

## Zhivaya voda JSC

Volume of investments required: **\$ 3 500 thousand**

Intended uses of the investments required:

<b>Marketing</b>	<b>14%</b>
<b>Fixed assets acquisition</b>	<b>86%</b>

Company profile:

1. Date of establishment - May 7, 1993
2. Stage of development - Expansion.
3. Size and source of investment to date - \$ 2,000 th. (bank credits, positive credit history).
4. Target market - Food
5. Sales in 2003 - \$ 4,376 th.
6. Description and value of assets - \$ 5,870 th. Buildings - 24 %. Manufacturing and sales equipment - 75 %. Other fixed assets - 1 %.
7. Intellectual property rights - Registered trade mark "Vodyanoy". In the process of registration - patent for wa-ter production technology and drinks making. Owner of the patent - "Zhivaya voda" joint stock company.
8. Signs of public recognition - repeated laureate of «100 best products of Russia» and «Moscow quality» com-petitions, winner of gold medals and awards at prestigious exhibitions, awarded a gold medal of the RF Ministry of Health for achievements in the sphere of quality.

Owners:

State property management

committee of the Orenburg region

vested with the authorities of the **25%**

territorial organ of the RF Ministry of

Privity Affairs

«STEK-INKOM» Ltd. **13%**

Private company «ERGO-LTD» **35,9%**

Other legal entities **19,1%**

Over 7.5 thousands of persons,  
owners of senior stock **7%**

Management and key personnel:

Berlin, Eduard Mikhaylovich, Director General of the management company of the Group (Zhivaya Voda com-pany), 40, has held the position since 1993 . Total record of service on high executive positions is 13 years. Higher technical and economic education (Management Institute GmbH).

Chikomasova, Marina Aleksandrovna, Company secretary, 38. Has held the position since 1998. Higher economic education.

Zhmykhov, Sergey Valerjevich, Chief of Strategy and Development Service, 28. Has held the position since 2002. Total record of service in the company - 4 years. Higher economic education.

Zhemchuzhnikova. Anastasia Rafailjevna, Chief of Organization and Structure Planning and Control, 29. Has held the position since 2003. Total record of service in the company - 5 years. Higher economic education.

Ivanova, Nadezhda Aleksandrovna, Director of Personnel, 27. Has held the position since 2002 Total record of service - 2 years. Higher psychological education.

Zemlyanitsyn Mikhail Anatoljevich, Director General of the «Manufacturing company Zhivaya voda» joint stock company, 40. Has held the position since 1999. Total record of service - 9 years. Higher technical education.

Products characteristics:

Pure drinking water which meets the world standard requirements and high-quality soft drinks on its basis - range of

products includes 35 items, grouped in 5 series according to their technological and consumer features: «Zhivaya Voda», «Mineral and Functional Waters », «12 Vitamines», «Old Russian », «LemoNado», «Tot Samyj».

Comparative analysis with existing alternatives:

Description	Public company «Zivaya voda» products	Other local producers («Contract-Ural », Private Businessman Patrin, «Vodoley 2000»)	Affiliated branches of transnational companies in RF «Coca-Cola», «Pepsi-Cola», «Nestle Water » and other	Delivery from other regions («Laguna», «Alisa», «Narzan», «KMV» and other)
Water conditioning	Meets international requirements of all-Union State Standards of RF, enriched with fluorine and iodine	Meets all-Union State Standards of RF	Meets international requirements	Meets international requirements
Shape of a bottle	Individual for each series	The same for all names	Individual for each series	The same for all names
Ingredients	Sugar and high-quality concentrates	Sweetener and cheap concentrates	Sugar and high-quality concentrates	Sweetener and high-quality concentrates
Price, \$	0,13 – 0,5	0,09 – 0,25	0,6 – 2,1	0,15 – 1,6

The company is operating on all segment of the soft drinks market except for juices. Local producers and the majority of regional ones produce drinking water, mineral water and cheap soft drinks on the basis of sweeteners.

The company has worked out thePET-preforms production organization project for its own needs and for sale to other enterprises. PET-preforms are semi-manufactured products for PET-bottles production. There are no preform producers in the Orenburg Oblast, the basic supplier for all local producers is «Retal» group that has its plants in Samara and Ekaterinburg, the distance is no less than 500 kilometers. The preforms production will allow the company to reduce raw material expenses by 20% and to increase its turnover on by 5-10% due the preform sales.

Markets/Competition:

Characteristics	Products of the «Zhivaya voda»company	Other local producers («Contract-Ural», Private Businessman Patrin, «Vodoley 2000»)	Affiliated branches of transnational companies in RF «Coca-Cola», «Pepsi-Cola», «Nestle Water » and	Delivery from other regions («Laguna», «Alisa», «Narzan», «KMV» and other)
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				other	
	Geography - the Orenburg Oblast. Market size -\$ 17,900 thousand				
2004	Company's share in the market, \$ ths./%	\$ 5 158 тыс. / 28,7%	\$ 2 859 тыс. / 16,0%	\$ 7 486 тыс. /41,9%	\$ 2 394 тыс. /13,4%
	Geography - the Orenburg Oblast. Market size \$ 51,600 thousand				
2008	Company's share in the market, \$ ths./%	\$ 12 301 тыс. / 38,5%	\$ 5 114 тыс. / 12,3%	\$ 13 393 тыс. /38,9%	\$ 4 283 тыс. /10,4%

**Strategy of competition:** to compete with transnational companies on price under comparable quality of production, with regional producers and producers from other regions in quality under comparable price.