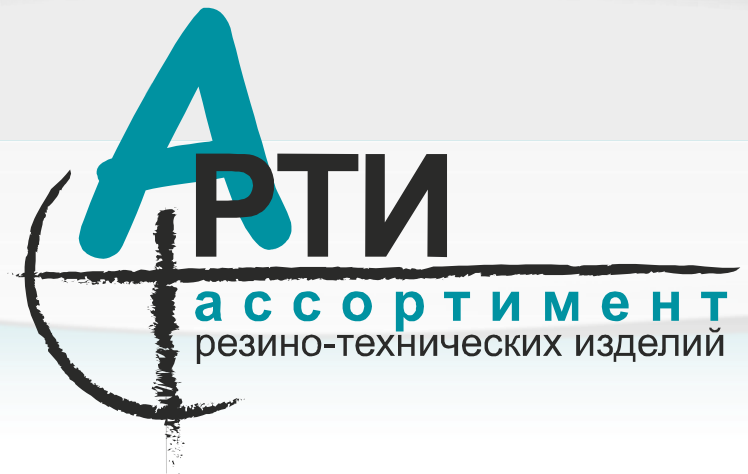


CLL "ARTI"
61038, Ukraine , г. Kharkov
Saltovskoye shosse , 67A
+38(057)757-48-58
+38(057)757-48-39
marketing@arti.com.ua
www.arti.com.ua



Springfield 2013

- **WIDE RANGE OF RUBBER-TECHNICAL PRODUCTS**
 - **RESPONSIBILITY FOR THE QUALITY**
 - **THE HIGHEST STANDARDS OF CUSTOMER SERVICE**





1997г.

Registration of the company

2000г.

Entrance on regional market of Ukraine as wholesale suppliers.

2002г.

Building partnerships with leading manufacturers of technical rubber products in Ukraine and Russia

2004г.

The appearance branch establishments in Ukraine, expansion and structuring of the company.

Register own brand BASIS, Excellent

2006г.

Establishing a stable supply of products from China and India. The range of products includes products from 7 countries in Asia and Europe

2008г.

Infrastructure optimization of the company. Increased range of molded rubber goods.

2010г.

Placing on the market high pressure hoses under the brand name Excellent and sets of technical rubber products for the repair under the brand EXL

2012г.

The range has been expanded by new brand of premium belts Carlisle, hoses Semperit

2013г.

Release for sale of industrial hoses manufactured in Europe under its own brand name Simplex





16 years of successful work on the market of Ukraine and CIS

More than 70 qualified employees

The company has five officially registered trademarks

More than 1 500 regular customers in Ukraine and other countries

Own car park

The area of equipped warehouses more than 2000 sq.m.

Annual turnover is \$ 10 million



- Great experience on the highly competitive market of Ukraine (understanding the work of main competitors and brand's features which are present on the market)
- ARTI presences in all market belts segments (industrial, automotive, agricultural, special equipment)
- Understanding the customer's needs (market capacity, features of equipment, belt's specific applicability)
- Large number of customers all over Ukraine in all consumer groups (end-users, resellers, traders)



- More than 10 000 rubber products in the range . Including more then 3000 positions of belts
- There are 7 brands of belts in assortment, well known in Ukraine for various price segments
- Permanently there are 90% of the total range in stock
- Developed own network of branches throughout Ukraine and Russia
- Distribution network of over 20 regional offices in Ukraine.
- Long-term trade relations with more than 100 suppliers of goods and services
- Presence of own trade pavilion (200 m 2) at the biggest market of auto and agricultural spare parts in eastern Ukraine - automarket "Losk"

PRODUCT RANGE



BELTS
HOSES
RUBBER SEALINGS
NON-MOULDED RUBBER PRODUCTS
CHAINS
ASBESTOS PRODUCTS
HYDROLIC HOSES



CARLISLE

PIX® T

TOYOPOWER
Transmitting Power Globally

EXCELLENT

BASIS

SEMPERIT Ⓞ

EXL

SIMPLEX Ⓞ



OUR CLIENTS

Eastern Ukraine
1000 customers

Central Ukraine
300 customers

Western Ukraine
140 customers

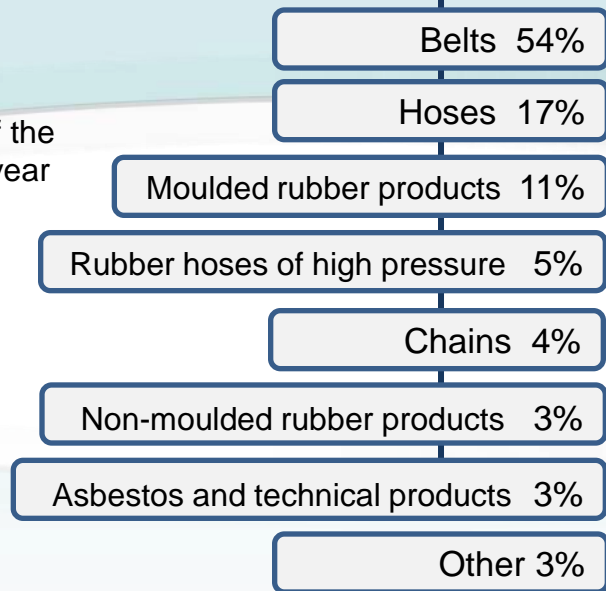
Neighboring countries
More than 50 customers



Production of frozen vegetables and fruit and under the trademark "ARTIKA"

Delivery of rubber products for industrial, agricultural, automobile and domestic use.

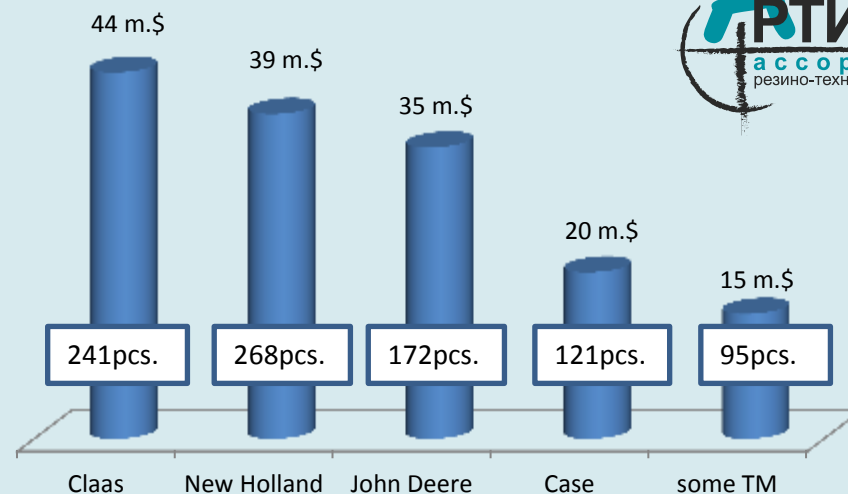
The sales figures for all types of the goods per 2012-2013 financial year



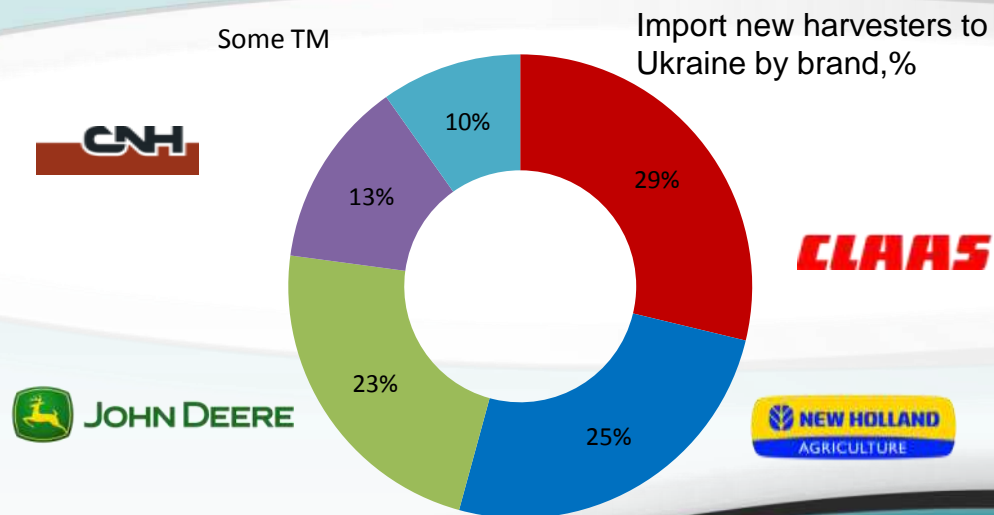
REVIEW OF IMPORT OF AGRICULTURAL HARVESTING MACHINERY TO UKRAINE IN 2012.



For today in Ukrainian farms there are 56 000 grain harvesters with operation life from 1 to 30 years. Including grain harvesters from abroad - 18 thousand units. Of these, about 7,700 units - produced by «Claas», 4700 units - «John Deere», 2300 - AGCO Company, about 2000 - «Case» and 1300 units - produced by «NEW HOLLAND».



Import new combines in Ukraine in 2012 in value and volume terms, mln. USD

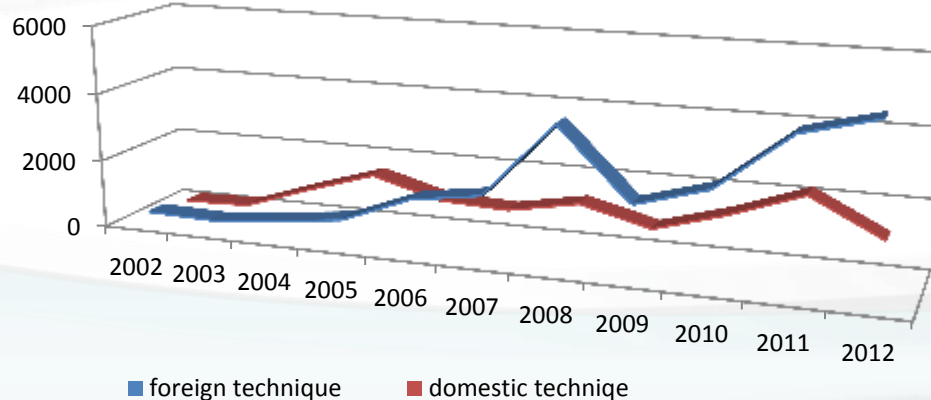




In 2012, Ukraine has implemented 978 harvesters and of these only 120 units - domestic production, which is almost 10 times less than in 2011

Review of import of agricultural equipment on the Ukrainian market, 2002-2012 yy., Mln. USD

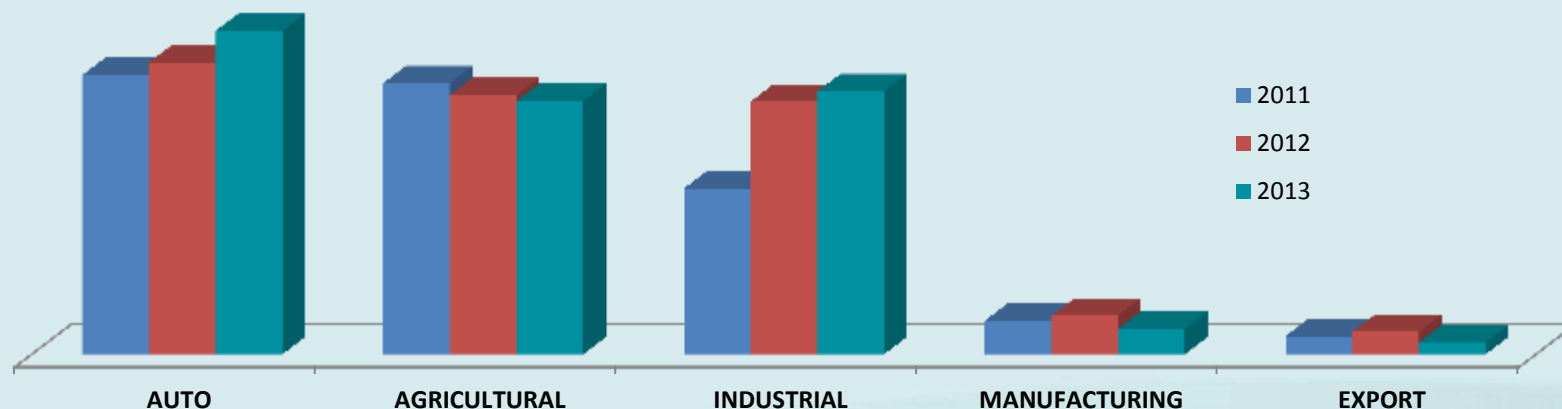
Products / year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Tractors	20,1	29,6	59,8	94,9	153,0	201,6	341,8	94,6	166,1	226,5	227,8
Including foreign	16,1	17,0	34,1	48,8	115,8	140,6	265,3	66,0	102,5	152,6	175,5
Harvesters	39,1	29,0	84,5	114,3	127,0	150,8	332,5	116,9	157,5	298,1	163,6
Including foreign	29,8	23,9	31,9	48,6	82,3	98,4	245,3	94,0	112,3	186,5	151,1
Other machinery and equipment	3,6	65,3	178,0	289,8	321,6	352,4	674,3	359,8	515,6	819,3	758,0
Total	62,9	65,9	178,0	289,8	321,6	352,4	674,3	359,8	515,6	819,3	758,0
Including foreign	45,9	40,9	66,0	97,4	198,1	239,0	510,5	260,3	338,4	546,0	615,1



BELT MARKET SHARE AND STRUCTURE UKRAINE



Belts market volume (2012-2013 y.) consumer prices, ml \$ USA

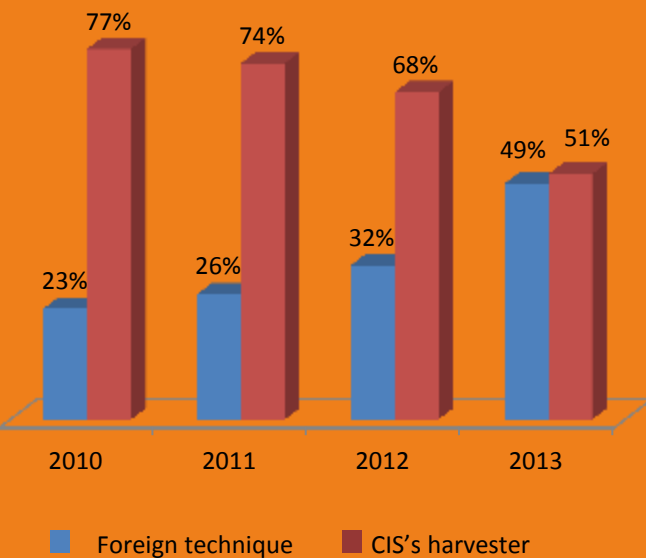


**Total market volume
2013г.
57 347 290 USD**

	2011	2012	2013
AUTO	18 853 500	19 720 965	21 831 293
AGRICULTURAL	18 821 000	18 059 494	17 580 360
INDUSTRIAL	12 138 000	17 300 754	17 935 637
TOTAL	49 812 500	55 081 212	57 347 290

The structure and capacity of belts market in Ukraine, USD

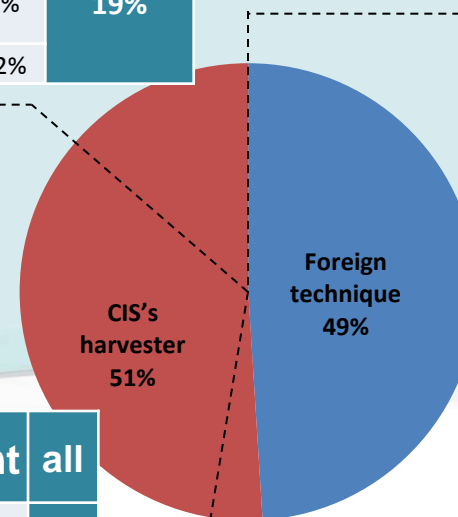
ALLOCATION OF MAJOR BELTS BRAND ON AGRICULTURAL MACHINERY MARKET IN UKRAINE



Dynamics of Ukrainian technique market by years,%

Economy segment		all
RU	2%	19%
Countries in Southeast Asia	5%	
Other	12%	

Middle segment		all
Stomil	3%	15%
Rubena	4%	
Pix	2%	
Belaya cerkov	4%	
Other	2%	



Premium segment		all
Carlisle	5%	66%
Optibelt	7%	
Gates	8%	
Original OEM belts	42%	
Other	4%	

Brand allocation of agricultural belts between equipment markets in Ukraine, 2013

ALLOCATION RATIOS BELT'S BRANDS ON THE UKRAINIAN MARKET in 2013



Allocation ratios brands of the belts on the agricultural, automotive, and industrial markets of Ukraine in 2013., in selling prices

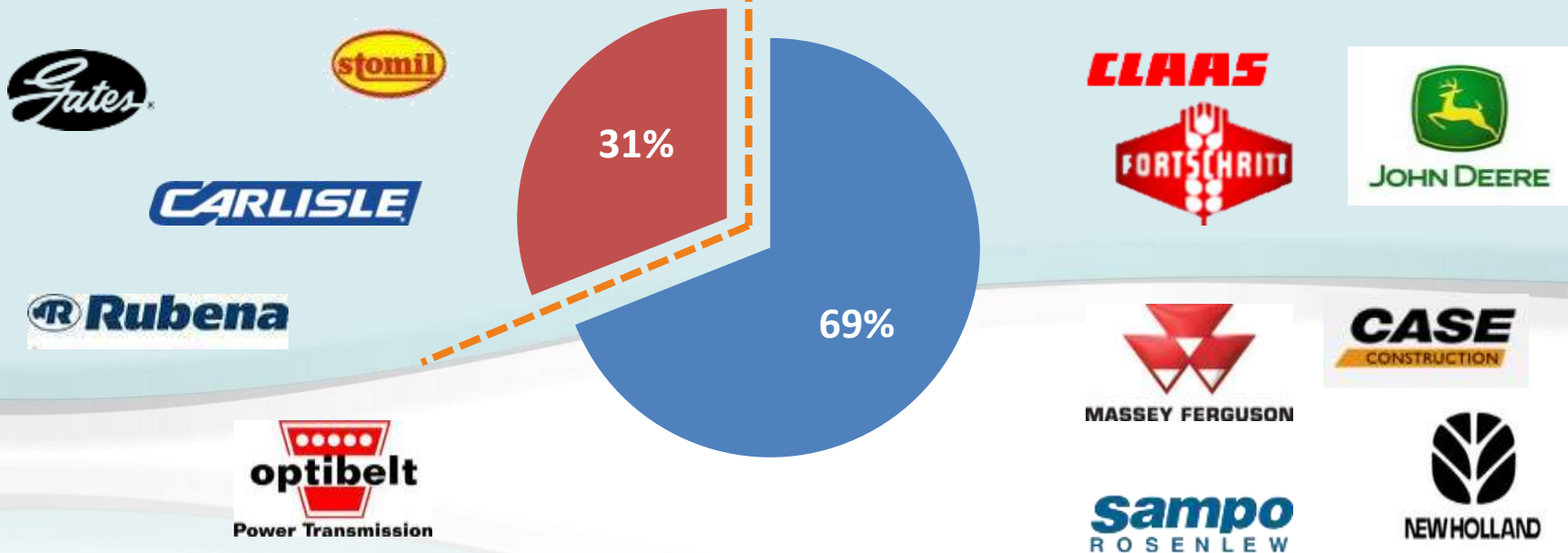
Price segment	Total share of Segment	Brand	Sales, USD	Brand share, %
PREMIUM	35%	Carlisle	992 979	1,6%
		Optibelt	3 154 976	5,3%
		Gates	3 212 442	5,4%
		Original Agricultural belts	13 282 500	22,4%
		Other	58 410	0,1%
Middle	33%	Stomil	2 217 693	3,7%
		Rubena	2 034 827	3,4%
		Pix	579 778	0,9%
		Belaya Cerkov	1 170 000	1,9%
		Contitech	2 054 224	3,4%
		Bosh	2 656 466	4,4%
		Other	9 059 310	15,3%
Lower	32%	RU	6 084 000	10,2%
		Countries in Southeast Asia	10 764 000	18,1%
		Other	1 872 000	3,1%

THE MARKET STRUCTURE OF THE BELTS FOR IMPORTED HARVESTERS



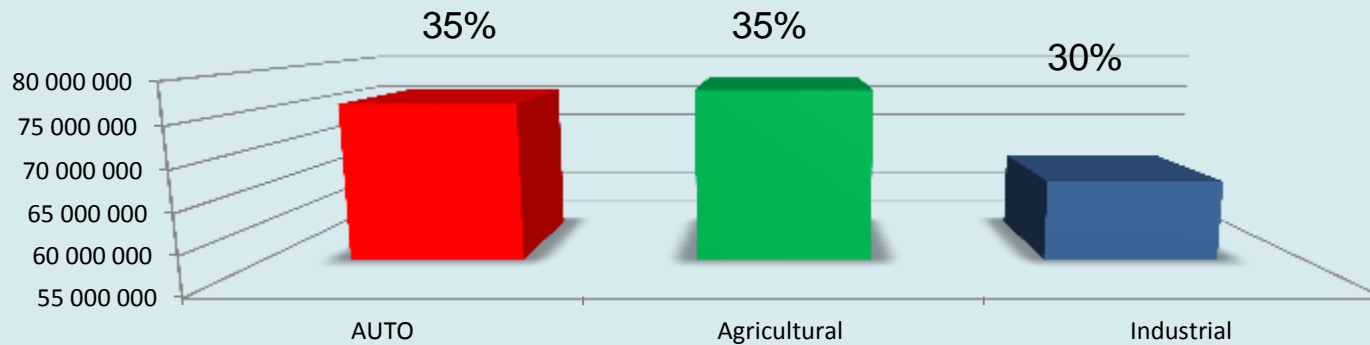
ANALOGUE BELTS

ORIGINAL BELTS



Figures correspond to the data in 2013

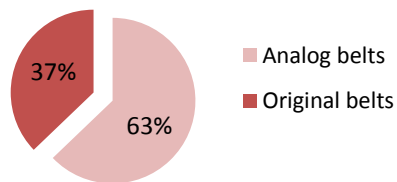
THE IMPORT STRUCTURE OF V-BELT IN UKRAINE 2012



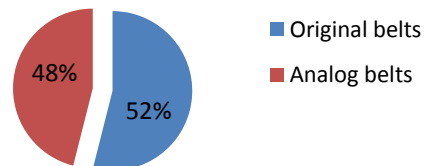
Auto	Agricultural	Industrial
9 474 258,5	9 701 222,9	8 199 518,6

The import volume of the belts in Ukraine by market types in 2012, USD

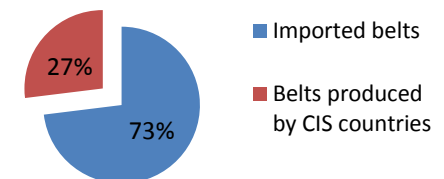
The import structure of v-belt for motor-vehicles



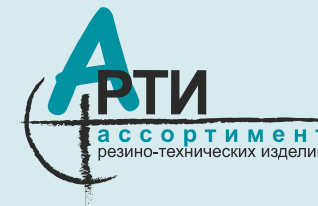
The import structure of v-belt for agricultural



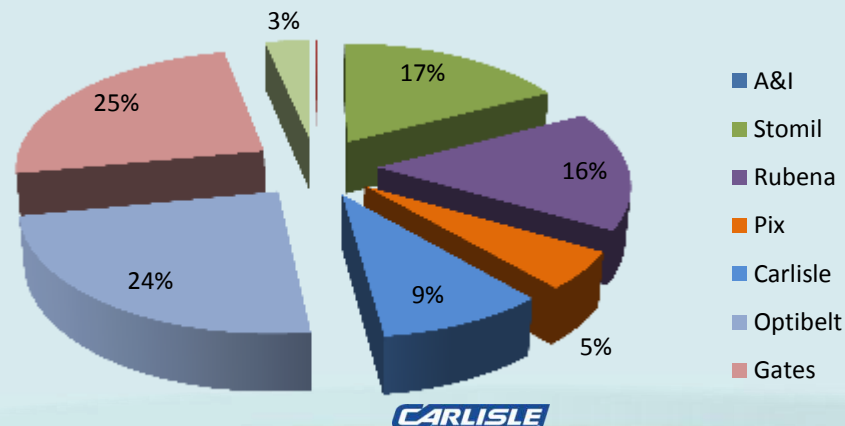
The import structure of v-belt for industries



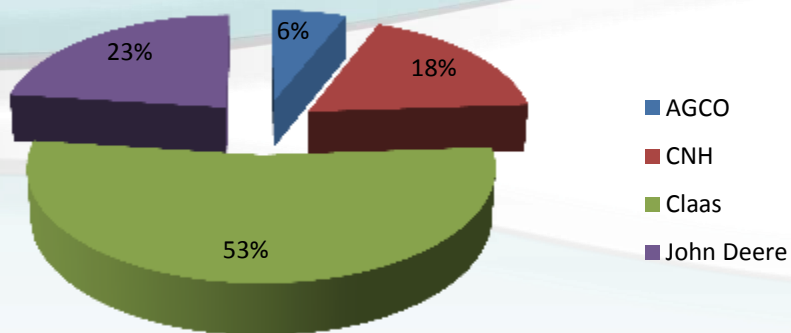
THE BELTS MARKET STRUCTURE FOR IMPORTED AGRICULTURAL MACHINERY



Analogue belts

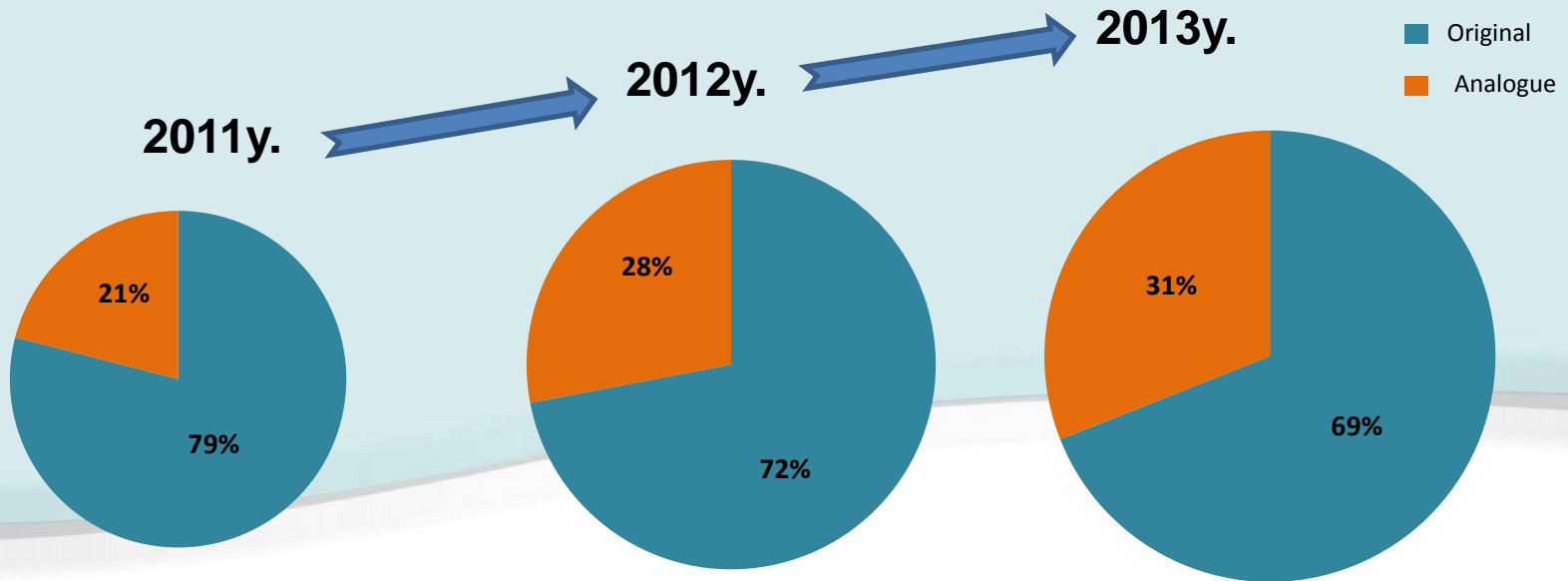


Original belts



Allocation brands on Ukrainian market, 2012г., %

RESTRUCTURING OF ANALOG AND ORIGINAL BELTS FOR IMPORTED MACHINERY BY YEARS



Allocation rate of original and analogues belts on the Ukrainian market in dynamics,%

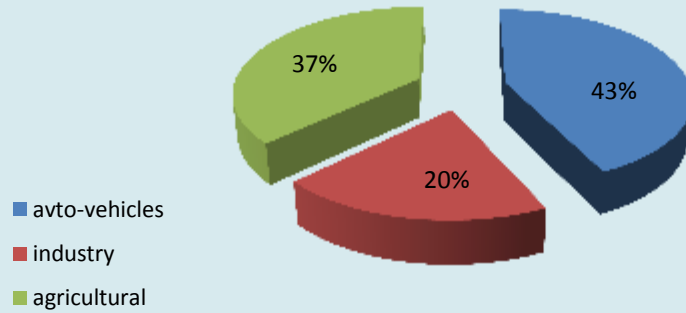
UKRAINIAN SALES STRUCTURE OF ANALOGUE BELTS FOR AGRICULTURAL MACHINERY BY BRANDS



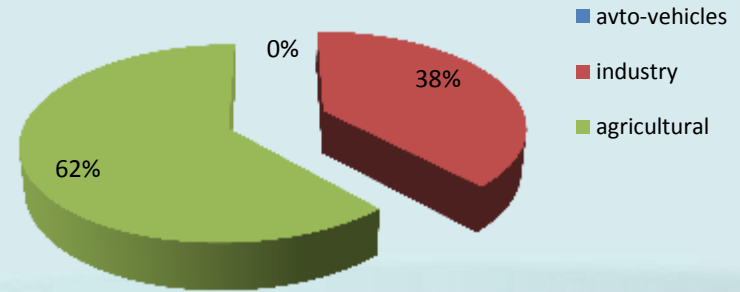
Sales structure of "Premium" category brands by years, USD



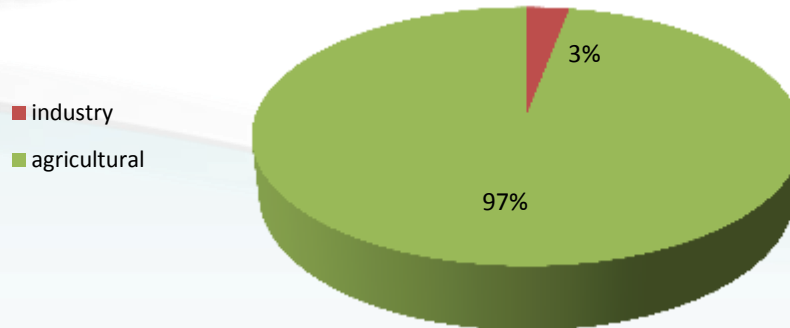
2013 y.



2013 y.



2013 y.



COMPARATIVE CHARACTERISTICS OF PREMIUM BRANDS PRESENTED ON UKRAINIAN MARKET



GATES

ROULUNDS

OPTIBELT

GATES		ROULUNDS		OPTIBELT	
Advantages	Disadvantages	Advantages	Disadvantages	Advantages	Disadvantages
Premium quality product	High price	High quality product	Brand reputation is insufficient for aggressive capture of the market	High quality product	high price
Available in all market segments	Unique coding system of products complicates product's search			impeccable reputation	Most products from the catalog delivered under the order
Wide regional representation		Is the supplier for many manufacturing companies	In comparison with permium-brands is not enough wide range		
Leading brand reputation					
The close relationship between production and after-sales service		More affordable price compared to premium brands and originals		Presence of branches and floor spaces ensures fast delivery to all regions of Ukraine	With a large assortment part of numbers are not serviced by brand
Active marketing program and support of General Dealer					
Wide usage in automotive industry		One of the first analog brands for imported equipment		Possibility of delivery belts for all industries	Absence automotive belts in brand line
The close location of production speeds up delivery products to Ukraine					
More than 15 years on the market		More than 15 years on the market		Presence on the Ukrainian market for over 15 years	The absence of some profiles for some industries (PU-belts)
Promotional materials provide effective communication with final consumer					
Distribution system through general-dealer		Constant improvement of technologies		The close location production speeds up delivery products to Ukraine	Unique coding system of products complicates product's search
Constant improvement of technology, and as a result the creation of new narrowly focused series of belts for different market segments					
					Distribution system use several sales representatives

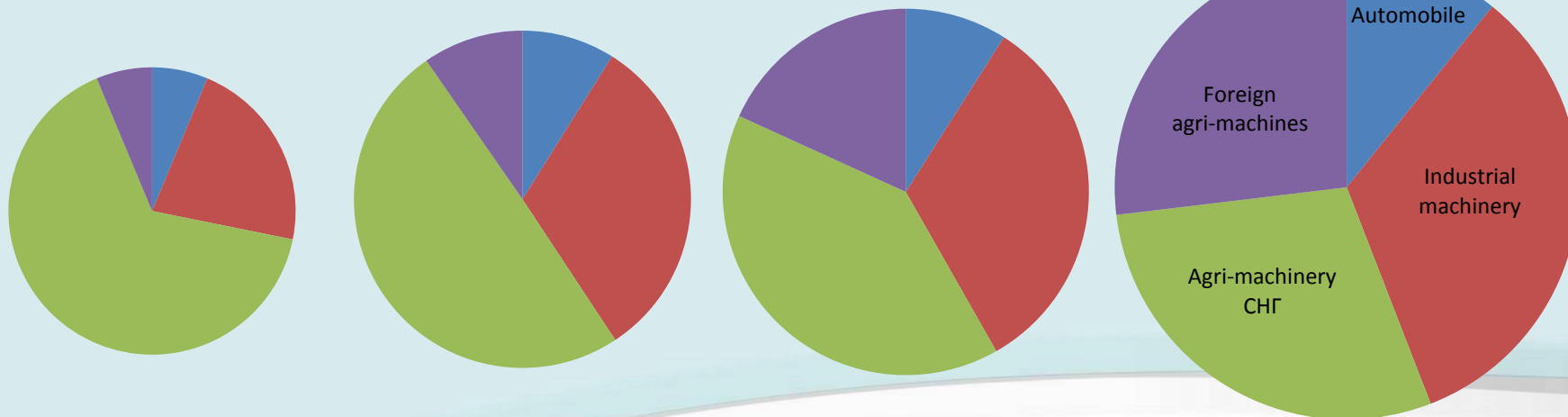
POSITION LLC "ARTI" ON THE BELT'S MARKET IN UKRAINE



	2011		2012		2013		2014	
		ARTI share in the relevant market of Ukraine		ARTI share in the relevant market of Ukraine		ARTI share in the relevant market of Ukraine		ARTI share in the relevant market of Ukraine
Automobile	250 000	1,3%	300 000	1,4%	350 000	1,5%	500 000	1,9%
Industrial machinery	875 000	5,5%	1 050 000	7,0%	1 150 000	6,6%	1 550 000	8,3%
CIS machinery	2 625 000	28,5%	1 950 000	24,0%	1 650 000	23,6%	1 350 000	24,0%
Foreign agri-machines	250 000	3,3%	380 000	3,8%	650 000	6,0%	1 250 000	11,1%
TOTAL	4 000 000	8,3%	3 680 000	6,7%	3 800 000	6,7%	4 650 000	8,2%

Change of shares presence LLC "ARTI" on Ukrainian markets in value and percentage terms in the dynamics by years, USD, %

ALLOCATION OF TOTAL BELT SALES BY MARKET TYPES



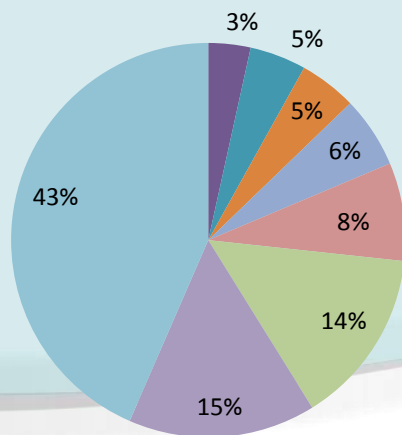
Рынки / период	2 011	2 012	2 013	2 014
Automobile	6,3%	8,2%	9,2%	10,8%
Industrial machinery	21,9%	28,5%	30,3%	33,3%
CIS machinery	65,6%	53,0%	43,4%	29,0%
Foreign agri-machines	6,3%	10,3%	17,1%	26,9%

Allocation of the total belt sales of LLC "ARTI" by the market types in percentage, 2011-2014.

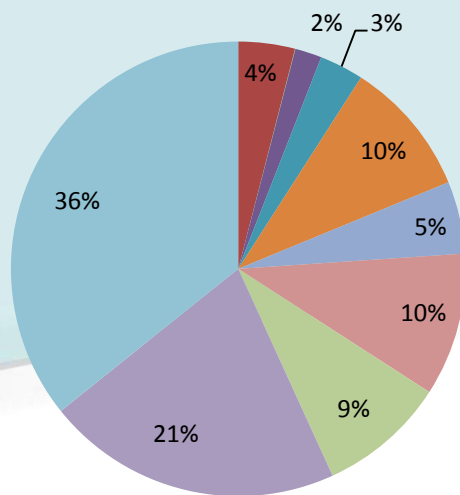
STRUCTURE AND DYNAMICS OF THE SALES LLC "ARTI" BY BRANDS OF FOREIGN HARVESTERS



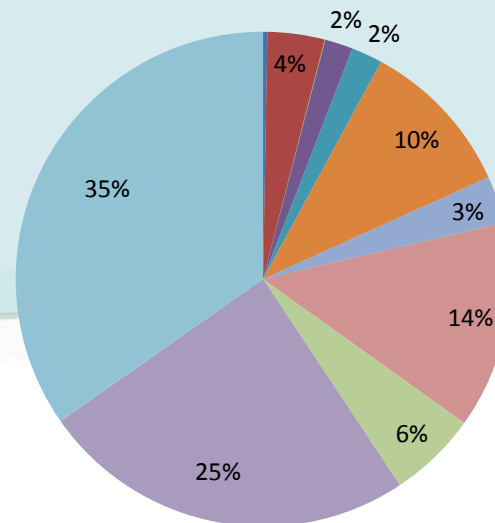
2011 y.



2012 y.



2013 y.



- LAV
- Massey F
- Sampo
- DF
- Bizon
- CNH
- CASE
- New Holland
- FRT
- JD
- Claas

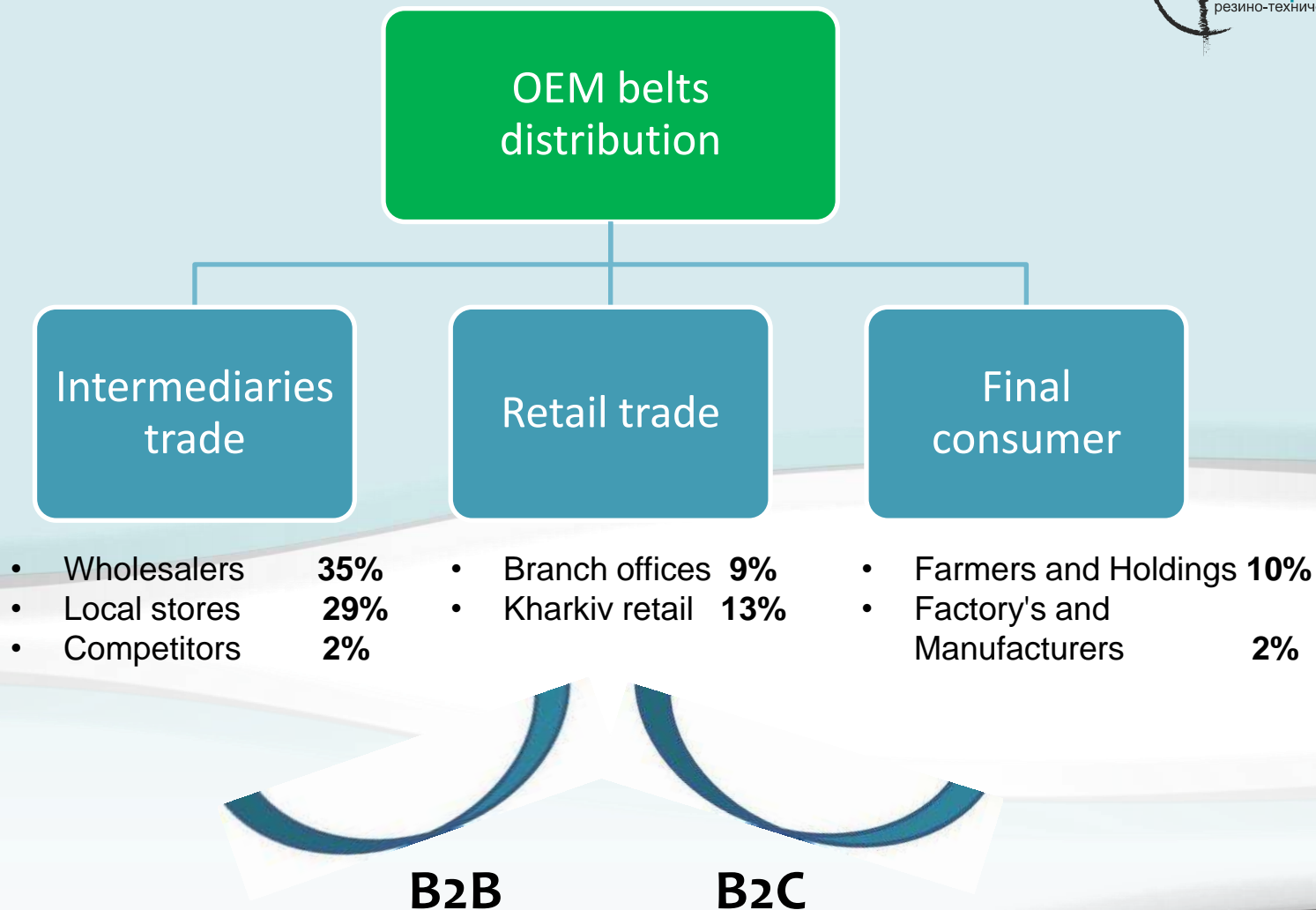
Sales dynamic by harvesters brands during 2011-2013, USD



Wholesalers - large (average) trade and brokerage distribution companies of spare parts for automobiles and agri-machinery. Cover the region (or several regions). Procurements are year-round.

Stores - retail outlets selling automobiles and agricultural spare parts, have the same assortment, pricing. In general, sell retails. Frequency of purchases is not stable.

Farmers - the final consumers who grows and processes agricultural products. Who has own agri-machinery.
Farmers, working with Arti cultivate approx. 300,000 hectares of land.



INDUSTRIAL belts distribution

Intermediaries trade

- Wholesalers **41%**
- Local stores **30%**
- Competitors **3%**

Retail trade

- Branch offices **14%**
- Kharkiv retail **4%**

Final consumer

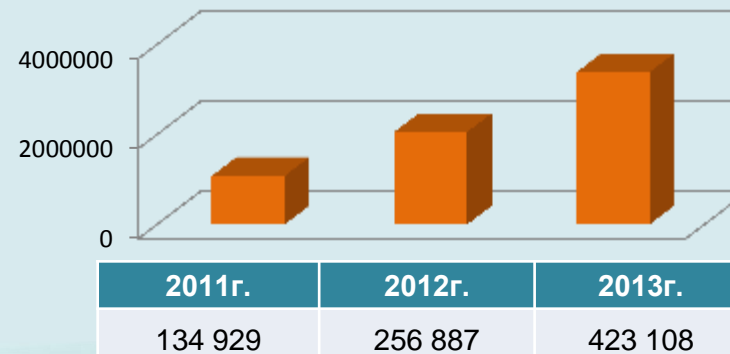
- Farmers **1%**
- Factory's and
Manufacturers **9%**

B2B

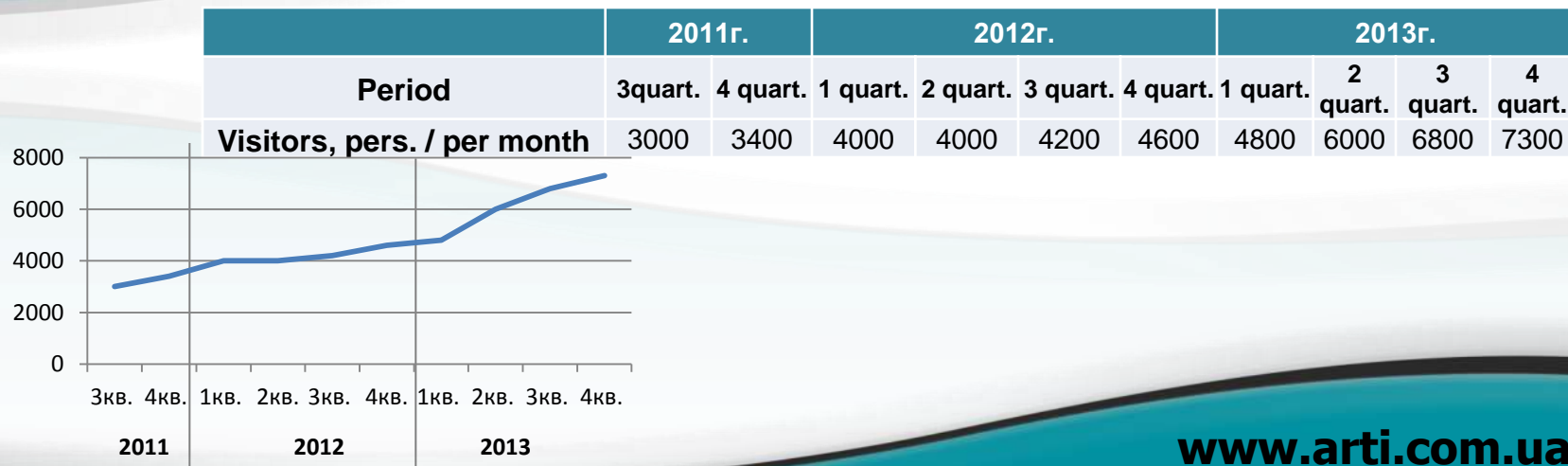
B2C



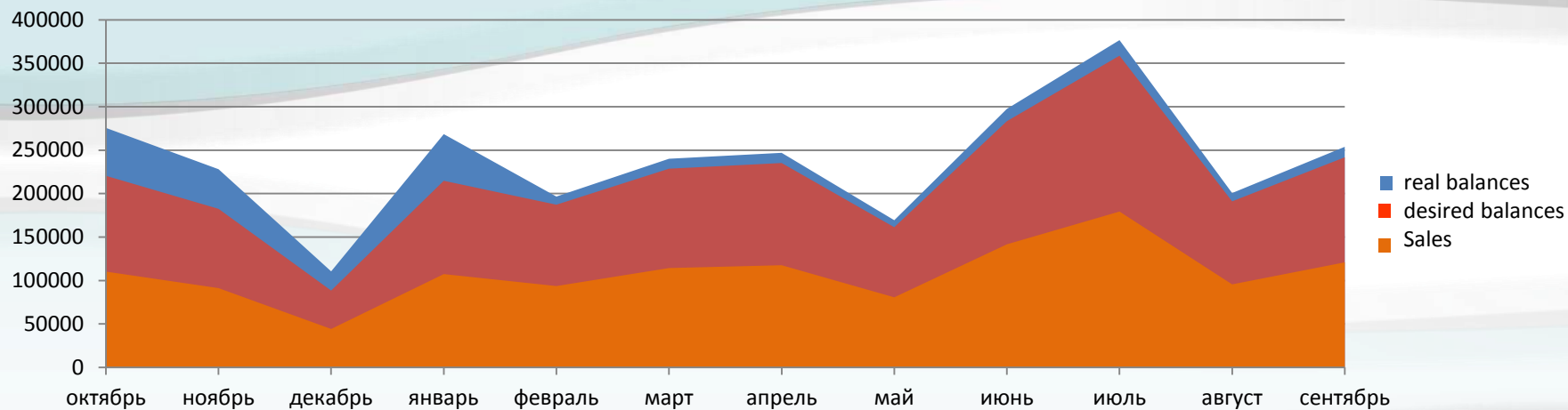
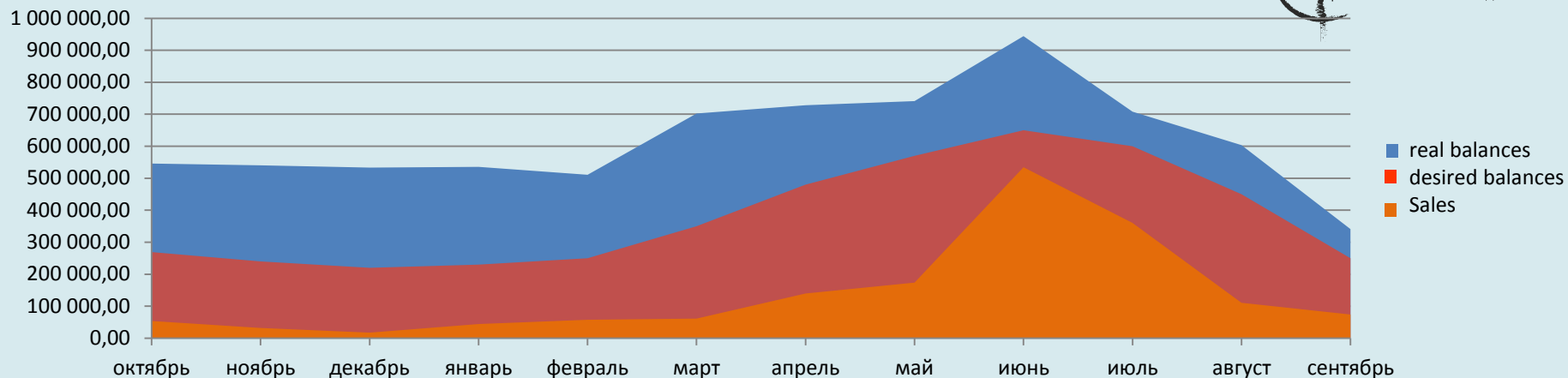
Orders received via the online store, USD



Dynamics of site traffic "ARTI"



Dynamics of sales and filling the warehouse by belts for **agricultural machinery** by months, USD



Dynamics of sales and filling the warehouse by **industrial belts** by months, USD.

PRICE FORMATION FOR BELT GROUPS OF IMPORTED AGRICULTURAL MACHINERY. TERMS OF COOPERATION FOR CLIENTS

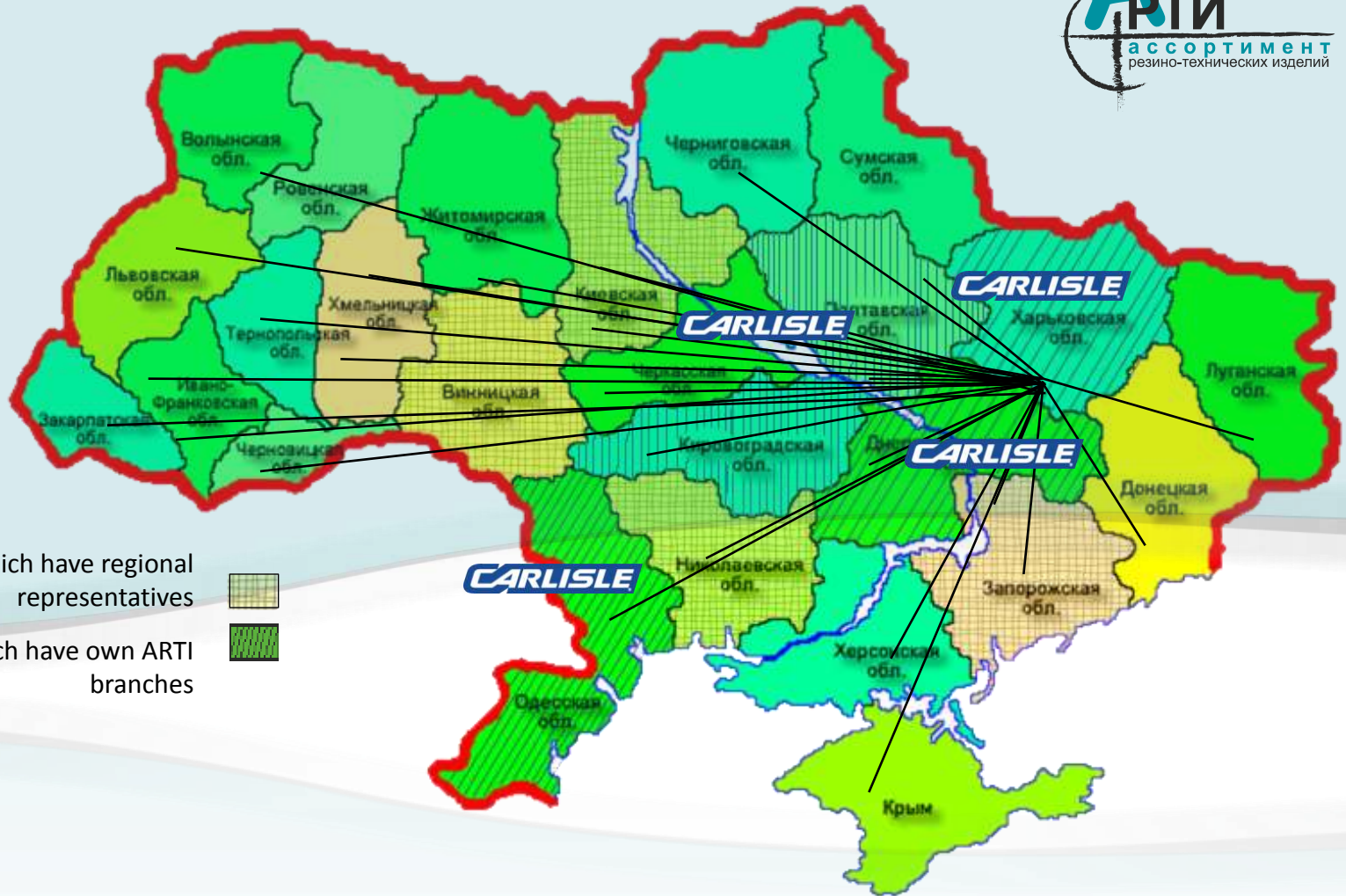


ARTI retail price compared to the retail price according to the Carlisle price list is 95-96%

Size of the discount of the retail price	Prepayment of the current order	The final payment	Free delivery	Minimum lot size of the first purchase
2 500\$				
15%	not less than 20% of the current order	at the end of the current month	from 350 \$	
6 250\$				
20%	not less than 20% of the current order	at the end of the current month	from 350 \$	1200 \$
12 500\$				
25%	not less than 20% of the current order	within 2 months	from 350 \$	2500 \$
28%		at the end of the current month		
37 500\$				
33%	10%	within 2 months	from 600 \$	6500 \$
38%	50%	payment within one month		

Size of discount is determined depending of the volume annual purchases, specified in the contract and of the size of prepayment, terms of final payment for the last order.

DISTRIBUTION CHANNELS OF CARLISLE AGRICULTURAL BELTS IN UKRAINIAN REGIONS



SALES DEVELOPMENT PLAN OF CARLISLE ON 5 YEARS



min

Year / Country	Ukraine	Russia	Moldova*	Baltic States	Georgia*	Kazakhstan**	TOTAL
2014	600 000	120 000	20 000	40 000	20 000	0	800 000
2015	750 000	350 000	40 000	70 000	40 000	70 000	1 320 000
2016	1 000 000	500 000	60 000	100 000	60 000	200 000	1 920 000

max

Year / Country	Ukraine	Russia	Moldova*	Baltic States	Georgia*	Kazakhstan**	TOTAL
2014	750 000	160 000	40 000	60 000	40 000	50 000	1 100 000
2015	900 000	400 000	60 000	100 000	50 000	100 000	1 610 000
2016	1 100 000	700 000	80 000	150 000	70 000	300 000	2 400 000

* First two years delivery of the Goods will be through territory of Ukraine

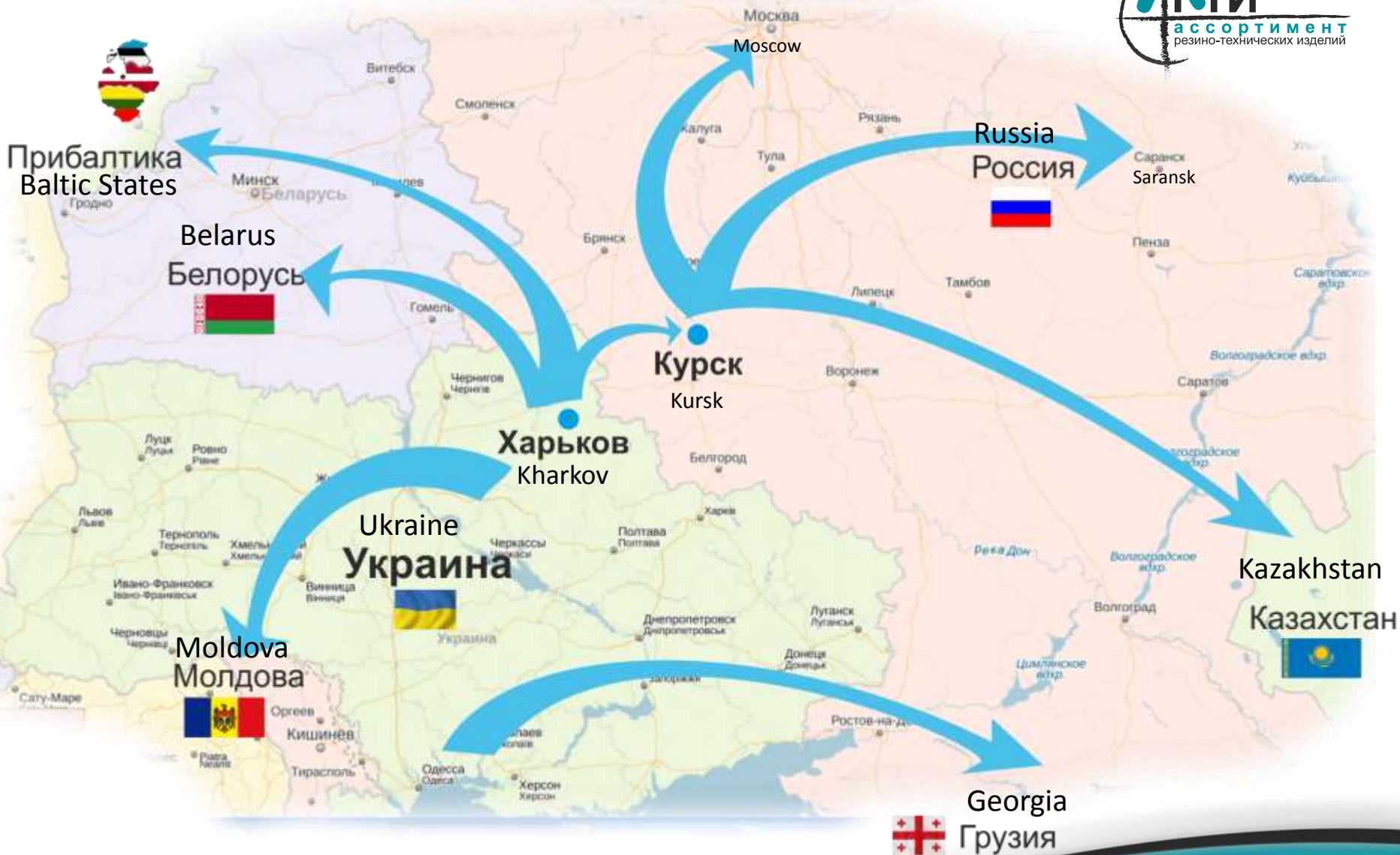
** First two years delivery of the Goods will be through territory of Russia

Sales development plan of Carlisle belts in Ukraine and neighboring CIS markets, 2014 and 2015yy, USD

Year / using	Belts for agricultural machinery				Industrial and automotive markets			
	Domestic	Imported	Agricultural total	Share in Ukraine agriculture market	Industrial belts	TOTAL	Share in Ukraine industrial and automotive markets	Increment rate
2011-2012	0	125 000,00	125 000,00	1%	0	125 000,00	0%	
2012-2013	9 300,00	220 000,00	229 300,00	2%	11 500,00	240 800,00	1%	93%
2013-2014	7 692,31	500 000,00	507 692,31	5%	69 230,77	576 923,08	2%	50%
2014-2015	92 307,69	592 307,69	684 615,38	6-8%	115 384,62	800 000,00	2-3%	39%
2015-2016	153 846,15	676 923,08	830 769,23	7-9%	192 307,69	1 023 076,92	3-3,5%	28%
2016-2017	230 769,23	692 307,69	923 076,92	8-10%	230 769,23	1 153 846,15	4%	13%

Increase of sales volumes of Carlisle belts by types of markets, 2011-2017 USD

THE MAP OF WAYS TO IMPLEMENT CARLISLE BETLS BY REGIONS



TERMS AND PREMISES FOR CARLISLE BRAND RECOGNITION AND INCREASING SALES VOLUME



- Development of the necessary range
- competitive prices
- Clear understanding of advantages over other belts brands in middle segment
- Presence on conveyors of equipment manufacturers

Market of agricultural machinery of CIS countries

Market of imported agricultural machinery

Market of industrial application

- Active development of the range of OEM belts for additional types of equipment
- Competitive prices compared to the original OEM belts
- Presence of the goods at warehouses in Ukraine
- Consistent quality
- Correct positioning of the brand Carlisle compared to competitors brands (Gates, Optibelt)
- Advertising support (collaborative participation in exhibitions, properly formulated technological advantages)

- Prompt response to needs and requirements of the market
- Free access to information on the availability of the necessary items in the range and technical characteristics
- Competitive prices



AIM

Maximal promotion of Carlisle brand on Ukrainian and CIS markets

OPPORTUNITIES

WE DO HAVE:

- Work experience with belts, as with the main direction of the business
- Mastering all the directions of the belts market, maximum presence in each segment.
- Existence of own distribution network and large strategic partners throughout Ukraine.
- Existence of own structure and distribution network in Russia
- Understanding the work specifics of agricultural markets of other CIS countries
- Popularity and high reputation of ARTI belts on the Ukrainian market.

RESULT


YOU GET:


- Successful promotion of Carlisle belts on the territory of Ukraine and CIS countries
- Developed network of regional warehouses in Ukraine and the Russian Federation on the basis of "ARTI" without the additional investment.
- Projected and clear Carlisle development program on Ukrainian and Russian markets
- Stable and constantly growing sales

WAYS OF PROMOTION

Exhibition schedule for 2014. on the territory of Ukraine and CIS countries

February	March	April	May	June	July	August	September	October	November
GRAIN TECH 11-13.02.2013 Ukraine, Kiev http://grainexpo.kiev.ua/	AHROTEKHSERVIS 12-14.03.2013 Ukraine, Zaporozhye www.exp-zp.ua	STO-EXPO 1- 4.04.2014 Ukraine? Kiev, IEC "KievExpoPlaza" http://www.auto.euroindex.ua/		AGRO 2014 4- 7.06.2014 Ukraine, Kiev http://www.agroexpo.com.ua			«Уголь/Mining-2014» 02—05.09.2014 Exhibition of Technologies in mining- industrial complex Donetsk, Ukraine http://new.expodon.dn.ua/ru/exhibits/mining-2014	Inter-Agro 28-30.10.2014 http://interagro.in.ua/ua	International Industrial Forum 19 – 22.11.2014 http://www.iec-expo.com.ua
"AGROPROM 2014" 19-21.02.2014 Ukraine, Dnepropetrovsk									
Agroforum "Volgograd Farmer" – 2014 06-07.02.2014 Russian Federation, Volgograd http://www.exponet.ru/exhibitions/by-id/farmervolg/farmervolg2014/index.ru.html			Gold Niva 27-30.05.2014 Ust-Labinsk http://www.niva-expo.ru/						
Povolzhskiy Agricultural Forum Russian Federation, Kazan 19 - 21.02.2014 http://www.exponet.ru/exhibitions/by-id/agropromka/agropromka2014/index.ru.html									
Agriculture Forum of Southern Russia - 2014 Russian Federation, Rostov-on-Don 25.02.2014 - 28.02.2014 http://www.exponet.ru/exhibitions/by-id/agribusinessforumrnd/agribusinessforumrnd2014/index.ru.html	AgriTek Astana-2014 13-14.03.14 Kazakhstan, Astana http://www.agriastana.kz		MoldAgrotech (spring) 12-15.03.2014 Moldova, Chisinau http://www.moldagrotech2.moldexpo.md/	BELAGRO 3-8.07.2014 Belarus, Minsk http://belagro.minskexpo.com		The Agriculture and Everything for it 27-31.08.2014 Bulgaria, Dobrich http://expobg.all.biz/ru/the-agriculture-and-everything-for-it-expo14899	Agromalim 2014 12–15.09.2013 Arad, Romania http://expomap.ru/arad/agromalim-2013.html	MoldAgrotech 23-26.10.13 Moldova, Chisinau http://www.moldagrotech.moldexpo.md/	

 Visiting exhibitions

 Participation in exhibitions

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