

Digital solutions LLC

Volume of investments required: \$ 2000 thousand

Use of funds

R&D - 35%

Acquisition of fixed assets - 35%

Marketing - 25%

Acquisition of current assets - 5%

Company profile

1. Date of establishment – October, 2003.
2. Size and source of investment to date – \$ 300 000 investment by Federal Program 2005.
3. Production – R&D in the area of design of high-end digital technology, industrial controllers and ASIC.
4. Production area – fiber-optic and wireless networks, computer system components, digital signal and image processing, industrial automation system and multimedia devices, medical technique.
5. Sales 2004 – \$ 80 000.
6. Description and value of fixed assets – \$ 7 000. – Computer aids and measurement instrumentation.
7. Goodwill and intellectual property rights – applications for taking out a patent of efforts are in a registration stage, patent holder – Scientific Production Enterprise "Digital solutions".
8. Signs of public recognition – "Golden Chip" prize holder (1st place) in international exhibition "ChipEXPO-2004"; staff are authors of 6 books and more than 70 articles.

Owners

1st Individual	48%
2nd Individual	42%
3rd Individual	10%
Share of government property	0%

Product characteristic

Current product: hardware and software platforms development, which represent a circuit plate with set of microchips of programmable logic, microprocessors, memory chips. That combination of microchips provides the opportunity of present platforms using in different areas of technique owing to easy reprogramming of microchips for various tasks. That is there is no need for working out own control system. Purchase of ready platform and fast reprogramming for own needs is alternative. These items serve as industrial automation complex base, transmission systems and data processing base in standard use. Platforms serve for creation of prototypes in working out microchips. Another orientation of R&D is working out microchips components (IP-modules), at present IP-modules of dynamic memory controllers, IP-modules of network ETHERNET controller, 8-bit processor, 32-bit processor SPARC V8 and other projects are mastered.

Product under development: LED video boards (5×3 meter in size, pixels interval 13 mm, pixel contains 3 colors. It is constructed on the module principle, module size is 0.8×0.8 meter. The video wall of any sizes and configurations can be composed out of these modules. Controller consists of spectrum correction gear, automated pixel brightness correction gear, that enables use of cheap LED's with wide spacing of parameters.

Markets & Competition

Russian market size of hardware platforms averages \$ 40 mln, world market size averages \$ 600 mln. The increase is forecasted up-to-date about 15%. It is related to standing increase of automation level in production. Main market participants are shown in the table below, the market is segmented very much among many small companies. The foreign market size of working out microchips averages \$ 2 bln, where are about 1 500 companies, 15 large companies average 50% of market.

Data, In the hardware platforms market	Digital platform DS002, LLC "Digital solutions"	ADM-XRC-2, firm ALPHA DATA, USA, 2004	ADS-XLS-V2PRO Firm AVNET, USA, 2003
Geography – Worldwide. Market size \$ 600 million			

2004	Company market share, \$ ths / %	30 / less than 1%	12 000 / 2%	84 000 / 14%
Geography – Worldwide. Market size \$ 900 million				
2009	Company market share, \$ ths / %	10 000 / 1%	18 000 / 2%	108 000 / 12%

Marketing & Sales

Main customers of the company are the research institutes of «Special machine engineering», research institute GOZNAK, FSUE SCB RADEL, GAZ PRIBOR AVTOMATIKA SERVICE, JSC PRIBORZENTER and many others also use products and service of our company. Products are scheduled to sale in the Russian market in an initial stage. It is scheduled to open sale office abroad, in regions, supporting advanced technology business (Malaysia, Singapore) for foreign market development.

Prospects of development

Development of company is scheduled in 2 directions:

- The advertisement into the market of hardware platforms, using contracted (not own) production.
- Creation of microchips and devices offshore manufacturing rendering of services system.