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Volume of investments required – \$ 1500 thousand.

Summary

1. **Production** – agricultural machinery and equipment for crop growing and forage production. Major targets for production as an outcome of the investment are trailing boom sprayers; automotive chemical seed dressers.
2. **Trade marks** – none.
3. **Sales 2007** – \$ 2 060 ths.

Company profile

Date of establishment – December, 1994. Business activity started with 10 persons in staff producing fittings for boom sprayers and the volume of sales at \$ 300 ths. Over 40% of the products were exported to Ukraine and the Russian Federation. The volume of sales was annually increased by 20-30% and the annual plan figure was realized by 100-120%. Machinery for crop protection has been the new line of activity of the company since 1998. Scientific engineering of the employees in conjunction with the Belarusian State Academy of agriculture as well as Belarusian innovation fund allowed to start serial production of a new chemical seed dresser CSD-15 and the production of trailing boom sprayers. An estimated production growth rate for the nearest 3 years is 30-40% a year.

Description and value of capital assets – \$ 450 ths. Capital assets include metal-working machinery and equipment (70% of the whole value), trucks and company cars (15% of the whole value), office equipment (15% of the whole value).

Previous rounds of investments – none.

Signs of public recognition – In 2006 SPA “Belama plus” Ltd was recognized to be “The Best Industrialist of the year” for high achievements in the product area of industrial purpose. There is a lot of diplomas for contribution in stimulation of international cooperation as well as new agricultural policy formation and introduction of high quality goods and services into the market of agro-industrial complex.

Number of employees – 49 persons.

Structure of ownership

Natural persons (2)	100% (70% + 30%)
Aggregate share of government property	0%

Team

Cherviaikov Alexander – Managing Director, 42 y.o. Assistant professor, Candidate of Sciences. Success of any business depends directly on management decisions and director's professionalism. The below finance indicators of production growth rate and sales are an evidence of effective business management. Besides efficient labor management and all of the organization departments interaction Alexander Cherviaikov organizes production and commercial operations on the basis of permanent innovation projects introduction and new technologies application, takes much care of having of qualified staff in employ, staff training and upgrading.

Zakrevsky Vladimir – Marketing Manager, 48 y.o. He has been in the company since 2002. Always true to business interests. Schedules perfectly his department activity, follows thoroughly market behavior as well as efficient organization of marketing campaigns. Immediate objective is the production of brand products.

Berezovsky Dmitry – Manager on External Economic Links, 26 y.o. 2 Diplomas of Higher Education. He has been in the company since 2005. Particular about the team, self-critical. It is in the nature to maintain reliable partnership relations. During the period of work there have been maintained firm relations both with domestic and foreign suppliers from England, Poland, Italy, Russia, Germany, and Denmark.

Production

Agricultural engineering: boom sprayers, chemical seed dressers, equipment for silage and corn treatment. Seed treatment before planting is the most important component of advanced raising technologies. To treat seeds with pesticides means to guarantee anti-diseases protection during germination and to reduce crop losses to 25%. In the process of spray treatment they introduce agrichemicals to crop surface to kill weeds, pests and plant diseases. To treat silage and corn at harvesting means to guarantee non-waste feed storage and nutritional properties preservation.

Competitive advantages of the company products by key parameters:

Trailing boom sprayer: technological index – GPS-system availability, exact pesticides distribution, computer control availability – an analog for imported sprayers; price index – lower in cost by 15-20% than the imported analogs.

Automotive chemical seed dresser: technological index – high density of treatment, automation of the process of treatment, aspiration system availability; radically new metering and seed distribution system; price index – lower in cost by 15-20% than the imported analogs. The product is certified and has the Certificate of Compliance.

Current state

At present time the company produces more than 150 pieces of chemical seed dressers a year. There is a pilot model of the trailing boom sprayer for 3000 liters. There are being carried out acceptance and certification tests for the sprayer.

Development strategy

Use of funds

- 1. R&D 8%
- 2. Acquisition of fixed assets 68%
- 3. Marketing 16%
- 4. Other (staff training and factory management) 8%

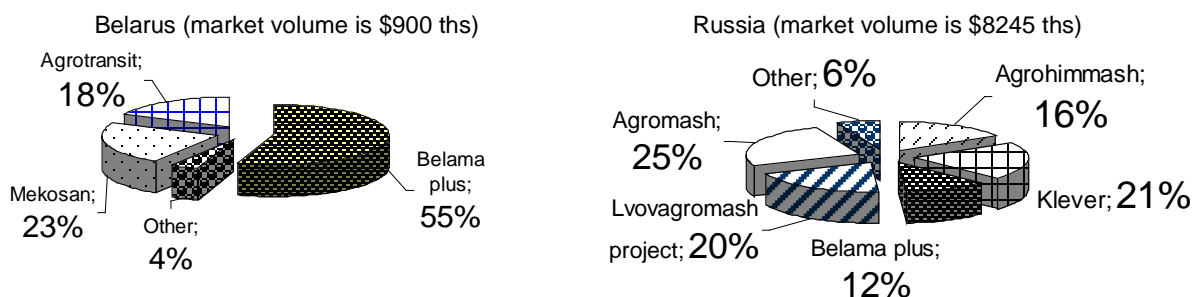
Prospective outcome of investment

As an outcome of investment it is in prospective to increase the factory load:

- Boom sprayers – up to 100 pieces a year with a volume of sales of \$ 3 500 ths. a year.
- Chemical seed dressers – up to 500 pieces a year with a volume of sales of \$ 4 100 ths. a year.

Marketing & Markets

SPA “Belama plus” ltd has the following markets for its products (chemical seed dressers): Russia, the Ukraine, Belarus, Kazakhstan. Chemical seed dresser market share:



Market volume of the Ukraine for chemical seed dresser is \$ 3 200 ths., Kazakhstan – over 800 ths. As of today the market volume is much less than the potential market volume: the potential market volume of Belarus is \$ 1 125 ths, Russia – \$ 17 000 ths, the Ukraine – \$ 4 250 ths, that of Kazakhstan is \$ 2 400 ths. As an outcome of investment the company will increase the annual factory load by 25-30% which is known from experience to allow to take market shares of both the Ukraine and Kazakhstan as well as to increase volume of supply to the dealers in Belarus and Russia.

Market entry strategy is to establish dealer network at he territory of Russian Federation on the basis of local peculiarities and to launch joint production in southern districts. Major dissemination channels are participation in regional shows, placing advertisings in the most common issues for agriculture, Web portal. Positioning with high quality of output goods as well as application of the modern element base are the main features of advertising activity. Major Russian customers are “Otkritij mir” ltd, Mitishi; group of companies “Agro MDT”, Moscow; “Orel industrial company”, Orel; “AGRO-TECH” ltd, Taganrog; “Research and technology service” ltd, Stavropol Territory. There have been concluded annual supply contracts with all the above companies.

Interaction with investor

The estimated share is 30%. By the time of drawing away in five years the estimated value of the share would be over \$ 3 000 ths.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	695	1 387	2 060	2 510	4 268	7 255	9 432	11 318
Operating income	94	80	200	251	640	1 305	1 792	264