

PROPOLIS LTD

Volume of investments required: **\$ 400 thousand**

Intended use of investment required:

R&D	10%
Products upgrade	25%
Patent and certification	5%
Working capital	10%
Fixed assets acquisition	50%

Company profile:

1. Date of establishment - 1995, reorganization - 2003.

Open Company "Propolis" (before Open Company "Aurveda") is engaged in manufacture on own scientific development, wide assortment of natural, healing preparations, on the basis of the well known Bashkir honey, propolis, bee wax and flower pollen. For manufacture the non-polluting raw material is used only.

The predecessor of Open Company "Propolis" - Research-and-production association "Propolis" which was the pioneer in the given branch (from 1989 to 2001).

The founder of manufacture, the developer of technologies, was former military pilot Bakirov Albert Abdulhakovich - the candidate of agricultural sciences (2000), in 2001 has suddenly died. After his death Research-and-production association "Propolis" is liquidated. "Aurveda" is renamed into "Propolis".

2. Stage of development - Expansion

3. Size and source of investment to date - \$ 500 th.

4. Industry - Biotechnology.

5. Target market - Medicine, food stuffs, cosmetics.

6. Sales in 2003 - \$ 57 th.

7. Description and value of assets - \$ 20 th. (the industrial equipment)

8. Intellectual property rights - patents for a dental elixir, the certificate for a new sign, applications for patents by 5 kinds of production, in the project 10 kinds of patents

9. Signs of public recognition - technology are awarded more than 100 diplomas and medals, set of publications, including: the Winner of competition "Top 100 Russian products" (1998 - 2000); the Winner of competition "Russian Brand"; the owner of "the Quality symbol of XXI century" (1999r.); the winner of Gold and Platinum "Symbol of XXI century quality" (2000). Open Company "Propolis" is awarded with the Diploma by representative of president of Russian Federation in Povolzhsk federal district (on April, 29-30, 2004).

Owners:

1 natural person **100 %**

Share of government property **0%**

Management and key personnel:

Bakirova Gulfira Xatmutdinovna - Director, 57, Member of the Consulting Board of Republic of Bashkortostan since 1993, a member of Presidium of children's fund since 1998, a member of a beekeepers society of Russia, she is awarded with the diploma "For high scientific and technical development and release of unique high-quality production of beekeeping (1999), she is awarded with 2 medals "the Woman-Director of year" (1999, 2001), the deserved businessman of Russia (2001). Activity in the given branch - since 1989. From same year, she is the assistant to the General director of Research-and-production association of Open Company "Propolis". Since 1996 - she is the head of Centre of science in Research-and-production company "Propolis" and simultaneously - director of Open Company "Aurveda".

Safiullina Svetlana Vladimirovna - 33, Sales manager, a 10-years operational experience in firm.

Safiullin Eduard Halfievich - 36, Deputy Director on manufacture, an operational experience in firm of 11 years.

Delmeeva Svetlana Mihajlovna - 33, Technologist, an operational experience in branch of 8 years.

Products characteristics:

In a basis of technologies and manufacture is put the idea and principle of creation of bee preparations what providing high improving effect. Products and medical - cosmetic compositions have the unique properties which restore the basic systems of the person, such as: cardiovascular, immune, stomach and intestinal path, a brain and the central nervous system. The basic kinds of honey-propolis production what using the greatest demand at consumers: suppositories, lotion, a dental elixir, cosmetic milk, emulsion, creams, ointment, caramel , honey with bran, propolis water.

Comparative analysis with existing alternatives:

Characteristics	«Propolis»	1-st Beekeeping company «Tentorium» Perm	«Apis» St. Petersburg	«Kalinak»
Market entry	1990	1993	1995	1994
Assortment	More than 100	More than 50	More than 5	More than 3
Competitive characteristic of let out production	Cream-mask «AVE-APIS», capacity of 60 ml.\$ 2.5	Cream-mask capacity of 50 ml.\$ 9.6	Cream«Aplon»capacity of 30 gr.\$ 5.5	Propolis-geliantcapacity of 50 gr.\$ 5.5
Ingestion medicine, antivirus, anesthetizing, stimulate metabolism, organism protective forces.	Emulsion «AVE – APIS» capacity of 60 ml.\$ 2.5	« A-P-V»capacity of 100 ml.\$ 8.5	«Apipromin» capacity of. 5 gr.\$ 6	Balm «Longevity» capacity of 50 ml.\$ 8.5
Intimate hygiene irreplaceable both for women, and for men.	suppository 20gr.\$ 3	Gel for intimate hygiene 200 gr.\$ 5.5	Cream« Appilon»30 gr.\$ 5.5	«Propolis Geliont»50 ml.\$ 5.5

Competitive features:

- uniqueness of raw material as the Bashkir honey is the most qualitative;
- the big assortment of made production (more than 100 names);
- the low price at excellent quality;
- popularity and recognition of a brand " AVE - APIS "

Markets/Competition:

	Date	«Propolis»	1-st Beekeeping company«Tentorium» city of Perm	«Apis»St. Petersburg	«Kalinak»	Free niche
2004	Geographical Region- Russia Market size - \$ 20,000 th.					

	Market share\$ ths./%	150 тыс. / 1%	15 000 тыс. / 25%	2 000 тыс. / 10%	1 000 тыс. / 5%	60%
	Geographic Region Russia Market size \$ 30,000 th.					
2008	Market share\$ ths./%	4 500 тыс. / 15%	10 000 тыс. / 30%	3 000 тыс. / 10%	2 000 тыс. / 5%	40%

Research shows, that demand exceeds the offer in tens times.

However it is necessary to take into account, that the specified market started to be formed by extremely company "Propolis " in 1990. Low enough cost price of let out production, allows to render a price competition to manufacturers of close analogues submitted on the market.

And as interest to our product is shown on the part of potential buyers of foreign countries, such as the USA, Israel, United Arab Emirates, Japan, Bulgaria.