Do You want to increase company profitability?

Or do You need stable and proper time delivery?

Do You need to increase an assortment of sold products?

Do You need to replace product with low demand for it?

Are your ambitions and possibilities making you ready to cooperate straight with producer?
1. COMMON INFORMATION ABOUT THE COMPANY.

Business model.
Corporate structure of the company.

Our company is one of the biggest interior doors manufacturers in Ukraine. We presented our products under «Papa Carlo» trademark in Ukraine and «Carlo Porte»® trademark as for export.

Company was established in 1996 as family business. Shterenberg Aleksey, Shterenberg Dmitriy and Shterenberg Andrei are founders of the company.

It was a long way for a company from a small manufactory at the moment of foundation to a group of companies with a closed cycle of production as it is now. Closed cycle of production begins with sawing logs and finishes with made product.

Our group of companies consists of:
- LLC «Gamma-Plus» (doors manufactory)
- LLC «Allwood» (production of blanks and doors)
- LLC «Stekloprom» (glass production)
THE AVERAGE COMPANY STRUCTURE
as for 04/01/2015

Group of companies have more than 160 employees

- Serving personal: 20 people
- Administrative personal: 15 people
- Administrative support staff: 15 people
- Production workers: 110 people

DOORS MANUFACTURING

<table>
<thead>
<tr>
<th>Year</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>DOORS</td>
<td>19,000 pcs.</td>
<td>42,000 pcs.</td>
<td>38,000 pcs.</td>
</tr>
</tbody>
</table>

PCs.
2. BRIEF HISTORY

- 1996 – Foundation of the company as a small joiner’s manufactory. At that time company had only ten production workers.
  - Opening of an own brand store in Kharkov, Ukraine.
  - Production of wall paneling, batten and wooden windows.
  - Acquisition of production facilities, start of serial production of doors on the factory basis.
- Start of veneer doors manufacturing.
- Beginning of the dealer network creation.
- Start of new automatized assembly and paint lines.
- Creation of the export sales channels.
- Factory certification according to ISO 9001 and ISO 14001 standards.
- New series of doors with polypropylene trim.
- Start of the blank production facility – starting of the technological logs sawing cycle.
- Increase of production arias in two times.
- Increase of export, development of product variety.
- Increase of export, development of product variety.

1996
1998-2002
2003-2008
2009-2011
2012-2015
3. PRODUCTION

High quality of the product and lower cost price compared with competitors’ products is caused by the fact that company uses closed cycle of production: it provides sawing of the wood, manufacturing and drying of the blanks for door production.

Since 2010 in addition to production of the wooden components, company starts its own production of glass component parts. Factory was brought under the certification and gets certificates ISO 9001 and ecological management system ISO 14001.

Company uses modern equipment of world leading brands and it provides high technological advantage compared to competitors:

- Equipment for wood drying – TERMOLEGNO (Italy)
- Power-saw bench – WOOD-MIZER (Poland)
- Cutting optimization line – SALVADOOR (Spain)
- Four-sided bench – WEINIG (Germany)
- Calibrating-polishing machines - HOUFEK (Spain)
- Automatized coating machine – BARBERAN (Spain)
- Cutting machines – ROYEK (Czech Republic)
- Multi-blades panel saw – ZAFFARONI (Italy)
- Automatized painting line – MAKOR (Italy)
- Bench with computer numerical control for production of components – STEMAS (Italy)
### Technological process. Quality control

Production of glued blank made from coniferous wood (pine)

<table>
<thead>
<tr>
<th>№</th>
<th>Technological operation</th>
<th>Description</th>
<th>Control (what attention paid to)</th>
</tr>
</thead>
</table>
| 1  | Sawlog cutting                  | Sawlog is cutting with help of a band-saw in a needed size | • Width of the board  
• Fiber tilt angle  
(tangential, radial) |
| 2  | Drying                          | Raw wood is drying till the level of 8-10 % of humidity | Humidity of the board |
| 3  | Cutting the board on timber     | Cutting the board on a timber of a needed shape   | • Width of the timber  
• Fiber tilt angle  
(tangential, radial) |
## Technological process. Quality control

Production of glued blank made from coniferous wood (pine)

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<tbody>
<tr>
<td>4</td>
<td>Removal of defects</td>
<td>All inadmissible defects are removing from timber (e.g. knots, bark, rot)</td>
<td>Quality check of the blank</td>
</tr>
<tr>
<td>5</td>
<td>Calibration</td>
<td>Calibration of the timber into a needed size</td>
<td>Size control</td>
</tr>
</tbody>
</table>
| 6  | Splicing                | Automatized line uses micro spikes connection to combine timbers into one long blank | - Quality of compounds gluing together  
- Shape |
## Technological process. Quality control

Production of glued blank made from coniferous wood (pine)

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<tr>
<td>7</td>
<td>Second calibration</td>
<td>Calibration of the timber into a needed size</td>
<td>Size and shape control</td>
</tr>
<tr>
<td>8</td>
<td>Gluing in press</td>
<td>Gluing timbers together to get a blank of needed width</td>
<td>Size and shape control</td>
</tr>
<tr>
<td>9</td>
<td>Third calibration</td>
<td>Calibration of the blank into a needed size</td>
<td>Size and shape control</td>
</tr>
</tbody>
</table>
## Technological process. Quality control

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<tr>
<td>10</td>
<td>Cutting of plate materials (MDF)</td>
<td>MDF plate is cutting on pieces of needed shape</td>
<td>Size control</td>
</tr>
<tr>
<td>11</td>
<td>Gluing MDF on the wooden blank</td>
<td>Wooden blank is glued with MDF from all sides</td>
<td>Quality of gluing</td>
</tr>
<tr>
<td>12</td>
<td>Blank profiling</td>
<td>Making a needed shape to a blank with a help of a bench</td>
<td>Control of measurements according to a reference sample</td>
</tr>
</tbody>
</table>
## Technological process. Quality control

Production of glued blank made from coniferous wood (pine)

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Veneer/polypropylene/CPL wrapping</td>
<td>Blank is wrapping by veneer or polypropylene or CPL</td>
<td>Wrapping quality control</td>
</tr>
<tr>
<td>14</td>
<td>Second blank profiling</td>
<td>Cutting grooves, etc.</td>
<td>Control of measurements according to a reference sample</td>
</tr>
<tr>
<td>15</td>
<td>Blank painting (veneer)</td>
<td>Automatized line is polishing and painting the blank</td>
<td>Control of painting quality according to a reference sample</td>
</tr>
</tbody>
</table>
## Technological process. Quality control

Production of glued blank made from coniferous wood (pine)

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<tbody>
<tr>
<td>16</td>
<td>Door unit components are passing computer numerical control</td>
<td>Manipulation with door and door-case (cutting grooves, openings, door fittings, etc.)</td>
<td>Control is on the next stage before the assembling</td>
</tr>
<tr>
<td>17</td>
<td>Assembling of the door unit</td>
<td>Door units are assembling from made components with a help of special press</td>
<td>Control of shape, measurements, door fittings, etc.</td>
</tr>
<tr>
<td>18</td>
<td>Packing</td>
<td>Door, door-case, platband, extenders are packing according to an order form</td>
<td>Final and main check of all parameters by Technical Control Department before packing</td>
</tr>
</tbody>
</table>
4. PRODUCTS

Company is producing 7 door collections in different price range*

<table>
<thead>
<tr>
<th>Collection</th>
<th>Price in USD</th>
<th>Price in Euro</th>
</tr>
</thead>
<tbody>
<tr>
<td>Optima</td>
<td>113 - 117</td>
<td>103 - 107</td>
</tr>
<tr>
<td>Millenium</td>
<td>127 - 261</td>
<td>117 - 238</td>
</tr>
<tr>
<td>Cosmopolitan</td>
<td>163 - 443</td>
<td>147 - 403</td>
</tr>
<tr>
<td>Elegance</td>
<td>260 - 438</td>
<td>237 - 430</td>
</tr>
<tr>
<td>Classic</td>
<td>377 - 670</td>
<td>355 - 611</td>
</tr>
<tr>
<td>Modern</td>
<td>270 - 572</td>
<td>247 - 520</td>
</tr>
<tr>
<td>Vetro</td>
<td>464 - 603</td>
<td>424 - 549</td>
</tr>
</tbody>
</table>

* Retail prices are indicated on EXW terms Kharkov
5. SALES SYSTEM

«PAPA CARLO» trademark products are sold through 180 dealers’ retail outlets and 6 brand shops.

About 30 percent of products are sold as export under trademark «CARLO PORTE»:
6. COMPETITIVE ADVANTAGE

1. Much cheaper price of door units produced with usage of natural veneer, PP or CPL trim than price of competitors on similar construction models.

2. Company is using modern hi-tech equipment and performs technological cycle by itself it provides lower cost price for product of similar quality.

3. All products got 5 years warranty (OPTIMA collection - 2 years).

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