



Russia, 107076, Moscow, Stromynka Str. 18, bld. 5a  
 Phone/Fax: +7 (495) 617-19-49, 617-19-50  
 E-mail: chief@macdel.ru;  
 www.macdel.ru

## Volume of investments required – \$ 10 million

### Summary

1. **Production** – Instrumentation technology, medical technology.
2. **Trade marks** – MACDEL.
3. **Sales 2007** – \$ 800 ths.

### Company profile

**Date of establishment** – 2002 (at the market since 1992). In 2006, for the purpose of promoting MACDEL ophthalmologic technologies to the world market, an American company OCULATEK™, Inc. was established.

**Description and value of capital assets** – \$ 15 ths: office appliances, solder sets, measuring devices.

**Previous rounds of investments** – \$ 20 ths – Moscow City grants, \$ 2 500 ths – self financing, grants for travels – British Council, CRDF, SABIT.

**Signs of public recognition** – the Winner of Russian Venture Fair (2005); the Winner of the Competition of Russian Innovations (2003).

**Number of employees:** 17 persons.

### Structure of ownership

Natural persons:	100%
1 <sup>st</sup> person	50%
5 persons	10% each
Aggregate share of government property	0%

### Team

**Orbachevsky Leonid Sergeevich** – Director General, Vice-President R&D OCULATEK™, Inc., 58 y.o. Candidate of Technical Sciences. Retraining in ANE, the Master. Traineeship in the USA (5iTech, Valtronic companies). Designer of the MACDEL concept, awarded with 2 Medals of AREC Laureate and Silver Medal “Archimedes-2002”.

**Tarutta Elena Petrovna** – Head of Research of the flow, 56 y.o. Doctor of Mathematics, the Head of myopia laboratory in Helmholtz MRI ED, member of European Society of Eye researchers, member of the organizing committee of International Myopia Conference. She assisted in recognition of the functional treatment branch at the world level.

### Production

Complementary technologies of vision treatment and prophylaxis. Diagnostics, techniques and a set of devices for therapeutic treatment and prophylaxis of vision diseases (50% of sales) – MACDEL-09, -08, -02 units, ophthalmologic pneumomasseur, plasmatron. The technologies allow to significantly decrease the number of patients with myopia. As compared with the common methods, the efficiency is 2-5 times higher. For heavy refraction disturbances, a set for mercy refractive surgery (a tool and a lens) is suggested. The suggested tool reduces surgery operation time by 5-10 time, reduces requirements to the surgeon and the risk of complications.

### Current state

The company owns several medical technologies of the world level. It is the leader in the flow of devices for functional treatment in ophthalmology and expands its presence in the ophthalmologic niche.

A technology of curing accommodative-refractive vision disturbances (OCULATEK™, Inc.) is promoted to the world market, the PCT application (method and device) is transferred to the national phase in Russia, Europe and the USA.

Techniques and a set of devices for therapeutic treatment and prophylaxis of vision diseases are suggested at the market. The technology allow to significantly decreasing the number of patients with myopia by preventive methods. Over 430 units have been sold, the number of patients exceeds 500 ths. Manufacture of “color” version MACDEL-09 began in September, 2008. Other technologies are being developed in Russia yet.

In 2008, entry of new laser devices for treatment, training aids, pneumomasseur, and a set consisting of a tool for refractive surgery and a thin lens to the market is expected. The tool is protected by the Russian patent and national Applications in the USA and Europe.

## Development strategy

### Use of funds:

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|--|-----|
| 1. R&D   | 10% |
| 2. Acquisition of fixed assets (measuring devices – monitoring of production, equipment for ophthalmologic investigations) | 10% |
| 3. Marketing (promotion in RF and abroad, IP protection)   | 35% |
| 4. Acquisition of current assets   | 25% |
| 5. Obtaining permits for use (validation + FDA))   | 20% |

### Prospective outcome of investment

Investments will help in completing new designs and promoting to the market, to obtain permits for medical use (FDA) of MACDEL-09 device and the tool for refractive surgery, and to carry out adequate marketing company and to arrange the sales network.

Investments will allow: To realize the program of vision prophylaxis and, consequently, to expand device (MACDEL) sales, and to bring the devices to other prospect markets. To increase by times the number of refractive operations with thin refractive lenses (as forecasted, up to 75 000 operations per year).

### Marketing and markets

Over a half of the World population needs diagnostics and correction of vision. The company occupies the leading positions by methods of functional treatment, prepares new devices of functional treatment and sclera condition diagnostics system for the market.

Potential volume of the Russian market for the functional treatment devices is over \$ 100 mln, and the world market is \$ 2 bln (by assessment of several consulting companies, USA), and for the tool the market is about \$ 75 mln. Sales were performed in Russia, Kazakhstan, Ukraine, and Vietnam. The market niche of therapeutic devices for ophthalmology in Russia includes 5-6 manufacturers. MACDEL is the leader, occupying over 50% of the market with the best price/efficiency ratio.

Prospects in company development: preservation of 50% MACDEL share in case of real Russian market for therapeutic devices increase to \$ 10 mln, development of 5% share of the world market (about \$ 100 mln).

Potential customers are 45-75% of population in developed countries.

According to the agreement with OCULATEK,™ Inc., the market for MACDEL-09 device are countries of the former USSR and Arab East.

It is suggested that in the zone for OCULATEK,™ Inc. the devices are installed free of charge in optometric offices that reduces the threshold for entering the market (the expected price for the device is \$ 20-30 ths), and the profits will be obtained from sales of magnetic cards providing access to the unit. In the MACDEL zone, sales of both devices and services will be performed.

Surgical tools will be sold by sets (PRL lens by K. Zeiss or self manufactures + one-use tool).

At relatively low price of pneumomasseur, it will be able to become popular domestic device. The demand in Russia is about 20 mln pieces.

We hope that in 2009 MACDEL Company will sell 5-6 types of articles in 1-3 versions, tools for refractive operations and self-manufactured lenses.

Total volume of the world market for a set of devices and tools is not less than \$3 bln.

### Interaction with investor

We suggest 30% share of MACDEL-Technologies to be transferred to the investor. Sale of OCULATEK,™ Inc. shares is also possible. Real turn-up period is up to 5 years. Regarding the expected company expansion rate, the turn-up may rise to \$ 250-300 mln. Investor may withdraw by selling shares to his strategic partner or to the Company.

### Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	520	400*	800	1 200	5 000	20 000	50 000	100 000
Operating income	90	-	160	240	1 000	4 000	10 000	20 000

\* Reduction of income in 2006 was due to establishment of CJSC MACDEL-Electronics with appropriate transfer of some technologies.