

"BINAR ASSOCIATION" CJSC

Nizhny Novgorod

Owners:	100% - 32 individuals, 4 stockholders own 82% of the package
Staff:	150 permanent employees, 30 part-time employees
Previous financing:	\$ 2,000,000, including the own \$ 1,730,000, and sponsored \$ 270,000
Current financing:	\$ 500,000, including the own \$ 400,000, and sponsored \$ 100,000
Volume of investment required:	\$ 1,150,000
Intended use of the investments required:	Purchase of equipment - 30%, arrangement of working places - 35%, software purchase - 25%, filing of patents and products certification - 10%

Company profile

The BINAR Association was established in 1989 to use and commercialize the expertise and intellectual potential of former employees of the Russian Federal Nuclear Center for civilian commercial purposes.

The basic principles of BINAR functioning: active marketing, constant widening of the scope of activities and nomenclature of the products as a result of a constant upgrading of the production and technical potential of the Company.

As of today, the Company owns three production buildings with the total floor space of 2,500 square meters. In order to increase the production volume, the Company is building other production premises with the total floor space of 2,000 square meters (scheduled to be put into operation in 2003).

A distinctive advantage of the BINAR Association is a complete production cycle, i.e.: market research, R&Ds; designing, production, delivery; and putting into operation company's own products as well as systems based on devices and technologies of international producers; warranted and servicing maintenance.

The main customer of BINAR is Gazprom JSC. BINAR is the leading supplier in Russia, Belarus and Ukraine of automations tools for piston Gas-Motor-Compressors (GNC). The Company products have been imported to Bulgaria, Lithuania, Kazakhstan and Uzbekistan. It has reached an agreement on the deliveries to Azerbaijan.

Area and directions of activity

The area of the BINAR Association's activities is production of electronics and instrument building; software products development.

The goals of the Company's activities include a small-batch production of electronic devices and information systems for applications in oil & gas industry and on-water transport.

Products/Services/Technologies

- Automated control systems (ACS) for gas-pumping equipment, as well as hardware and software components of such systems
- Information and control systems (ICS) for the underground gas storage stations and compressor stations

The products of the Company were certified for operation in especially hazardous environment, i.e: wide operational temperature range; explosion-risky premises; open decks. (6 Certificates and 9 Affirmances of Explosion-proof Quality for the electronic equipment produced by the Company have been issued to BINAR. The Russian River Navigation Registry and the Russian Sea Navigation Registry issued to BINAR the respective licenses, certificates and vouchers for the Company products. The production of the Company can replace the articles imported presently). The Company products are included into the State Registry of Measuring Instrumentation.

Achievements

BINAR has created the GMC automation tools market in Russia, Belarus and Ukraine from scratch and became the leader

at it. IN 1999 and 2000 the BINAR Association won the contest "Nizhny Novgorod Business Elite". In 2000 the Decree of the Nizhny Novgorod Region Governor and Legislative Assembly of Nizhny Novgorod Region acknowledged the contribution of the Company into the development of the regional industry.

Prospects of Development

At present BINAR is negotiating with its Azerbaijani and Ukrainian partners contracts for the delivery of GMC automation equipment for more than \$ 2 mln. The order package for 2003 totals over \$ 0.8 mln. The negotiations with technical management of oil companies on signing contracts for about \$ 0.5 mln. are in progress. Contracts for delivery of the automated control systems for the total of \$ 0.5 mln are close to signing.

Sales volume (over the last 12 months): \$ 2,286,000

year	Without investments requested	With the investments requested
2002	\$ 2,500,000	\$ 2,500,000
2003	\$ 2,800,000	\$ 3,000,000
2004	\$ 3,200,000	\$ 4,200,000
2005	\$ 3,600,000	\$ 5,200,000