

## Lasex JSC

**Volume of investments required: \$ 6 200 thousand**

### Use of funds

R&D - 8%

Acquisition of fixed assets - 24%

Product upgrade - 11%

Marketing - 10%

Acquisition of current assets - 32%

Other (Technology) - 15%

### Company profile

1. Date of establishment – 1990.
2. Size and source of investment to date – \$ 1 440 000. – Russian Foundation for technological Development (RFTD) (repayable).
3. Production – navigation system NSI 2000/2000MT, modules MPI-B2, MPI-B5; planned: navigation system LISNS.
4. Target market – civil avionic.
5. Sales 2004 – \$ 675 900.
6. Description and value of assets – \$ 81 000. – Industrial equipment, workplaces, test laboratory and research estate, office equipment.
7. Goodwill and intellectual property rights – 6 patents. Patent holder – JSC “Lasex”.
8. Signs of public recognition – The company on a regular basis takes part in the international exhibitions. Diplomas and certificates: All-Russian Exhibition AVIA-2000, V international exhibition-congress «HI-TECH-2000», All-Russian Exhibition AVIA-2002; «MAKS-2003», «MAKS-2005».

### Owners

Individuals (6 persons)	51%, 26%, 23% (4 persons)
Share of government property	0%

### Products characteristics

Current products:

1. The INS/GNSS navigating system NSI-2000/2000MT is a civil aircraft navigation equipment for any stage of the flight. It meets the functional requirements of ARINC 743A, contains the strapdown inertial navigating system with laser gyroscopes, GNSS receiver (GPS, GLONASS) and software with GNSS/IRS hybrid solution. It is a primary means of navigation and is intended for modernization of the Russian planes IL-76, Tu-154, Be-200, Tu-334, IL-96-300. Competitive preferences: bottom maintenance cost (self-testing system), shock-proof system (exploitation on plane Be-200), working with analogous and digital outputs of airplanes of various generations.
2. Modules MPI-B2, MPI-B5 for analog-digital signals course-glidepath systems.

Planned products: The INS/GNSS navigating system LISNS with improved characteristics and heightened electronic anticounter measures.

### Markets & Competition

The sales volume in the market of the navigating equipment for the Russian planes of civil aircraft is approximately \$ 170 mln till 2010 (in the main analog concurrent price – LTN-101). This estimation is based on the following idea: the plane lifetime is similar to the navigating system; dynamics of market growth is connected with dynamics of manufacturing new planes growth and modernization of existing aircraft base. Russia’s need of short-halt planes for 5 years is estimated at 350–400 units, and 120–150 units by orders of the near abroad. And modernization of planes and helicopters being in operation is in need of about 350–400 units. Would we develop 15% of the made production volume (150 navigating systems, on 2 pieces aboard the plane) at the price of system \$ 80 ths, we will make nearby \$ 12 mln. Analogues using will demand from consumers of additional charges at least \$ 7–8 mln.

Data	Production of JSC “Lasex”	BINS-85, Russia	LTN-101, USA
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	Geographical Region – Russia and CIS. Market size \$ 32.5 million			
2004	Company market share \$ ths / %	1 700 / 5%	650 / 2%	30 225 / 93%
	Geographical Region – Russia and CIS. Market size \$ 35 million			
2009	Company market share \$ ths / %	5 250 / 15%	1 500 / 3%	28 700 / 82%

All estimations of market volume and its parts are made on the basis of LTN-100 price (see the table below).

### Marketing & Sales

The products are used by consumers in the developed cooperation under contracts in which installation of system at stage R&D aboard the plane is stipulated, carrying out of tests in structure of the plane, reception of the certificate with the subsequent introduction in structure of the plane. Some contracts are: 1) with PSC IL №05/2003P on the total sum more than \$ 1 mln; 2) with Institute of Aircraft Equipment №03/2001, on the total sum more than \$ 450 ths; 3) with "Volga-Dnepr Leasing" №08/2004 on the total sum more than \$ 250 ths; 4) with PSC "Tupolev" №09/2004P on the sum \$ 80 ths; 5) with JSC "Ilyushin Finance Co." №02/2005P on the sum \$ 150 ths.

### Prospects of development

There are two main directions of development: modernization of the existing plane park and creation systems of new generation for planes again under construction by orders of design office leaders: PSC "Tupolev", PSC IL, Beriev Aircraft Company, and their certification in structure of the plane with the subsequent introduction in the manufacturing production. Process of certification, including flight tests, borrows till 2th years.

JSC "Lasex" is planning the certified tests including again created production on three types of air courts, namely Tu-334, IL-96-300, IL-76-90 to complete in 2006.