

SINCOM LTD

Volume of investments required: **\$ 600 тыс.**

Intended use of investment required:

R&D	5%
Marketing	17%
Working capital	40,5%
Patenting and certification	2,5%
Fixed assets acquisition	35%

Company profile:

1. Date of establishment - October 14, 1999.
2. Stage of development - Diversification, expansion of activity
3. Size and source of investment to date - \$ 10 th. - own funds.
4. Industry - Food production
5. Target market - Consumer goods
6. Sales in 2003 - \$ 360 th.
7. Description and value of assets - \$ 2 th., packaging equipment
8. Intellectual property rights - the rights to trade mark and know-how of bakery dry mixes.

Owners:

2 natural persons	50% each
	other
Share of government property	0%

Management and key personnel:

Siniavskiy Dmitri - General Manager, 43, founder of the company. General control of activity of the company (finance, purchasing, logistics, sale). Create gluten-free products production project.

Siniavskaya Elena - Commercial Manager. Control of sales and marketing activity of the company.

Products characteristics:

There are two directions of company activities at present:

1. Production of dry mixes for bakery. The products manufactured by YULLA Company according to technology and from raw materials supplied by our company. SINCOM Ltd. sales the products as the wholesaler.
2. Wholesale of grocery, dietary and sugar-free food, supply of raw materials to bakeries.

Planning activity: Production of hypoallergenic food (food without gluten, milk and egg additives) for individuals having allergy to one of these components. The main consumers of the products are the people affected by Celiac disease, also known as gluten intolerance. Symptoms of celiac disease range from the classic features, such as diarrhea, weight loss, and malnutrition, to latent symptoms such as isolated nutrient deficiencies but no gastrointestinal symptoms. The only acceptable treatment for celiac disease is strict adherence to 100% gluten-free diet for life.

A gluten-free diet means avoiding all products that contain wheat, rye and barley, or any of their derivatives. To start production of gluten-free food we need an equipment and technology. We have preliminary agreements with St.-Petersburg's brunch of Russian Bakery Research Institute and PROTEIN PLUS Ltd. for commercial use of technologies and know-how of gluten-free products they have.

Comparative analysis with existing alternatives:

Characteristics	Products/services of exhibiting	Pauli Biscuit GmbH(GLUTANO)Germany	Dr.Shaer GmbH (Italy-
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	company, year of bringing to market	(on Russian market from 2002)	Germany)(on Russian market from 2002)
-Quality,	High quality	High quality	High quality
-Shelf life	Up to 6 months	From 6 to 12 months	From 6 to 12 months
-Number of SKUs	5-6 different items	More than 15 different items	More than 15 different items
- Price, \$/kg	3.5-7	7-28	7-28

Manufacturing of gluten-free products can be realized on standard equipment used for bakery and for dry mixes production.

There are no companies in Russia producing gluten-free food. There are dozens of companies in Western Europe and USA making only gluten-free products on production facilities free from raw materials containing gluten. The margin and price for gluten-free food are 2-3 times more than margin and price for similar regular food.

Markets/Competition:

	Characteristics	Products/services of exhibiting company	GLUTANO	Dr.Shaer
2004	Geographic region - Russia Market volume - \$ 120 th.			
	Company market share \$ th./%	0	60 / 50%	60 / 50%
2008	Geographic region - Russia Market volume - \$ 3500 th.			
	Company market share \$ th./%	3 200 / 91%	200 / 6%	100 / 3%

The statistics of celiac disease in Russia is not very reliable because of fact that diagnostics of the disease became available in Russia within last 5-6 years (compare to 30 years experience in this field in USA and Europe). According to statistics of St.Petersburg celiac society there is at least 1 person to 2,000 people affected by celiac disease in Russia. On the other hand, European and USA statistics shows relation 1:150-300. Therefore, we may estimate that there are from 50,000 to 300,000 potential consumers of gluten-free food in Russia. In future, the number of individuals affected by celiac disease will be growing up. We used above mentioned data to estimate selling volume up to 2008. For information: Sales volume of gluten free food in UK in 2001 grown up by 34% and reached 21 million Pounds.

To better promotion and distributing of gluten-free food we are going to present it as healthy food, which can be consumed by all individuals taking care about the health.

We are going distribute gluten-free food using both the companies specializing on sugar-free and diet products and retail chains in St.Petersburg and Moscow. We already got positive response from following companies: DIETPRODUCT (Archangelsk, North of Russia), PODAROK (Moscow), DIALINIA (St.Petersburg), and ZELIONI LIST (Yekaterinburg). We also going to use technology of direct sale to supply gluten-free food to consumer far away from big cities.