

Project New Technologies LTD

Volume of investments required: **\$ 800 thousand**

Intended use of investment required:

R&D	16%
Fixed assets acquisition	39%
Marketing and sales	31%
Patenting and certification	14%

Company profile:

1. Date of establishment - March 21, 2003.
2. Stage of development - Start up.
3. Size and source of investment to date - \$ 200 th. The sources - "Fininvest" Ltd. (25%) and RPF "Telemak" Ltd. (25%), local authorities (50% grant).
4. Industry - Biomedical radio electronics: therapeutic and diagnostic medical equipment.
5. Target market- medical and biological equipment market
6. Sales in 2003 - \$ 5.12 th.
7. Description and value of assets - \$ 53.5 th., research equipment
8. Intellectual property rights - "Project New Technologies" Ltd. is the owner of three RF patents and one utility certificate for an analytical device designed for bio objects examination.
9. Signs of public recognition - the company was a winner in a specialized regional program aimed at providing governmental support to businesses that implement innovational projects in 2004.

Owners:

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| 1. "Fininvest" Ltd., Saratov | 50% |
| 2. RPF "Telemak" Ltd., Saratov | 50% |
| Share of government property | 0% |

Management and key personnel:

Melnikov, Alexandr Nikolaevich - Director General of "PNT" Ltd., 48, university technical degree, an advanced degree in politology. Vast experience in successful creating and managing large-scale projects in various fields. Total management experience - 18 years.

Blagodarov, Alexandr Vladimirovich - Member of Directors Board, 37. University degrees in physics and economics. OUGB "Management" professional diploma (OUGB "Strategy" course). Since 1999 he has been financing scientific research in the field of wave physics that has later become the company's know-how. Is responsible for strategic management of the company.

Vlaskin, Sergey Vyacheslavovich - Member of Directors Board, 42, has an advanced academic degree in mathematics and physics. Production and technology development manager.

Dubovitzky, Sergey Alexandrovich - Member of Directors Board, 48, advanced academic degree in mathematics and physics. Manages commercial projects development, economic and marketing analysis.

Products characteristics:

- a) EHF therapy device for electromagnetic therapy purposes. Therapeutic effect is achieved through the energy of extremely high frequency (EHF) electromagnetic radio waves of 40 -60 GHz range. Low-scale manufacturing has been established.
- b) "TRF-topographer" diagnostic complex (DC), designed for diagnosing the functional state of a human organism at an early stage. The device is intended for mass production. DC will be delivered as a complete set together with software that can be adapted to fit the specific diagnostic needs: screening, diagnostics in the spheres of mammalogy, urology, pulmonology, cardiology; child diagnostics; monitoring the state of an organism in the course of treatment; diagnostics in the spheres of veterinary and emergency medicine. "Mammalogy" modification is the first one to be scheduled for stable and significant sale.

The discovery of a new effect of interaction of millimeter waves with biological environments and water made by Saratov physicists had served as a basis for creating DC. It allowed developing a new method of examining bio objects. The method consists in registering the level of resonant-wave processes in tissues that, in its turn, mirrors the level of cellular metabolism.

Comparative analysis with existing alternatives:

- a) The company has developed a new compact modification of EHF therapy apparatus. The radiation dose has been lowered; the whole usage procedure has become simpler. The latter makes it possible to use the device at home.
- b) DC "TRF-topographer", "Mammalogy" modification. No direct analogues exist. Indirect analogues include "Radiometer TM-01-РЭС" DC produced by "Firma RES" Ltd., Moscow, and "Radiometer RT-17" DC produced by "СВиЗМ" Ltd., Nizhny Novgorod. These devices are based on a different method of diagnostics that consists in measuring the temperature of internal body parts. The DCs are characterized by a lower sensitivity (contrast range) level, are able to diagnose only inflammatory processes, that is, can't be used for determining tumor characteristics. The devices have limitations as to their working conditions – temperature conditions are of a great importance. Preliminary results of hospital research show that "TRF-topographer" DC allows to identify mammary gland neoformations and distinguish between benign and cancerous ones quickly, positively and at the earliest stage. It is also useful in tracking tumor dynamics after a chemotherapy course.

Comparative analysis of machine-based methods of diagnosing tumoral diseases:

Method	Degree of self-descriptiveness, %	Time needed to obtain a result	Comment
TRF topography	95%	20 min	Non-invasive, sensitive to the earliest stages of disease, allows defining tumor characteristics.
Ultrasonic scanning	50-80%	20 - 30 min	Is only useful in determining tumor location
Non-contrast mammography	86%	40 min - 24 hours	Has restrictions as to its use in a certain period of time due to the harmful effect of radiation. The reliability of results depends upon the doctors' level of expertise
Thermography	77% - in the presence of other symptoms 25% - in their absence	30 min	Is not sensitive to the early stages of

		disease. Does not allow defining tumor characteristics.
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Markets/Competition:

Therapeutic and diagnostic equipment market is a dynamically developing one. The yearly increase of sales in this market amounts to 5%. The major part of the market is taken up by traditional methods of diagnostics. Marketing research shows the existing need for a DC that would allow examining the whole organism or any of its parts quickly and accurately. At the initial stage the company plans to actively promote the "Mammalogy" DC modification. Innovational diagnostic mechanisms will enable TRF topography to substitute traditional methods of diagnosing tumoral diseases in future. The initial stage presupposes using the existing sales channels. The orders for the year 2005 include 4 DC devices.

Russian tumoral diseases diagnostic equipment market is evaluated as \$ 56 million. Its North American counterpart is assessed as \$3 billion. In 3 years' time the company plans to take over 4% Russian market share. This will equal selling 120 of various DC modifications (each worth \$ 12-20 th.). In 5 years the company plans to expand its market presence to 12% and enter the analogous markets of Europe and US.

15% of future sales belong to EHF therapy device. Its share was considered when calculating financial forecast.