

SCIENTIFIC AND TECHNICAL CENTER BACOR

Volume of investments required: \$ 4 000 thousand

Use of funds

R&D - 20%

Acquisition of fixed assets - 60%

Product upgrade - 5%

Marketing - 5%

Acquisition of current assets - 10%

Company profile

1. Date of establishment – October 1991.
2. Size and source of investments to date – \$ 5.000.000, including: \$ 150.000 – bank loan, \$ 50.000 – grant of The Foundation for Assistance to Small Innovative Enterprises, \$ 450.000 – “Rosnayka” investment for 2005–2006 (as a result of contest).
3. Production – filtration machines, special ceramics materials for industrial liquids, hot gases, metal melt filtration, thermo and corrosion resistant materials, refractory materials, crucibles for melting of heat resistant metals.
4. Target market – ferrous and non-ferrous metal industry, ore-dressing industry, glass industry, manufacturing basaltic and glass fiber, chemical and oil industry, aircraft industry.
5. Sales 2004 – \$ 3 000 000.
6. Description and value of assets – \$ 15.000.000. – Manufacturing facilities (10 000 sq.m.), R&D facilities (1 000 sq.m.) and office facilities (4 000 sq.m.).
7. Goodwill and intellectual property rights – 40 patents of Russian Federation, 2 European patents, and Trade Mark.
8. Signs of public recognition – GOST R ISO 9001-2001 (ISO 9001:2000) № ROSS RU.IS11.K00110. Awards: the “Best company in science and technologies of Moscow region” 2005 exhibition diploma, several diplomas of international industries exhibitions. 25 publications in special industries magazines, and 4 papers at scientific conferences during the last 3 years.

Owners

4 Individuals	22%; 22%; 22%; 14%
10 Individuals (with equal shares)	20%
Share of government property	0%

Products characteristics

Products under development: Foamed ceramic filters. Usage: Ferrous and ferrous metal casting industry. Distinctive features of the product: eliminates non metal inclusion, sufficiently eliminates core blow, universal for casting of any metal type.

Markets & Competition

Data		Foamed ceramic BACOR Russia	SEDEX, “Foseco” Germany	Cerferr, “Ferro-term” Poland
Geographical Region – Russia. Market size \$ 8 million				
2007	Company market share, \$ ths / %	1 500 / 15%	4 500 / 45%	2 000/20
Geographical Region – Russia. Market size \$ 10 million				
2009	Company market share, \$ ths / %	5 000 / 50	4 000 / 40	1 000/10

NOTE: Germany and Poland are the main suppliers of foamed ceramic filters on Russian market due to the lack of local production . Further to all above-mentioned technical advantages of BACOR product, prices, knowledge of market and local legal regulation one as well as pre-sale assistance and after sale supervising abilities are to be mentioned.

Marketing & Sales

Participation in Russian special industrial fairs. Direct mailing of BACOR foamed ceramics samples to potential customers. Distribution through JSC METALSBYTSNAB channels throughout Russian Federation.

Prospects of development

2007 – Start of trial production of foamed ceramic filters; 2008 – Start of industrial manufacturing; 2009 – Production development.