

"East Concept" Ltd.

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Management: V.I. Dvukhimenny - General Director,
I.A. Mishkinis - Deputy Director on development,
T.N. Kochetova - Deputy Director on operation,
V.G. Malyshev - Chief Engineer,
K.A. Ivankovich - Deputy Director on marketing

Employees: 62

Previous financing: at the expense of the internal funds

Current financing: at the expense of the internal funds

Requested investment: \$500 000

Use of the requested investment: : Marketing Promotion, Acquisition of premises, Acquisition of additional equipment to carry out developments, Laying of communication lines, Replenishment of current assets of the enterprise.

Company Description:

"East Concept" Ltd. was found in 1990. The company works on the market of software for hotels and restaurants. The Company's business includes development, introduction and maintenance of large computer automated systems of accounting and management. The Company's clients are hotels (inns) and public catering enterprises (restaurants, cafes).

At present the Company enters the market of providing Internet services on reservation, booking the room in a hotel, and others.

Field and Directions of Activity:

The Company specialization is developing and moving into the market the large computer systems to manage hotels, restaurants, sanatoriums, boarding-houses, clubs and other similar business structures - the "Russian Hotel" Application Package.

Products/Services/Technologies:

Products - The "Russian Hotel" Application Package to manage hotels (a separate booklet may be presented by request). The "Russian Hotel" program is registered by the Russian Agency on legal protection of computer programs (Certificate on official registration No.970537 dated 21.10.97, possessor of the right is the "East Concept" Ltd.).

Services - Supply of the "Russian Hotel" Application Package. Purchase and supply of technical means, including KKM. Laying and testing the network; Joining to external communication systems; Installation, adjustment and introduction of the package at the Customer's enterprise; Familiarization of the Customer with methods of working with the package; Support of the package; Maintenance (including KKM).

New Technologies - Development of software providing a system of booking/reservation via Internet, and rendering the special "Turlink" Internet services, as well as moving the present package into the market, both jointly with the "Russian Hotel" Application Package, and as independent software.

Management Team:

100% of the Company stocks are held by one natural person, V.I. Dvukhimenny, General Director. General Director, Mr. Dvukhimenny, Vladimir Ivanovich (Engineering and Economic Academy), has 29-year length of service and works with the Company for 10 years. He has high professionalism, ability to cooperate with partners, enjoys great authority and generates ideas. Deputy Director on development, Mr. Mishkinis, Ionas Antanos (Saint Petersburg State University), has 18-year length of service and works with the Company for 10 years. He is a software developer of the highest class and enjoys indisputable professional authority.

Deputy Director on operation, Mrs. Kochetova, Tatyana Nikolaevna (Saint Petersburg University of Technology and Design), has 24-year length of service and works with the Company for 10 years. She has good professional skill, ability to cooperate with partners, a reputation for discipline.

Chief Engineer, Mr. Malyshev, Valery Gennadievich (Saint Petersburg University of Telecommunications), has 20-year length of service and works with the Company for 10 years. He is an excellent professional and has both technical and general system knowledge.

Deputy Director on marketing, Mrs. Ivankovich, Kira Arkadievna (Saint Petersburg Electrical Engineering University), has 26-year length of service and works with the Company for 10 years. She has good professional knowledge, ability to communicate and organiz

Markets/Competition:

Main companies working on the Russian market of hotel software:

No	Company	Product's Name	Number of Russian hotels-clients
1	"East Concept", Saint Petersburg	"Russian Hotel"	36
2	"HRS", Moscow	"Micros-Fidelio"	17 (not counting members of international hotel networks)
3	"Libra International", Moscow	"Lodging Touch"	9
4	"Reksoft", Saint Petersburg	"Edelveis"	8
5	"Aktis", Saint Petersburg	"Aktis-Hotel"	6

Western and Russian systems intended for remote booking of rooms in a hotel, and rendering various Internet-services (Global Distribution System, GDS):

No	GDS	Number of tourist agencies	Number of occupation units
1	Western: "Galileo", "Amadeus", "Sabre", "Wordspan"	About 50 000	About 50 000
2	Russian: "Alean", "Akademservis"	Up to 1 000	Up to 500

Achievements:

For ten years of work at the Company, the co-ordinated permanent high-skilled team has been formed, which has had enough knowledge and comprehension on how to enlarge the market owing to use the newest information technologies, marketing and promotion. All of that will allow to compete successfully in the area being new to us.

At present the Company has automated 851 working stations in many regions of Russia and countries of ex-CIS. Each one system is used by about 2000 persons.

The "East Concept" company possesses of the "Public Recognition Award" for 1998 and 1999, is a prize-winner of the "Public Recognition" program organized by the Gallup Saint Petersburg Institute with support of the Consumers' Society of Saint Petersburg and Leningrad Region.

Outlook: Stage-by-stage development and introduction in 2001 of the new 3.0 version of the "Russian Hotel" Application Package (Windows-version).

The main task is developing and moving into the market the "Turlink" International System,

totally automated, for booking via INTERNET, that should serve as a powerful spur to developing the Company's business. It is supposed to cover about 45% of all hotels which work actively at present in Russia.