

START Ltd

Volume of investments required: \$ 350 thousand

Use of funds

R&D - 15%

Acquisition of fixed assets - 51%

Product upgrade - 20%

Marketing - 5%

Acquisition of current assets - 5%

Other - 4%

Company profile

1. Date of establishment – May, 2005.
2. Size and source of investment to date – \$ 26 300 for 2005. State contract № 3267p/5721 from The Foundation for Assistance to Small Innovative Enterprises.
3. Production – super pure titanium dioxide, simple and mixed titanates of metals.
4. Target market – manufacture of radioceramics and photocatalysts, optical glass manufacturing, fiber optics.
5. Sales 2004 – none.
6. Description and value of assets – \$ 100 000 – fluoroplastic and glass reservoirs and reactors.
7. Goodwill and intellectual property rights – 15 patents of the Russian Federation for the technology and installation for the manufacture of titanates. By an expert estimation, the market cost of the rights for this object of the intellectual property is \$ 183 000.
8. Signs of public recognition – the results of scientific development work were presented at the Moscow International Salon of Innovations and Investments in 2004 and at the International Salon of the Industrial Property "ARCHIMED-2004" and have been awarded with GRAND PRIX "Cup" and three gold medals, became the winner of the program "Start-2005" of The Foundation for Assistance to Small Innovative Enterprises.

Owners

Individuals	100%
Share of government property	0%

Products characteristics

Current products: super pure titanium dioxide, mark SP 9-2. It is used in manufacture of semi-conductor devices and photocatalysts.

Production under development: technology of super pure materials for radioceramics and photocatalysts (titanium dioxide, mark SP 7-5, simple and mixed titaniloxalates and titanates of calcium, strontium and barium which physical and chemical properties and parameters competing the best foreign analogues, but having 2.0–2.5 times smaller price.

Markets & Competition

Titanium dioxide, mark SP9-2 and photocatalytic powder produced on the basis of titanium dioxide are not manufactured by other companies on the territory of Russia. The purity of materials produced abroad is 99.900– 99.999%. The main manufacturer of the product is the USA.

Production under development – titanium dioxide mark SP 7-5.

Data	Product of START company	Analogue 1 Germany, 2004	Analogue 2 USA, 2004
Purity	99.999%	99.900%	99.999%
Geographical Region – Europe. Market size \$ 40 million			
2004 Company market share \$ ths / %	-	6 000 / 15%	4 000 / 10%
Geographical Region – Europe. Market size \$ 40 million			
2009 Company market share	5 000 / 10%	6 000 / 12%	4 000 / 8%

\$ ths / %			
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Marketing & Sales

Production of the enterprise will be sold to large wholesale traders and factories – to manufacturers of radioceramics, optical glass and fibre and photocatalysts located in Russia, Belarus, Poland and Germany. There is a number of contracts and agreements for the delivery of production.

Prospects of development

Two variants of development of the enterprise are considered: first – creation of powerful scientific department with participation of experts of the enterprise and the Perm State Technical University, the approbation of the developed technologies will be organized in the industrial scale on the basis of existing plant. In this case the enterprise will not have own large-scale production. The second variant of development provides creation of large-scale manufacture combining engineering and production functions: the scientific department will carry out research work for the needs of the enterprise. The choice of optimum model of business dealing will be made after the careful analysis of profitability (in dynamics, in view of the basic macroeconomic tendencies of the Russian economy, of the research activity of the basic competitors (especially Chinese), and in view of the risk of occurrence of alternative materials.