

KRASS CJSC

Volume of investments required: **\$ 4 200 thousand**

Intended use of investment required:

R&D	15%
Marketing	6%
Patenting and certification	10%
Fixed assets acquisition	69%

Company profile:

1. Date of establishment - December 21, 1994
2. Stage of development - Expansion
3. Size and source of investment to date - Money that have been already invested in the company - \$ 1,800 th. - own funds, \$ 1,000 th. - credit of OJSC "RosBR".
4. Industry - machinery-producing industry, gas-cylinder regulators production
5. Target market- gas welding, medicine, beer and soft drinks trade, car industry.
6. Sales in 2003 - \$ 2 728 th.
7. Description and value of assets - \$ 3,625 th. - 180 units of the industrial equipment and \$ 2,700 th. - cost of assets of OJSC "Viritsky hardware factory".
8. Intellectual property rights. - Joint-Stock Company "KRASS" has six patents for inventions in the field of gas welding and a trademark.
9. Signs of public recognition. JSC "KRASS" is a regular participant of exhibitions, competitions, presentations of gas-regulating equipment. The diploma of the best municipal supplier of goods, works and services, diplomas of the following exhibitions: "RosGasExpo", "Metallurgy", "ROSMASH", "Welding", "Rosmetalostroy", "Chemical industry" etc.

Owners:

Individuals (4)	100 % of charter capital
Share of government property	0%

Management and key personnel:

Vorotynets Anatoly Vasilevich - Managing Director, 42, managing experience in sales and marketing department of JSC "KRASS", inventor in the field of gas-welding equipment, got patents in Russian Federation.

Fajbushevsky Vladimir Mihajlovich - Financial Director, 47, an auditor, a member of Russian Federation professional accountants institute, experienced in industrial enterprises accounting organizing, in enterprise financial activity organizing.

Products characteristics:

Gas cylinder regulators (propane, acetylene, oxygen, carbon dioxide, oxygen, beer, air, special). Our gas regulators differ from all world analogues in small size, simplicity and reliability. This effect was achieved due to change of gas direction inside a regulator and mathematical calculation of its parameters.

Comparative analysis with existing alternatives:

Characteristics	Oxygen regulator, CJSC JV "KRASS ", Russia, 2005	Oxygen regulator, SMITHEQUIPMENT, the USA, 1997	Oxygen regulator, HARRIS, the USA, 1998
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Upstream pressure, MPa	0-20	0-15	0-15
Weight, kg	0,75	1	1
Price, \$	13	50	55

Markets/Competition:

	Characteristics	CJSC JV "KRASS"	SMITH EQUIPMENT	HARRIS
2004	Geographical Region - World market. Market size \$ 1,000,000 th.			
	Company market share \$ th./%	4 200 / 0,42	21 000 / 2,1	30 000 / 3
2008	Geographical Region - World market Market size \$ 1 500 000 th..			
	Company market share \$ th./%	30 000 / 2	25 000 / 1,6	36 000 / 2,4

The enterprise works in the markets of gas-welding equipment, of beer and soft drinks pouring equipment, of gas parameters regulation equipment.

The annual consumption of gas-welding equipment in CIS countries is no less than \$ 85 million. The Equipment includes gas cylinder regulators, gas-oxygen torches, burners, valves, cylinders, safety and connecting armature, spare parts, etc. CIS market share of JSC "KRASS" is 5 %. The world market of the gas-flame equipment is valued at no less than \$ 2 billion, including no less than \$1 billion of regulators market. The market of beer and soft drinks pouring regulators is valued in no less than \$ 500 th. In 2006 - 2008 a new world market of hydrogen regulators for motor industry will appear.