



Russia, 344090 Rostov-on-Don, Stachki Ave.  
190/16, off. 52  
Phone: +7 (863) 299-58-24, 219-89-96  
Fax: +7 (863) 219-89-95  
E-mail: refluxdon@mail.ru  
www.reflux-don.ru

**Volume of investments required: \$ 500 thousand**

### Summary

1. **Production** – series of street and industrial (hardened and intrashop) fixtures under gas-discharge lamps with electronic start-adjusting equipment (ESAE) for street and industrial illumination.
2. **Trade marks** – none.
3. **Sales 2007** – \$ 184 ths.

### Company profile

**Date of establishment** – 19.09.2007. Creation of industrial company "Reflux-Don" became possible owing to persistent teamwork of experts of the largest Universities of the South of Russia and the company "DEKSI", Moscow, having more than 10-years successful experience of development and application ESAE in areas of industrial, street and hothouse illumination.

**Description and value of capital assets** – \$500 ths. Office and warehouse, machine tools, equipment, test beds.

**Previous rounds of investments** – \$ 500 ths – own means.

**Signs of public recognition** – none.

**Number of employees** – 30 persons.

### Structure of ownership

Natural person: Zinchenko Valeri Konstantinovich	100%
Aggregate share of government property	0%

### Team

**Zinchenko Valeri Konstantinovich** – Director, 45 y.o. Strategic management, JR-management, technical management. Has long-term successful experience of commercial activity in the field of light engineering.

**Suvorov Vechaslav Borisovich** – Production Manager, 37 y.o. Has long-term successful experience of commercial activity in the field of light engineering.

### Production

Company "Reflux-Don" makes street and industrial fixtures under gas-discharge lamps (natrium and metal-generate) with the electronic start-adjusting equipment (ESAE). The basic advantages of the fixture with ESAE are:

- Indemnification of jet power  $K_{pow} \geq 0.99$  (the electromagnetic fixture without the condenser has  $K_{pow} \cong 0.55$ ).
- Absence of starting currents that enables to apply a cable of smaller section.
- Reliable work of a lamp in a range of a feeding voltage 140-265 V.
- Active stabilization of power of a lamp at fluctuations of a feeding voltage from 180 up to 255 V.
- Absence of impulses of re-lighting of lamps that increases term of their service not less than in 1.5-2 times.
- Constant not flickering light without stroboscopic and flicker effects, stability of radiated colors.
- Reliable ignition at an ambient temperature from  $-45$  up to  $+55$  degrees.
- Opportunity of adjustment of power from 50% to 100%.
- Service life ESAE of 50–60 thousands of hours.
- "Reflux-Don" gives 2 years guarantees on all fixtures with electronic SAE.

### Current state

In 2008, deliveries of industrial light engineering to leading enterprises of Rostov-on-Don, the Rostov area and Stavropol have been carried out: Open Society "Rostvertol" – Rostov helicopter factory, TagAz – the Taganrog automobile factory, «Stavrolen», «Shahti factory of hydro drives». Negotiations with a number of oil refining factories (Moscow NPZ, Niznevolzskorgsintez, etc.), KONCORD factory (Rostov-on-Don) are carried on.

The street illumination is actively applied in the central streets of large regional settlements (Taganrog, Aksai, Novocherkassk, Bataysk – the Rostov area).

## Development strategy

### Use of funds

1. R&D (development of new topology of electronics, perfection of the block of management by power on force wires) 10%
2. Acquisition of fixed assets (machine tools the equipment for manufacture of fixtures and electronic payments) 20%
3. Marketing (creation and popularization of a brand, through reviews in regional and federal mass-media) 50%
5. Other (standardization on ISO) 20%

### Prospective outcome of investment

Investment at the sum of \$500 ths will accelerate considerably development of the company and will raise rates of capitalization.

### Marketing & Markets

The markets of street illumination: large settlements of Southern federal district. A federal line "Don". In 2008 near 2 billion rubles were allocated from the SFD budgets of a various levels to modernization, development and major overhaul of street illumination.

Up to the end of 2008, capture of the SFD market of street illumination at 1% rate is planned (volume more than 2 billion rubles (\$80 million)).

In the market of industrial illumination realization of production a minimum of 25 million rubles is planned (\$1 million). The volume of the Russian market of industrial illumination by various estimations makes up to 10 billion rubles (\$400 million) in 2008. Stable growth at 5–15% a year depending on region.

The most perspective market of industrial illumination is concentrated in Moscow and St. Petersburg, and also in the CIS countries (Azerbaijan, Uzbekistan). Up to 5 billion rubles (\$200 million), stable growth on 12–15% a year.

### Interaction with investor

We are ready to give a 30% share.

### Financial characteristics, \$ thousand

Data	Fact			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales			184	1 500	2 266	3 133	4 100	5 166
Operating income			121.44	975	1 473	2 036	2 665	3 358