goal is not to develop large-scale tourism since Uganda does not have sandy beaches as Kenya has to offer. However, ecological tourism has top priority, as well as adventure vacations, which are parts of a growing trend in the tourist industry the world over. Uganda's enormous national parks, wildlife, plant and bird life far exceed anything found elsewhere in Africa.

The area, where the main highway crosses the Equator, is unique in Uganda.

Equator Line Centre Ltd. has therefore acquired over 350 acres for development in this area. The business concept is to develop a tourist centre where tourists can stop over, and have some fun, as well as a place where well-to-do people from Kampala can visit the area's attractions with their families, for example on weekends.

The area will be developed in 2 parallel stages.

Stage 1:

Hotel Resort with restaurants, bar, Souvenir shops, a photo studio (to take pictures for T-shirts, etc.), a certificate shop (certificates for having crossed the Equator), Mini golf, Tennis courts (the only place in the world where the volley net will be on the Equator), a big swimming pool in the shape of Africa placed on the Equator, so that people can swim across Equator, and 50 Bungalows (25 of which will be placed around the swimming pool like the map of Africa and each bungalow will be decorated according to the country where it is situated on this map), a Conference centre, a Crocodile and Snake park, Horse riding, a Playground, as well as bowling hall and an Aquarium with tropical fish.

Stage 2:

An 18+9 holes international standard golf course with a complete club house (this will be the only golf course in the world where one can experience hitting the ball from one hemisphere to the other at several points).

A culture park in the shape of the map of Uganda included mountains, waterfalls etc., with all the African people and animals as sculptures (based on a concept like Norway's Vigeland Park), and

historical villages based on Uganda's history and culture. All the animals and the people will be as natural size sculptures.

Developed in a responsible manner, keeping the local authorities wishes in mind, this area will be the most attractive tourist centre in Uganda, at the same time as it can be a resort for well-to-do Ugandans and business people with families, who live mainly in Kampala.

2. Objectives.

Our goal is that **Stage 1 will be completed during year 2011.** This stage will be financed by the emission of 500.000 shares at €10 each and the selling of 25 bungalows based on a special timeshare/rental concept.

Stage 2 can be completed in year 2011, if everything goes as planned.

This stage is planned financed by company equity and by selling 2000 parts in Equator Golf Club at a price of €2450 each. This can be accomplished by advertising in major golf publications and on the Internet, in addition to presentations by salespeople in different countries around the world. Because membership in a golf club which is the only one in the world where a golfer can play golf over the Equator is so unique, we believe that many people will buy a membership card to give as a present to their closest "golf" friends, as a gimmick.

The economical objective is that the shareholders will have a minimum 15% - 20% profit a year on invested capital. This will be in addition to the probably substantial increase in stock value by just building the resort itself, future capital expansion, and an eventual introduction on the stock exchange.

3. The Purpose of Capital Expansion.

The company will emit (issue) *500.000 new shares at a price of € 10 per share.*

Face value of the share is Ush 1000, or approximately €0.50 per share.

These 500.000 new shares will represent 25% of the company after the emission.

This expansion of the share capital will be in order to finance 50% of the project and the building of **Stage 1**, and we will sell **a)** timeshare/rental parts **b)** golf parts for the other 50% of the building cost, so the company can have a solid equity from the start. We feel that this is essential in order to obtain capital, if the company wants to, by later stock emissions.

4. Future Capital Expansion

Equator Line Centre Ltd. can finance further developments by new stock emissions if necessary. In this way the initial stockholders will have a large profit potential because every emission will involve a higher price for the stock. This will result in increased equity in the initial stockholders' portfolios.

In 1997, Uganda established a stock exchange which has been met in the market with great interest. We do not rule out the possibility for **Equator Line Centre Ltd.**, to be registered on the stock exchange when the development program is completed. In that case the stockholders can expect to gain large profits depending on the increase of share value.

The idea is to build up the resort as a unique monument in the country. This can have a great up-side potential. An area such as this will be of enormous interest for both Ugandans and foreign investors because of its location on the Equator, which is known worldwide.

The stockholders will decide on an eventual registration on the stock exchange at an opportune time.

5. Future Prospects.

The tourist industry in Uganda is now growing rapidly. The government has put as its first priority further development of tourism. Building and restoration of hotels all over Uganda are being done in order to raise the standards that tourists require. Tour operators have also begun to work closely with those in Kenya in order to sell tours with the possibility to visit both countries. Winston Churchill stated that Uganda was "**The Pearl of Africa**", and this is certainly true. It is a country of dramatic contrasts, cloud-covered mountain tops (5,000 m above sea level), green valleys, raging rivers and waterfalls, quiet lakes, and more than 10 national parks, each with its own special type of vegetation, animal and bird life.

Each area in Uganda has something completely different to offer visitors. For example, in south-western Uganda one of the attractions is the only group in the world with 300 mountain gorillas. The future has much to offer since the type of tourists who will visit this country will come in search of adventure, and it is this type of vacation that will become the trend in tourism in the years to come.

An area for relaxation with a swimming pool, restaurant, sleeping facilities, tennis courts, a golf course, bowling and possibly a culture and amusement park will have a great potential for tourism, as well as for Ugandans. At least 10 international airlines have routes to Kampala at present, and there are daily departures to and from Europe. We have had meetings with the 10 largest travel/safari tour agents in the country. Interest for the project has already been established, and they have given their written support to the project.

6. Marketing.

Marketing Equator Line Centre can be carried out in a number of ways:

The location is such that tourists who visit the country must drive past this area because it lies on the busiest main highway to Tanzania, Rwanda, Congo, and also Mweya Safari Lodge in Queen Elisabeth National Park, which is the most visited tourist spot in the country.

There are more than 20 tour agents in Uganda who would be very interested in including this type of resort in their brochures and marketing. Until now tourists have merely taken a brief pause at the Equator to take photos because there has not been anything else to offer them. Uganda is now also marketing itself on the Internet, and this gives undreamt-of possibilities for future tourism. Rino Solberg and his wife created in 1997 a CD-ROM disc "**All you need to know about Uganda**", which did become the government's official version to present all the attractions within tourism, business and politics in Uganda for some years.

Arranged package tours can be offered to travel agents abroad. Contacts have already shown that travel agents in Norway are interested in this type of arrangement. This can be done in different places in the world, but Scandinavia and England will be the natural markets to begin with. Many other European countries, in addition to Japan, USA and China, have also shown interest for Uganda as a tourist country.

7. Risk Evaluation.

All investments made in Uganda which have been approved by licence from the Uganda Investment Authority, can be insured in the World Bank and are free of risk when it comes to war, political measures and Force Majeure. **Equator Line Centre Ltd.** is obtaining such a license from the Uganda Investment Authority for its project.

a) **Business Concept:**

When it comes to the usual business risk, it is obvious that if the basis for development and management of the Equator City has been wrongly evaluated by the initial founders, the advisors in Uganda's Ministry of Tourism, the tourist agents in Uganda, and other persons who have been consulted about the project, we will not be able to meet the goals.

b) **The market's response to the product:**

If we offer a product the market does not want, it is clear that success will not be obtained.

c) **The product's contents and quality:**

It is of utmost importance that the centre has a combination of activities which appeals to tourists, as well as to Uganda's general public. If this is not done in the right way, it will reflect on the operational results of the project.

The risks mentioned above are sought minimised through extensive surveys conducted in the country, also among tourists, to confirm the opportunities for this type of centre. A feasibility study has been carried out that proves the business concepts possibility.

The market has shown great interest for this project, so it is more a question of advertising in the best possible way in order to succeed in this business venture.

By taking one step at a time, the risk is reduced to a minimum, especially in the first stage. In this stage, even modest sales will give a relatively good profit. In later stock emissions, and a possible introduction on the stock exchange, it will be the operational results that will form the basis for the stock value.

The prices of property in Uganda are also increasing rapidly and this exact area will most likely be the most valuable and unique property in the whole of Uganda in the years to come. **There is only one place in Uganda where the Equator crosses the busiest highway one hour from Kampala,** and many of the tourists will automatically stop if we have something to offer them.

The other countries in Africa that are situated on the Equator will not be of interest as tourist areas for many years due to the political and economical situations in these countries. In Kenya there are, firstly, six narrow roads that cross the Equator, so that there is no area that stands out alone. Secondly, it is the government in Kenya that owns the areas that are located in the national parks which are protected and, of course, not for sale. Also Uganda is the only country at the Equator which has 25 C ° all the year, because of the high altitude of 1200 meter above sea level. Other countries at the Equator around the world will be too hot.

8. Budget

EQUATOR LINE CENTRE LTD. - UGANDA

Stage 1 - first running year of operation / year 2011

Income: (profit)	Price €	Number Per. year	Total
Entry tickets	1	50 000	50 000
Sales of Equator certificate with photos	7	25 000	175 000
Sales of Equator Monument photos	1	30 000	30 000
Sales of Equator souvenirs	7	25 000	175 000
T-shirts with personal photo at the Equator	5	20 000	100 000
Hotel / conference (50% occupancy)	70	9 125	638 750
Restaurant - food - beverages	5	50 000	250 000
Swimming pool	2	10 000	20 000
Tennis, Minigolf, Playground	4	15 000	60 000
Amusement Park	7	25 000	175 000
Crocodile park / Restaurant	3	30 000	90 000
Culture Park / Aquarium	2	50 000	100 000
Horse riding	2	10 000	20 000
Sales Golf Memberships in 2010-11(60%)	50	50 000	2 500 000

Total Income € **4 383 750**

The costs are estimated to be less than 30% of the income. 30% of the sales amount is therefore already deducted in the above prices, in order to show the net income figure

Expenses:	Number	Month	Year
Salaries administration	10	1 500	180 000
Salaries employees	60	500	360 000
Management	2	3 000	72 000
Telecommunication	1	2 000	24 000
Water / Electricity	1	2 000	24 000
Maintenance	1	10 000	120 000
Transport	1	15 000	180 000
Printing - brochures, stationeries etc.	1	3 000	36 000
Marketing expenses	1	25 000	300 000
Commissions	1	7 000	84 000
Sundry expenses	1	25 000	300 000

Total Expenses € **1 680 000**

Profit the first running year (incl. Profit from golf memberships) € **2 703 750**

Return on investment in the first emission is calculated to be between 10-15% in year 2011/12
In addition, the value of the shares is believed to double when the Stage 1 project is build.

9. Organisation/Management.

The planning and leadership of the company will be run from the main office in Kampala in co-operation with the Board of Directors. The organisation will be small, flexible and effective. Following the start of **Stage 1**, the number of locally hired workers in the company will be about 70. A managing director, who will be a person with long experience within tourism in Uganda, will be hired. In addition, we will also hire different branch managers. These will not be hired until **Stage 1** is nearly completed, and the running of the company can start up.

The building project will be administered by **Rino Solberg**, and his wife **Julie Solberg** who will be in Uganda during the building period, in co-operation with local architects and contractors. His Ugandan family, who are main shareholders, will be taking part as well.

Rino Solberg is an experienced international entrepreneur who has established businesses in Norway, Japan, USA and Germany, with agents in 20 countries. He is also a well known author of 9 books and lecturer in the field of Leadership, Sales, Quality and Personal development.

Rino Solberg has been in Uganda every year for the past 20 years and has obtained good contacts with many of the ministers, and personally knows many of the government officials in the country, as well as many of the top leaders in private businesses.

He has, as a consultant, helped 85 Ugandan companies to get their ISO 9000 Quality System Certification through his Ugandan company Total Quality Management Ltd.,

He also has an excellent understanding of the culture of Uganda, and he and his wife have personally met the President of Uganda, Yoweri Museveni several times.

Julie Solberg is the board secretary, and she has many years of experience of running different businesses in Norway and Uganda. She is presently located in Uganda.

However, as soon as the share emission is completed, a new experienced board in the field of tourism business is being elected, who is able to run the operation from a tourism point of view.

The start up Board:

Chairman/MD: Rino Solberg, Norwegian

Board member/secretary: Julie Solberg, Norwegian

In addition, an expert committee will be established in Uganda comprised of people from tourism and business, and members of the Ministry of Tourism representing the government.