

Know-How Center LTD

Volume of investments required: **\$ 970 thousand**

Intended use of investment required:

R&D (samples of modified containers)	20%
Fixed assets acquisition	30%
Marketing (for non-standard application of containers)	20%
Working capital (for manufacturing of modified containers)	30%

Company profile:

1. Date of establishment - August 18, 2000.
2. Stage of development - Start-up
3. Size and source of investment to date - \$ 197 th. Russian private investors.
4. Industry - Mobil Constructions for Russian real estate
5. Target market- Mobil offices and constructions for real estate and Russian private companies
6. Sales in 2003 - \$ 97 th.
7. Description and value of assets - \$ 10 th. - office equipment.
8. Intellectual property rights - Company owners have a number of know-hows for the "Modification of 40-feet containers" project and the "New logistics system based on modified 40-feet containers" project.
9. Signs of public recognition - The company is the winner of "Innovations Around Us" exhibition in Moscow, 2000 and "Hi-Tech 2003" exhibition in St. Petersburg. The company serves as the Innovation Board for the Chamber of Commerce and Industry of the towns of Pushkin and Pavlovsk.

Owners:

2 naturas persons	50% each
Share of government property	other
	0%

Management and key personnel:

Trofimov, Yury - 41, Ph.D., Company owner, two higher education (Cybernetics and Economics), 14 year business experience (established three high-tech companies from scratch). Participated in a number of high-tech projects, own inventions, author of a number of articles

Telegin, Yury - 57, Ph.D., Company owner, 14 year managerial experience in running high-tech projects, own inventions, author of a number of articles.

Products characteristics:

The complex innovation project includes R&D and organization of assembling-type manufacturing of flexible universal modules (UM) necessary for setting up small-size manufacturing lines (SML) and small offices (SOF). The construction base of UM are standard 40-feet containers (about 27 sq. meters). The 40-feet containers supplier is the strategic partner of the project. The containers will be shipped from China to Moscow regularly and at low costs.

Comparative analysis with existing alternatives:

Characteristics	SML orSOF	SML orSOF bused	SML orSOF
-----------------	--------------	--------------------	--------------

	bused under UM	under regular real estate	bused under temporary regular real estate *
Speed of assembling / disassembling	Hours - days	Months – years	Weeks- months
Fast increase in space and volume	Not difficult	Impossible	Difficult
Dependence from building owners	Small	High	Middle
Design of interior in scales	4-5	1-5	1-3
Protection and security	High	Small- High	Small
Shipping to other places	High	No	Limited
Necessity to build the base	No	Yes	Limited
Possibilities of temporary installation without obtaining construction authorization)	Yes	No	Limited
Cost, \$./sq.meter	15 - 30	5 - 200	10 - 90

* There are no SML based under temporary regular real estate in the Russia market now.

Target market for SOF and SML: small and medium business sector in Moscow, St. Petersburg and other Russian large cities. Russian industry market - the sector of natural resources companies (coal, gas and oil companies.)

Markets/Competition:

	Characteristics	Products/services of exhibiting company	The present market for SOF and SML
2004	Geographical Region - Russia Market size - \$ 15,000 thousand		
	Company market share \$ th./%	0%	15 000 / 100%
2008	Geographical Region - Russia Market size \$ - 65,000 thousand		
	Company market share \$ th./%	6 500 / 10%	\$ 58 500 / 90%

The main competitive advantages of the project:

1. High dynamic of real estate market in Russia.
2. High demand for the products (the sector of natural resources companies)
3. Availability of a strategic partner capable of supplying new 40-foot containers from China to Moscow at a regular basis and at low costs.