

LUMTEK LTD

Volume of investments required: **\$ 550 thousand**

Intended use of funds:

R&D	10%
Fixed assets acquisition (for kit reagents production)	40%
Marketing	15%
Patent and certification	15%
Working capital	20%

Company profile:

1. Date of establishment - February 24, 2004
2. Stage of development - Seed
3. Size and source of investment to date - \$ 25 th. - provided by Foundation for Assistance to Small Innovative Enterprises, under the Start program ; \$ 4 th. - a municipal subvention, \$8 thousand - Moscow City Hall's Department for Small Entrepreneurship Support grant
4. Industry - Biochemistry, biosensors, kits for rapid microbial control
5. Target market - Food and oil-processing industry; medicine; ecology; Emergency Services Ministry
6. Sales in 2003 - None
7. Description and value of assets - None
8. Intellectual property rights - 2 applications for a patent. Intellectual property belongs to the founders, who will pass it to the Company under agreement.
9. Signs of public recognition - Founders have more than 300 publications, diplomas, awards

Owners:

1	35%
2	25%
3	20%
4	20%
Share of government property	0%

Management and key personnel:

Ugarova, Natalia - General Manager, professor, Doctor of Science, senior research fellow of the Department of Chemistry, Moscow State University, honored worker of science, author of more than 200 publication in the field of biotechnology and bioluminescence, co-author of 5 patents.

Trdatyan, Irina - Executive Director, 45, has one intellectual property certificate, two publications in the field of biotechnology, is responsible for administrative and organization activity of the company.

Frunjian, Valery - Senior scientist, 41 Candidate of Science, co-author of two patents, has 16 publications.

Products characteristics:

Development of up-to-date, effective rapid methods on the basis of biosensors and manufacturing kits for rapid detection of microbial contamination of food, biological liquids (blood, urine), water, air, surfaces. Use of such kits will allow to reduce time of assay ten times, bring down an assay error, simplify the procedure of analysis, reduce price and execute an assay right on site .

Comparative analysis with existing alternatives:

Characteristics	Kits for rapid diagnostics of various objects	Microbiological methods of analysis
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	microbial contamination	
Sensitivity	1-10	1
Time of analysis	2-15min. - high contamination 3-6 hours -low contamination	24-72 hours and more
Recurrence	90	50
Volume of sample	0,1-1,0	1,0
Cost of analysis, \$	1,0	1,4

There are no analogues to the kits developed by "Lumtek" in the Russian market. Existing foreign , not exact analogues, are 3-6 times expensive. At present the method and the kit for determination of total bacterial counts in raw milk has been developed, certified and introduced into the Federal Register. The procedure of introduction the method into the State Standard of the Russian Federation is under way. Pilot kits have been successfully tested at Vimm-Bill-Dann company - one of the biggest milk-processing complex in Europe. Consignment of kits are being prepared for sale. Developed test kits for determination of operating-room and medicine instruments sterility got positive report from the Institute of Transplantation and Artificial Organs.

Markets/Competition:

	Characteristics	Kits for rapid diagnostics of various objects microbial contamination	Microbiological methods of analysis
2004	Geographical Region- Russia Market size \$ 37 million - milk industry		
	Company market share, \$ ths. /%	10 / 0,02%	37 000 / 99,98%
2008	Geographical Region- Russia Market size \$ 40 millions.		
	Company market share, \$ ths./%	\$3,700 / 10%-milk market \$500 - Ecology, medicine	36 000 / 90%

Marketing analysis shows that commercial prospects of this project are highly optimistic. There are 100 big and 2,400 small milk-processing plants in the Russian Federation. Each plant is due to execute raw milk microbial control. In average a big plant performs 300 analysis/day, and a small one - 30 analysis/day. In total there are 37 millions analysis/ year which amounts to 370 thousands kits (1 kit/100 analysis/\$100) and \$ 37 million turnover. In case of getting financing the company plans to take over 10% of the milk market, and also to develop, certify and launch on the Russian market new products for food, ecology, medicine. «Lumtek» expects to reach \$4million turnover by 2008.