

DIATOMOVY KOMBINAT Ltd

Volume of investments required: \$ 9 200 thousand

Use of funds

R&D - 10%

Acquisition of fixed assets - 61%

Product upgrade - 10%

Marketing - 7%

Acquisition of current assets - 8%

Other - 4 %

Company profile

1. Date of establishment – 1998.
2. Size and source of investment to date – \$ 12 000 000 (owned and bank assets); in the frame of the contest guided by Federal Science and Innovation Agency within 2005–2006 – \$ 450 000.
3. Production – heat-insulating diatomite products: bricks, blocks, aggregates, warm mortar and dry mixture additives.
4. Target market – ferrous and non ferrous metallurgy, power engineering – in industrial equipment (electrolysis cells, melting furnaces, boilers, pipelines) at temperatures of up to 900 C; construction engineering – brick partitions and inter-apartment and non load-bearing walls.
5. Sales 2004 – \$ 5 900 000.
6. Description and value of assets – \$ 2 300 000. – Buildings and constructions, industrial and technological complex, real estate. Licenses for deposits exploitation.
7. Goodwill and intellectual property rights – 11 patents for inventions, 2 certificates for DK's utility model, 3 certificate for DK's trademark.
8. Signs of public recognition – 2001, 2003 – the company became a winner of an all-Russia contest "100 best commodities of Russia"; 2003, 2005 – «Diatomovy kombinat». won a place of honour among the 120 best building companies in Russia guided by Federal Science and Innovation Agency.

Owners

1 Individual	100%
Share of government property	0%

Products characteristics

Current products: Heat-insulating foam diatomite bricks, Granulated baked foam diatomite are used for insulating industrial equipment and pipelines at temperatures of up to 900 C, as well as in house-building and civil engineering. New products: Thanks to an optimal combination of properties provided by a new unique technology, new heat-insulating diatomite products of different sizes and types for metallurgy, power and construction engineering will be brought into mass production. Large-scale advertisement campaign

Markets & Competition

	Data	Product of «Diatomovy kombinat».	Alternative 1
2004	Geographical Region – Russia, CIS, Europe, Middle East, Central Asia. Market size \$ 63 million		
	Company market share \$ ths / %	5 980 / 9.5%	57 020 / 90.5%
2009	Geographical Region – Russia, CIS, Europe, Middle East, Central Asia. Market size \$ 81 million		
	Company market share \$ ths / %	16 300 / 20%	65 000 / 80%

Thanks to the competitive advantage provided by its new products, the company will reorient itself, replacing foreign imports to Russia and the CIS while entering new foreign markets.

Marketing & Sales

Today, more than 300 enterprises from ferrous and non-ferrous metallurgy, power and construction engineering, food industry and other branches of industry buy our products. «Diatomovy kombinat». supplies its products to Russia, CIS and distant foreign countries. To launch new product into market, the company will collaborate with the existing customers, work with industrial development organizations to include new products in project documentation of thermal equipment, maximize the utilization of dealers' potential in product promotion, carry out a large-scale advertisement campaign.

Prospects of development

More than 20 applications of diatomite are known in the world industry today: insulating materials, filter aids, fillers, aggregates, sorbents, etc. Only few of them are presented in Russia. The main targets of the company are:

- The company is to increase its strength and to promote sales of diatomite goods in the Russian and the C.I.S. markets.
- The company intends to achieve the set targets by producing new domestic diatomite products of high quality.