



Russia, Bryansk,

Summary

1. **Volume of investments required – \$ 2000 thousand.**
2. **Production** – modern fire safe unspilled belt conveyers with improved performance which provide economy of power consumption. We extend the conveyers' sphere of application as one of the most economic industrial transport and improve the conditions of work.
3. **Trade marks** – company "Conveyer-group", registered in Russian State Patent.

Company profile

Date of establishment – 2002.

Signs of public recognition – "Gornyi Journal" № 3, 2003; "Russkiy Inzhener" № 1, 2003; "Ekspert"-2003; "Gornaya promishlennost" № 3, 2004, № 4, 2005, № 3, 2006, №4 2007; "Logistika" № 2, 2004; "Ugol" № 6, 2004, № 3, 2005. We took part in the International exhibition "Miningworld-2006" in Moscow. The firm won an international tender and grant of the Russian Academy of Science in 2004, in 2005 – the state contract of federal scientific and technical program "Investigation and working out of top trends of development of science."

Number of employees – 15 persons.

Team

Ivchenko Valeriy – Director, 59 y.o. Higher education, Candidate of sciences, specialist on the problems of the conveyor park maintenance at dozens of industrial enterprises of the Russian Federation. He took part in the designing and producing of all new types of conveyors.

Kurov Sergei – Deputy Director, 54 y.o. Higher education, specialist on the problems of the conveyor park maintenance at dozens of industrial enterprises of the RF. He took part in the designing and producing of all new types of conveyors, the inventor.

Products characteristics

Modern fire safe unspilled belt conveyers with improved performance which provide economy of power consumption. We extend the conveyers' sphere of application as one of the most economic industrial transport and improve the conditions of work. 11 patents of the RF confirm the novelty and originality of solutions of the product. All rights are reserved by the owners. Our company has a registered brand known in the RF.

Our conveyers have improved performance and are capable of working in such conditions, where conventional conveyers are useless. We have created 5 lines of new models, which are simple, reliable and maintainable in working conditions.

Long-term experience (since 1996) of operating under strict conditions, peculiarities of construction and design has determined a number of important advantages over the ordinary belt conveyers:

- 50% reduced conveyer belt demand and the opportunity to use cheap home-produced belt, the belt's life not less than 1.5–2 times longer;
- the possibility of transporting both lump, cargoes and fine and powder substances without quality deterioration, dusting and spillage of the load;
- the possibility to increase the tilting angle up to 30 degrees and even more while using the conventional belt with flat surface;
- lower power consumption (1.5–2 times) in transporting.

We have no analogues in the world. Our conveyers can be compared with the tube conveyers produced in Germany.

Comparative analysis with existing alternatives

	"Conveyer" products	Existing standard products	"Fhoenix", "Koch", (Germany), "Sicon" (Sveden)
Spillage of the load	no	inevitable	no
Angle of max lifting the load, degrees	35–40	18–19	20–22
Productivity (comparative to standard)	1.3	1.0	0.8–0.9
Power consumption (comparative)	0.7–0.8	1.0	1.0–1.1
Belt's life/rollers (comparative)	1.3–1.5	1.0	1.0
Dusting/splitting of the load	no	yes	splitting
Cost of conveyer (comparative)	0.9–1.0	1.0	2.5–3.5

Current state

Now we are carrying out balancing and commissioning, working out projects for received orders. We negotiate with our customers about package of orders for 2008 for total sum more than \$ 2.0 mln.

Development strategy

Use of funds

1. R&D	25%
2. Acquisition of fixed assets	35%
3. Marketing	10%
4. Acquisition of current assets	15%
5. Other	5%

Prospective outcome of investment

As a result of new investments a new Russian Conveyer Building Centre will be established. This Centre will produce perspective and patented types of products (conveyers). We expect to get profit at all stages: design, manufacture, putting in operation and adjustment, service maintenance and spare parts delivery. We consider it to be very perspective to interact with a foreign partner having a share in the world's conveyer market in order to enter international market.

Marketing & Markets

We are eager to answer the received invitations and to take part in special exhibitions in RF such as the 5th Moscow International Industrial Exhibition "Miningworld-2008", which will be held in Moscow. And we will publish articles about new and modern production in corporative and scientific magazines: "Gornyi Journal", "Gornaya promishlennost", "Logistika", "Ugol". We take part in tenders ("Alrosa", "Mosenergo", "BrAZ" and other). We are planning to begin system work with coalmining companies in 2008.

Interaction with investor

We are ready to give the investor about 35% of our fund capital. Pay back period for investors is 3 years. Investment period of assets is 3 years. We are ready to buy the investors share for money or he can have a right of free disposal of his share. If the investor decides to exit from our project earlier we are ready to return his invested assets, but dividends size is not more than 15% annual interest. The guarantee for investor will be our long (10 years) and successful work in the conveyer-building market as well as the increase of number of orders. Our production is reserved with patents and we work out new conveyers for State orders. We think that introduction of principally new conveyers will increase in demand. We consider that 2007–2008 will be the crucial years in the development of our firm and we will become a large international manufacture.