

OWNERSHIP INVESTMENT CONDITIONS

Due to the fact that we were not able to get financing from the conventional credits and/or other financial sources, we decided to invite the ownership investment participation of potential customers of our products as well as a few individuals and institutions that are active in ecology or production of renewable energy sources. To all who will decide to join us we are offering exceptionally favorable ownership investment conditions with our company.

You can see below, in the attached table, that based on the projection of production and marketing activities, we are offering the possibility of obtaining extremely high profits even within the first 5 years of operations (net income per individual in the 5th year should exceed 150.000 €), despite the fact that in early years we are carrying out an aggressive recapitalization, which will greatly increase the value of the company as well as the value of the individual ownership interest as much as 100 times! To conclude, and before stating the investment conditions, which each investor must consider, let us mention the almost unbelievable fact that financial contribution for each individual ownership interest is very low: only 6.000 €

Investment conditions to which each prospective co-owner must irrevocably agree:

1. Each prospective co-owner will pay through a bank account to the bank account of IZUMI Markovic in ostali d.n.o. an initial basic sum of €6,000 for 1% of the company.

If an individual cannot pay all the 6.000 € in a lump sum, it is possible to arrange to pay out a 1.000 € per month for a period of 6 months since the date of signing the Investment Agreement.

2. For individuals or companies wishing to buy more than 1% of co-ownership shares the price mentioned above is valid only for the first percent of ownership interest. For each following percent the price doubles, which means that the price of the second 1% will be 12.000 €, the price of the third 1% will be 24.000 €, the price of the fourth 1% will be 48.000 €, etc.

In case of a subsequent finding during the first five years that the same individual bought several percent, indicating the fictitious names of other persons or entities, all such percentages would be taken back through the majority of ownership votes and only the cost of initial basic contributions would be returned.

3. For all new co-owners it is strictly prohibited to sell their shares during the period of the first five years of their ownership. Throughout that period, up to year 2017, co-owners can sell their shares but only to the founder, Mr. Vladimir Markovic or his company IZUMI Markovic in ostali d.n.o., and only at the price based on the initial basic contribution price increased by 7% of the annual interest rate. In the sixth year of operations (year 2016) or after that, selling of shares will be allowed to anyone.

4. All co-owners shall be regularly informed in writing, at least once a month, about all activities and achievements of the company. They also will be informed through the use of visual materials like direct video link with the manager (Skype: vladimir.markovic69). In addition, upon request, also through the direct video supervision equipment from the production halls of our cooperatives.

5. Every new co-owner who is located in a country in which the company does not have its commercial agent, can apply for priority to become exclusive local sales agent. The same right would apply to other countries where he has some registered ownership in a company.

6. Each new co-owner irrevocably agrees that for the first five years of operations Vladimir Markovic (or his company IZUMI Markovic in ostali d.n.o.) has the 50% of the voting shares. This means that all other co-owners shall share the remaining 50% of the voting rights. After an initial period of five years this rule will be no longer valid and each co-owner will have one electoral vote based on 1 % of ownership.

What we are planning to achieve in the next 5 years?

Basic financial projections					
For units SPT 16, SPT 24 in SPT 35					
Project	SPT 1,2,3				
Scenario 2 - medium optimistic	SPT				
Items	1 year-2012	2 year-2013	3 year-2014	4 year-2015	5 year-2016
Average prices without VAT	11.850	11.850	11.850	11.850	11.850
Quantity (produced=sold)	1.000	2.500	5.000	10.000	15.000
Income/year	11.850.000	29.625.779	59.251.299	118.502.597	177.752.597
Fixed costs of company/year	500.000	1.000.000	2.000.000	3.000.000	4.000.000
Variable costs on unit	9.842	9.842	9.842	9.842	9.842
All variable costs/year	9.842.000	24.605.000	49.210.000	98.420.000	147.630.000
All costs/year	10.342.000	25.605.000	51.210.000	101.420.000	151.630.000
EBIT	1.508.000	4.020.779	8.041.299	17.082.597	26.122.597
Passive	2.069.072	1.869.072	1.669.072	1.469.072	1.269.072
Debts	48%	43%	36%	27%	16%
Real rate of debts	7%	7%	7%	6%	6%
Long term credits	1.000.000	800.000	600.000	400.000	200.000
Interest on long term credits	70.000	56.000	42.000	24.000	12.000
Annuity per annum	200.000	200.000	200.000	200.000	200.000
Capital needed for production/year	1.723.667	4.267.500	8.535.000	16.903.333	25.271.667
Coif. of turning over of needed capital	6	6	6	6	6
Non-stop capital in use	787.278	1.711.250	3.422.500	5.817.222	8.211.944
Interest on capital in use	120.657	298.725	597.450	1.183.233	1.769.017
Equity - owners capital	1.069.072	1.069.072	1.069.072	1.069.072	1.069.072
gross profit	1.117.343	3.466.054	7.201.849	15.675.364	24.141.581
Business tax level	25%	25%	25%	25%	25%
Net profit after payment of tax	838.008	2.599.541	5.401.387	11.756.523	18.106.186
Number of ownership parts	100	100	100	100	100
EPS - Profit on 1 % ownership	8.380	25.995	54.014	117.565	181.062
EBIT on Passive	0,7	2,2	4,8	11,6	20,6
Re-investment factor	0,5	0,5	0,5	0,5	0,5
DIVIDEND Mass	419.004	1.299.770	2.700.693	5.878.262	9.053.093
ROE-profit on owners capital	78%	243%	505%	1100%	1694%
ROA-profit on compl. Capital	41%	139%	324%	800%	1427%
Border of rentability-No. of products	444	774	1.414	2.195	2.979
Highest production quantity	1.000	2.500	5.000	10.000	15.000
Maximal profit in mass	1.131.000	3.015.000	6.030.000	12.810.000	19.590.000
Maximal profit on unit	1.131	1.206	1.206	1.281	1.306
Profit on unit	838	1.040	1.080	1.176	1.207
Profit on 1 % of ownership (€)	4.190	12.998	27.007	58.783	90.531

The projections in the above table are only for the first 3 smallest SP turbines with 1.6, 2.4 and 3.6 m of diameter. Also, they are equipped only with water pumps for irrigation or other water delivery use. Their use for direct production of electric power are planned for later period.

Basic financial projections					
For units SPT 35, SPT 55 in SPT 70					
Project	SPT 3,4,5				
Scenario 2 - medium optimistic	SPT+SG				
Items	1 year-2012	2 year-2013	3 year-2014	4 year-2015	5 year-2016
Average prices without VAT	17.250	17.250	17.250	17.250	17.250
Quantity (produced=sold)	500	1.000	3.000	4.000	5.000
Income/year	8.625.000	17.250.000	51.750.000	69.000.000	86.250.519
Fixed costs of company/year	500.000	700.000	1.000.000	1.200.000	1.500.000
Variable costs on unit	13.360	13.360	13.360	13.360	13.360
All variable costs/year	6.680.000	13.360.000	40.080.000	53.440.000	66.800.000
All costs/year	7.180.000	14.060.000	41.080.000	54.640.000	68.300.000
EBIT	1.445.000	3.190.000	10.671.039	14.360.519	17.950.519
pasive	1.200.000	1.000.000	800.000	600.000	400.000
<i>Debts</i>	83%	80%	75%	67%	50%
Real rate of debts	7%	7%	7%	6%	6%
Long term credits	1.000.000	800.000	600.000	400.000	200.000
Interest on long term credits	70.000	56.000	42.000	24.000	12.000
Annuity per annum	200.000	200.000	200.000	200.000	200.000
Capital needed for production/year	1.196.667	2.343.333	6.846.667	9.106.667	11.383.333
Coif. of turning over of needed capital	6	6	6	6	6
Non-stop capital in use	699.444	1.090.556	2.141.111	2.717.778	3.397.222
Interest on capital in use	83.767	164.033	479.267	637.467	796.833
Equity - owners capital	200.000	200.000	200.000	200.000	200.000
gross profit	1.161.233	2.769.967	9.949.772	13.499.053	16.941.686
Business tax level	25%	25%	25%	25%	25%
Net profit after payment of tax	870.925	2.077.475	7.462.329	10.124.290	12.706.265
Number of ownership parts	100	100	100	100	100
EPS - Profit on 1 % ownership	8.709	20.777	74.623	101.243	127.063
EBIT on Passive	1,2	3,2	13,3	23,9	44,9
Re-investment factor	0,5	0,5	0,5	0,5	0,5
DIVIDEND Mass	435.462	1.038.738	3.731.165	5.062.145	6.353.132
ROE-profit on owners capital	435%	1039%	3731%	5062%	6353%
ROA-profit on compl. Capital	73%	208%	933%	1687%	3177%
Border of rentability-no. of products	219	288	442	530	645
Highest production quantity	500	1.000	3.000	4.000	5.000
Maximal profit in mass	1.083.750	2.392.500	8.002.500	10.770.000	13.462.500
Maximal profit on unit	2.168	2.393	2.668	2.693	2.693
Profit on unit	1.742	2.077	2.487	2.531	2.541
Profit on 1 % of ownership (€)	4.355	10.387	37.312	50.621	63.531

The second table above presents production numbers, costs, incomes and margins for the last three PCT models: 3.6, 5.5 and 7 meters of diameter – equipped for production of electric power.

The third table below presents an average of integrated results for the overall production and sales. It shows that even with 50% of reinvested profit in capitalization of the company, the value of invested finances should increase 100 times in only 5 years of operating period. In the meantime, relatively high margins shall also offer more than high profits.

Integrated results					
For units SPT 16,24,35,55 and 70					
Project	SPT 1,2,3,4,5				
Scenario 2 - medium optimistic	SPT				
Items	1 year-2012	2 year-2013	3 year-2014	4 year-2015	5 year-2016
Average prices without VAT	14.850	14.850	14.850	14.850	14.850
Quantity (produced=sold)	1.500	3.500	8.000	14.000	20.000
Maximal (gross) profit in mass	2.278.577	6.236.021	17.151.621	29.174.417	41.083.267
Average (gross) profit on unit	1.519	1.782	2.144	2.084	2.054
Reinvestments from all owners/annum	1.708.033	2.338.508	6.431.858	10.940.406	15.406.225
Profit on 1 % of ownership (€)	8.545	23.385	64.319	109.404	154.062
Starting investment for each 1% (€)	6.000	0	0	0	0
Starting capital from all owners (€)	600.000	0	0	0	0
Expected value of whole company (€)	600.000	4.200.000	11.500.000	29.000.000	60.000.000

Additional data and information are available in the Business Plan, which can be found on our website <http://www.izumi.si>

I declare that I agree with the above investment conditions and that I will pay the equity participation amount of _____€ to become co-owner of the SP Energija company formed to manufacture and sale SPT equipment. Please, provide me immediately with all legal documents that I would need to sign, notarize and certify on basis of which I would be recognized and registered as legal co-owner of the SP Energija company in the Republic of Slovenia.

Signature : _____

Date : _____

Full Name: _____

Full address: _____

Instructions for Bank transfer:

IZUMI MARKOVIČ in ostali d.n.o., Dunajska 404, Ljubljana, Slovenija
 Bank: RAIFFEISEN BANK d.d., Slovenska ulica 7, SI – 2000 MARIBOR
 SWIFT: KREKSI IBAN: SI56 2420 1900 4233 721
 Purpose of payment: 557 - Investment in foreign company