ALKOR - PAY CASH JSC

Volume of investments required: **$ 4000 thousand**

Intended use of investment required:

R&D (new software)	**20 %**
Products upgrade	**25 %**
Marketing	**55 %**

Company profile:

1. Date of establishment - August 28, 2000
2. Stage of development - Expansion
3. Size and source of investment to date - $ 1,500 th. - JSC "Aviapriborostroitelnii consortium", Joint-stock commercial bank "Tavricheskii" (through affiliated persons), private investors.
4. Industry - Software, IT-technologies
5. Target market - E-business, Consumer Financial Services.
6. Sales in 2003 - $ 8,700 th.
7. Description and value of assets - $ 1,000 th. - Main Production Facilities (MPF) is a complex of software applications and hardware intended for providing payments via internet, that use the digital cash technology.
8. Intellectual property rights

- Patent for "Method of effecting payments and apparatus therefor" registered at 2157001 by Rospatent on the 25th of November 1998
- Patent for "Method for making a blind RSA-signature and apparatus therefore" registered at 2153191
- Patent for "Method for a cardholder to request fulfillment of an obligation associated with the card and for the issuer to acknowledge this obligation" registered at 2144695
- Certificate № 2000610577 of registration "The software complex, that records mutual financial obligations of the participants of the payment process via Inthernet", registered by Rospatent on the 4th of July 2000.
- Licence for work in the area of data protection № 976 issued by the State technical commission under President of
- the Russian Federation on the 5th of December 2001 (previous licence had been issued in November 1998 for a three year period)
- Certificate of the Central Bank of Russia for the issuance of the PayCash financial product.

9. Signs of public recognition

- Certificate of the Exceptional recognition by Congress of the USA Awarded to Cyphermint Inc., a member of the PayCash group.
- PayCash payment system is the winner of "National Intel Internet Prize" competition, in "New technologies" nomination; an honorable award of the "Business-site" contest in the nomination for "Finances and economy"; an honorable award of the "Intel: innovation in education" contest; winner of the Russian Innovation projects contest (Intel/Audi/Expert).

Owners:

Open joint-stock company «United Aviation Instrumentation Consortium». 191101, Saint-Petersburg, Bolshaya Monetnaya str. 16, Russia	**49,29 %**
8 persons	**50,71 %**
Share of government property	**0 %**

Management:

Dostov Viktor Leonidovic - Project Manager since 1998, candidate of physical and mathematical science, Vice-chairman of the Board of Management.

Volkov Sergei Vital'evich - Technical director: member of the Board of Management of the Russian Cryptography Association, winner of the national Internet prize in 2000 in "New technologies " nomination.

Products characteristics:

The PayCash payment system is the Russian hi-tech project in the sphere of e-business. The system allows instantaneous secure payments via open networks like Internet. From the user's, vendor's or buyer's point of view, the money can be either on the customer's account in the PayCash processing center or on the customer's computer stored in the special wallet software. Account in PayCash system may be opened and managed only via network connection using client software.

Comparative analysis with existing alternatives:

Characteristics	PayCash(Russia)	WebMoney(Russia)	Mondex	PayPal
Security level	Strong, open security algorithms	no data	no data	Low
Execution speed	Up to 1 sec.	3-5 min.	3-5 sec.	60 sec.
Electronic document flow	yes	no	no	no
Low cost	1-4% of the turnover	3-6% of the turnover	no data	no data
Cryptography	Custom design solution	SSL+ symmetric, custom design 1024 bit+RSA 1048 bit	Custom design solution	SSL
Micropayments, $	Less than $ 0.01	Starting from $ 0.03	No data	No data

Markets/Competition:

	Index	PayCash	WebMoney	Others
2004	Location - Russia; Market volume $70 millions			
	Company's share of the market $ ths./%	21 000 / 30%	42 000 / 60%	7 000 / 10%
2008	Location - Russia; Market volume $ 800 millions			
	Company's share of the market $ ths./%	480 000 / 60%	160 000 / 20%	160 000 / 20%

Here we took into consideration the current rate of growth due to its saturation within the market limits and its evolution.