

PAKT CJSC

Volume of investments required: **\$ 1 000 thousand**

Intended use of investments required:

Working capital (to facilitate the market entry)	5%
Fixed assets acquisition	80%
Other	15%

Company profile:

1. Date of establishment - September 24, 2001
2. Stage of development - Expansion
3. Size and source of investment to date - \$ 1,500 th. (own funds - \$ 800 th., long-term bank loan - \$ 700 th.)
4. Industry - Polymer chemistry and production of polymer films
5. Target market - Packaging industry
6. Sales for 6 month of 2004 - \$ 1,540 th.
7. Description and value of assets - \$ 990 th. - the line of manufacture of polyethylene film (CMG (Italy))
8. Intellectual property rights - Registered trade mark
9. Signs of public recognition -
 - winner's certificate at the 2003 Knowledge-Innovation competition, dedicated to the 300th birth anniversary of St. Petersburg
 - the gold medal of international exhibition "Agrorus" - 2003
 - publications:
 - "Sankt-Petersburgskie Vedomosti", No. 182 (2812), October 2, 2002
 - "Delovoi Peterburg" No. 149 (1491), August 15, 2003
 - "Sankt-Petersburgskie Vedomosti", No. 163 (3033) September 3, 2003

Owners:

12 persons, distribution of shares from **100%**
3.85 % to 24.32 %
Share of government property **0%**

Management and key personnel:

Markov, Mihail Leonovich - Director General, 49, specialist in financing and corporative structuring, vast experience as leading banking officer (7 years) and in organization of manufacturing enterprises.

Moshkovich, Vladimir Yuryevich - Commercial Manager, 44, successful 6-year experience in packing films sales.

Products characteristics:

The main direction of "Pact" activities is production of European-quality shrinkable films for rapid packing lines. The films are made of domestic raw materials. The width of film coating is up to 6.5 meters. Period of exploited of strong coating, made of polyethylene and vinyl acetate (EVA) and complex of addition, for professional greenhouses runs up to 5-6 years. It's planned to develop the production of high-quality multi-layer films for flexible packing, polygraphy, construction etc.

Comparative analysis with existing alternatives:

Shrink wrap film

Characteristics	PAKT JSC, 2003	"Tonar", 1998	"Hemosvit" (Slovakia),
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			1990
Thickness, micron	65	80	65
Difference in thickness, %	to 6	to 20	to 10
High-quality perforation	Available	Not available	Available
Price for kg, \$	1,4	1,4	1,75

Co-polymer coating for greenhouses:

Characteristics	Pact PJSC, 2003	"Shar"	Finland
Durability, years	5	2-3	5
Price for kg, \$	3,4	2,5	7,5

Prior to launching the new product (three-layer film) the company conducted the feasibility study, analyzed market, defined a place of a company in this market. There were also developed compositions for different purposes films.

3-layer film for milk packing:

Characteristics	PAKT JSC, 2003	"Polypack", "PUMa", "Soyuzecologia"	Finpak
Thickness, mic	70	90	60
Losses of milk, in case of brake of packs %	0,1	5	0,05
Use milk during (non- scalded), days	7	5	8
Price for kg, \$	2,4	2,2	3,6

Markets/Competition:

	Characteristics	PAKT JSC	"Taurus Phenix"	"Tonar", 1998
2004	Shrink wrap film Geographic Region- St. Petersburg Market size \$ to 11,135 th.			
	Company market share \$ ths./%	2,227 / 20 %	1 893 / 17 %	668 / 6 %
2008	Shrink wrap film Geographic Region- St. Petersburg Market size \$ 22,506 th.			
	Company market share \$ ths./%	3 376 / 15 %	2 205,6 / 10 %	900 / 4 %
	Data	PAKT JSC	"NTL - Upakovka "	Finpak
	Multi-layer films Geographic Region- Russia Market size \$ 921,750 th.			
Company market share \$ ths./%	3 687 / 0,4 %	7 374 / 0,8 %	36 870 / 4 %	

At present the factory satisfies over 50 % of demands of St. Petersburg largest companies , e.g. "Coca-Cola" (SPb), "Vena" (SPb), "Heineken" (SPb), "SCA Svetogorsk", "Zolotoi Ural" (Chelyabinsk) etc. In 2004 the company has completely satisfied demands of region's agricultural companies in (EVA) films.