

Amos-prof CJSC

Volume of investments required: \$ 1 350 thousand

Use of funds

R&D - 22%

Acquisition of fixed assets - 33%

Marketing - 5%

Acquisition of current assets - 25%

Other (patenting) - 15%

Company profile

1. Date of establishment – December 2001.
2. Size and source of investment to date – \$ 335 000 of own funds and \$ 450 000 of Rosnauka financing for 2005–2006.
3. Production – protecting devices that help avoiding emergency situations during gas-flame operations.
4. Target market – gas-flame processing and similar processes (cutting, building-up welding, soldering, gas welding).
5. Sales 2004 – \$ 285 000. \$ 550 000 for nine months of 2005.
6. Description and value of assets – \$ 485 000. – Gas-flame equipment test benches, laboratory equipment, and metal-cutting machines. We have our own production floor (720 square meters) in Vyritsa (Leningrad district).
7. Goodwill and intellectual property rights – Russian Federation patent on the invention № 2117325 “Gas pressure regulator”; application № 2005040101 for patent “Localized gas cylinder equipment static electricity compensating device”; application № 2005051011 for patent “Sparkless discharge device of static charge between the equipment and personnel operating gas-cylinder equipment”; application № 2005100719 for patent “Remote control gas pressure regulator”. The “know-how” of the flame arrester which is used in serial production protecting devices.
8. Signs of public recognition – on September 25, 2003 CJSC “Amos-Prof” won the open competition and negotiated R&D contract № 2149p/3666 on the subject: “Study on static electricity build-up mechanism during gas-flame processing and development of safety means”.

Owners

1 Individual	100%
Share of government property	0%

Products characteristics

Current products – Flashback arrestors and check valves that are used in gas-flame systems for emergency situations prevention during gas-flame operations. These products have operating characteristics of the best world analogues and also compare to them favourably with their small size, operability and reliability.

Products under development – Localized gas cylinder equipment static electricity compensating device; sparkless discharge device of static charge between the equipment and personnel operating gas-cylinder equipment, solenoid-operated pneumatic valves are designed to provide safe operating of gas-cylinder equipment in case of: 1) static charge during gas-cylinders operation; 2) flashback during gas-flame processing; 3) change of pressure direction due to tube impurity, operating drop of gas supply pressure, gas-regulating equipment freezing and other hazard situations.

Markets & Competition

In Russia there are no producers of static discharge compensating devices for portable gas cylinders and sparkless discharge device of static charge. According to CJSC KRASS estimate the integral capacity of Russian market of gas-cylinders safety operation during gas-flame works equipment is more than \$ 15 mln. The annual demand for such technical equipment is no less than 400 000 kits. Taking annual growth into consideration, by 2009 a share of “Amos-Prof” on this market will make no less than 70%.

No remote control devices for nonstationary cylinders gas flow were develop or used in any country. Remote control gas cylinders regulators world market will make no less than \$ 1 500 mln.

Two world competitors – **Linde Gas and The Lincoln Electric Company** have bought up the majority of world gas producers, producers of gas-flame equipment and consumables (filler wire etc.) There were carried out some research works that showed that there are no technical decisions connected with remote control of gas cylinder regulators in the world. The world leaders in the field of gas-flame processing Lincoln Electric (USA) and Linde Gas (Germany) do not have patents in this area.

A characteristic feature of the current unique situation is the fact that a world competitive advantage in the quite specific field will get the company which will carry out a total and competent patent protection of the majority of technical decisions dealing with remote control devices for gas cylinder regulators. CIN market of flashback arrestors and check valves makes \$ 3.2 mln in 2005, the share of "Amos-Prof" is no less than 24%.

Marketing & Sales

CJSC "Amos-Prof" has had a long-term partnership with a leading gas-flame equipment producer of Russia CJSC KRASS, which has a stable sales market of its production. The companies' partnership in the field of marketing and sales all over the CIS countries is strategic. At the same time "Amos-Prof" has an exclusive right for the design and production of the developed equipment.

Prospects of development

In 2006–2007 CJSC "Amos-Prof" will focus on the patenting of its own technical decisions in the industrially developed countries in order to monopolize the market of remote control devices for nonstationary gas-cylinder equipment.