

POLYINFORM JSC

Volume of investment required: \$ 2 700 thousand

Use of funds

R&D - 19 %

Acquisition of fixed assets - 51 %

Product upgrade - 7%

Marketing - 23%

Company Profile

1. Date of establishment – May 1989.
2. Size and source of investment to date – \$ 715 000, including: inside assets – \$ 470 000 ; investing company «Alby» – \$ 245 000.
3. Production – contactless pipelines diagnostics, providing equipment for oil and gas complex; bio preparations, sorbents, cleaning and remediating services.
4. Target Market – oil-gas and energy complex, manufacturing enterprises, housing and communal service.
5. Sales 2004 – \$ 1 875 000.
6. Description and value of assets – \$ 360 000 – equipment.
7. Goodwill and intellectual property rights – 15 patents of Russian Federation, owner – JSC POLYINFORM.
8. Signs of public recognition – I and II Russian Venture fairs (Moscow, Russia, 2000–2001) – nominee 2000 «Best Management»; honoured with diplomas of following exhibitions: the «Refining industry and waste utilization – 2001» exhibition (Moscow, Russia, 2001), Dallas-95 (USA), SOPEC-96 (Saudi Arabia), Oil & Gas-97 (Malaysia), Terratec-1994, 1995, 1997, 1999, 2001 (Germany), Interchimie-2001, 2005 (France), Techno Pla-99, ENEX-2000 (Japan), Forum “IV market of technologies” (China 2001, 2003).

Owners

1st Individual	95%
2nd Individual	5%
Share of government property	0%

Products characteristics

Current products – bio preparation and bio technology SOILEX®, based on a special methodology and highly effective bio preparations. Used for localization and liquidation of the consequences of emergency situation at oil pipelines, oil spills, during cleaning, recultivation and utilization of the polluted objects and water.

Products under development – KMD-01 allows to conduct a full technical diagnostics of the pipelines without interrupting the work, including examination of the mechanical damages, corrosion and/or technological defects of the metal or stitches as well as insulated coating, express-finding of the residual resource of the metal constructions.

Markets and competition

Current products: the market is at the stage of development as a result of high level of attention from the state to the problem of environmental defense, the competition is nearly perfect. Approximate value of market \$ 120 million, our share today – 1%, growth tendency seen is 30–40%.

Products under development: the market is growing as a result of strengthening of ecology safety requirements, competition is low.

Data	Contactless KMD-01 diagnostics	Contactless SKIF diagnostics	PIPELINE diagnostics, FRG
Geographical Region – Russia, Asia. Market Size \$ 200 million			
2004 Market share of the company, \$ ths / %	1 875 / 0.9%	900 / 0.45%	11 000 / 5.5%
Geographical Region – Russia, Europe, Asia, oil producing countries. Market Size \$ 300 million			
2009 Market share of the company, \$ ths / %	9 066 / 3%	1 500 / 0.5%	13 000 / 4.3%

The market now is filled with a big number of small companies, subsidiaries in every region with shares up to 5%, the market is not monopolized.

Marketing and distribution channels

Two-stage strategy of picture-dot penetration on the first stage with eviction and takeover of the market share to follow on the second stage. Creation of the agent network.

Providing the target audience with necessary information (presentations, meetings with management of the consumer companies). Mass Media coverage, Direct Mailing, participation in special events .

Contract with MAHRUKAT, Syria-Sino Al Kawkab Oil Company, signed agreements on pilot projects with Al Ghanim Combined Group Co., Kuwait, Otaishan Group, Saudi Arabia, Saudi Aramco, Saudi Arabia.

Prospects of development

Technology and equipment modernization, successfully accomplished pilot projects and creation of a wide and thorough agent network will allow to settle in the market and increase the share up to 5–10%.