

InfoCom Corp.

Innovations in Computers & Communications

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belonging exclusively to InfoCom Corp.*

Bayan Elashi

Chief Executive Officer

14999 Preston Road, Building D212, Unit 566

Dallas, Texas 75240, USA

Telephone: (972) 644-5363, Fax: (972) 644-8609

E-mail Address: bayan@infocomUSA.com

Internet Address: <http://www.infocomUSA.com>

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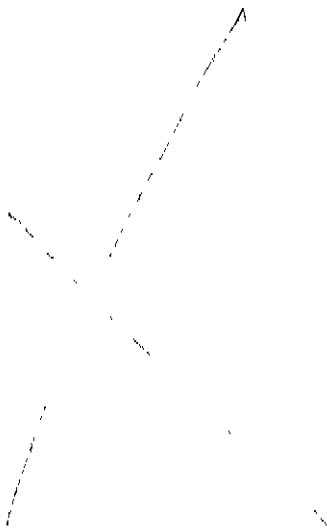
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efficient satellite communication, pipeline monitoring, energy pipelines, mines, reservation networks, automotive centers, hotels, broadcasting centers, airlines, newspapers, government offices, transportation companies, universities, electronic mail and others.

Appendix B: Letters of Reference

	1994	1995	1996
Total Sales	2,810	3,090	3,300
Sales by Local Firms	2,715	2,950	3,100
Export Sales by Local Firms	150	160	180
Sales by Foreign-Owned Firms	95	140	200
Sales by US-Owned Firms	35	50	90

All figures are estimates in millions of US dollars

Morocco

The Moroccan market for telecommunications is growing rapidly. It is one of the most dynamic in North Africa. Telecommunications infrastructure is an essential link for all sectors and the development of the national economy and the opening of the market to foreign investments cannot be achieved without it. Recognizing this, the Government is making considerable efforts to develop a modern telecommunication network based on the most advanced technologies. The Government is taking steps to privatize and expand the growing mobile phone market. The best sales prospects for InfoCom are in the high-tech areas where the US continues to maintain a competitive edge over other countries. US products and services have a good reputation and are considered the pioneers in new telecommunications technology.

	1994	1995 (E)	1996 (E)
Total Market Size	180	220	253
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	180	220	253
Imports from the U.S.	35	42	49

All figures are estimates in millions of US dollars

Turkey

Recent laws passed by the Parliament should produce a boom in this sector. New licenses will be issued for value added services most requiring new investments. Existing services, e.g., paging systems, analog type cellular phone networks, cable-TV, will need to be modernized and/or expanded for better service and more customers. The telephone network structure needs to accommodate more subscribers and to improve quality. Intelligent network systems, ISDN, and fiber in the loop systems will be future trends. The new telecommunications law specifies that 20 percent of the income obtained from licensing fees for value added services and 20 percent of Turk Telecom privatization revenues will be used to improve the telephone structure. This revenue is estimated at over \$3.5 billion. Thus, InfoCom can seize the growing opportunities in Turkey and participate in international projects such as fiber optic cable, microwave and satellite projects to serve Turkey.

	1994	1995	1996
Total Market Size	925	1,060	1,210
Total Local Production	640	700	770
Total Exports	95	100	110
Total Imports	380	460	550
Imports from the U.S.	252	300	350

All figures are estimates in millions of US dollars

Privatization of Turkish Telecom is expected to attract additional investments in data, voice and video satellite services. The data communications industry in Turkey is moving towards

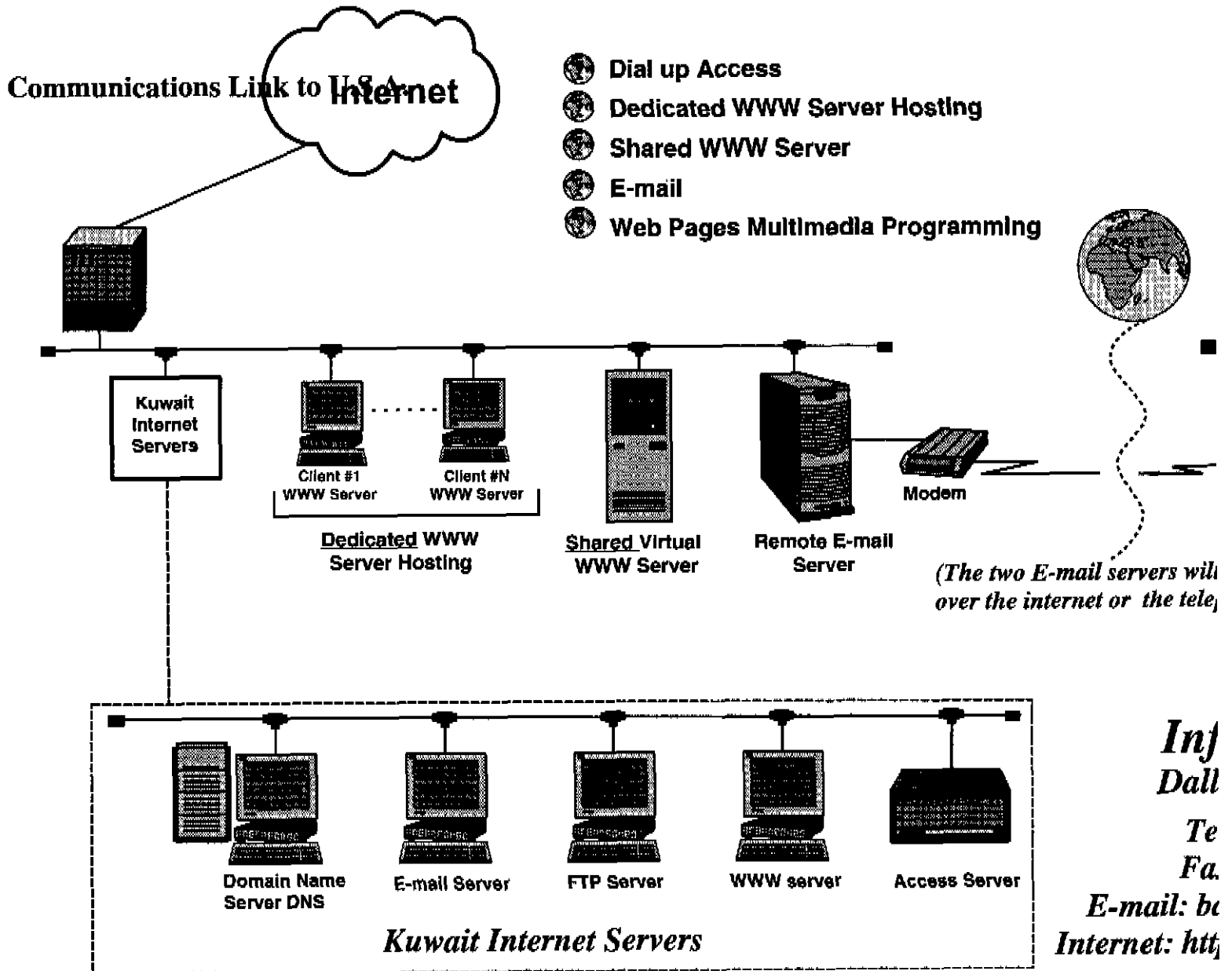
Section Two: InfoCom Products and Market

Appendix A: Brochures of InfoCom's Product and Service Offerings

- 1. Delivery and Distribution***
- 2. Computer Systems and Networking***
- 3. Computer Replacement Parts***
- 4. Telecommunications and Security***
- 5. Telecommunications Replacement Parts***
- 6. Satellite Communications***
- 7. Internet Services***
- 8. Manufacturing***
- 9. ICC Innovations***
- 10. Voice Expert Hardware and Software***
- 11. Industrial Applications***
- 12. Financing***

Kuwait Internet Network

Your Full Internet Service Provider



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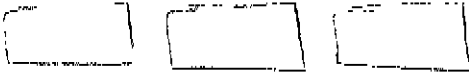
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About



Carpet
Millslot
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Management

Appendix C contains the organization charts showing the current structure of InfoCom and the allocation of task responsibilities. The section below describes the background and expertise of key management and personnel people.

Bayan Elashi, CEO

Bayan Elashi is the founder and Chief Executive Officer of InfoCom Corporation. Bayan has more than ten years experience in the computer industry. He was the founder of Alraed Computer Company, the first business firm to introduce Arabic computers to the Arab world. That company was later sold to a group of Saudi investors. Bayan has earned a Masters degree in Computer Engineering, with specialization in computer architecture from Purdue University. He also spent two years in the Ph.D. program at both Purdue University and the University of Southern California. He has taught both at the University of Southern California and at California State University in the area of operating systems design, database design and artificial intelligence. His current responsibilities at InfoCom include strategic planning as well as evaluation of new products and services to be offered to our customers. He is also in charge of the design and setup of the Internet services being offered by InfoCom.

Ghassan Elashi, Vice-President, Marketing

Ghassan Elashi is the Vice-President of Marketing at InfoCom Corp. He has more than ten years work experience in accounting and finance. He has earned a B.A. in accounting and a Masters of Business Administration from Miami University, Miami. He has acquired in-depth expertise as an accountant, eventually serving as Chief Financial Officer of Research Computers Technology Corp. (RCTC) in Los Angeles, California. He then became sales manager for International Computer and Communications in Los Angeles. He moved to join InfoCom Corp., serving as its marketing and sales vice-president since 1992. His duties include formulating and implementing the marketing and sales strategic plan for the sale of computer and telecommunication products overseas. He is currently involved in the market research efforts necessary to maintain and expand InfoCom's international customer base.

Personnel

Basman Elashi, Logistics Manager

Basman Elashi earned Bachelors degree in Mechanical Engineering from Western Michigan University. He joined International Computers and Communications in 1987, and has acquired extensive experience in shipping logistics both by air and by sea. Current responsibilities at InfoCom include managing our shipping operations by air and by sea.

Ihsan Elashi, System Consultant, Apple Products

Ihsan Elashi earned a Masters degree in Computer Science from the University of Miami, Miami, Florida. He worked as an instructor in the Computer Science Department at this university. He has extensive experience in teaching database management and MIS. He has also worked as a senior systems programmer for the University of Miami. He joined International Computers and Communications in 1989. His current duties at InfoCom include the sales and support of Apple computer hardware and software.

Hazim Elashi, Manager of Personal Computers Division

Hazim Elashi earned a BS in Computer Systems Engineering from the Oregon Institute of Technology. While working on his college degree, he acquired substantial experience at several computer companies. He joined International Computers and Communications in 1988. Since then he has attended Novell NetWare and Corteclo Digital PABX training classes and received additional training in hardware maintenance and repair. He has been in charge of the production of PCs, and has analyzed, evaluated and integrated hardware/software products. He heads the technical support section, conducts system analyses and helps customers streamline their operations.

Saleem Reza, Local Sales Manager

Saleem Reza has a BBA in marketing from Purdue University. He has worked with Microage, earning experience in sales, support, and training. He has negotiated sales with local and state schools as well as colleges and universities. At Microage, he acquired 8 years of managerial expertise. He has developed management training programs. At InfoCom, he is in charge of developing new accounts and expanding the client server application software market. He oversees service and support agreements, and creates training programs for customer service. He also works on marketing plans for LAN-WAN sales, and prepares the budgets for advertising and other marketing-related campaigns.

Mohammad Nabil Salah, Telecommunications specialist

Mohammad Nabil Salah graduated from the University of Toledo, Ohio, with a Bachelor of Science in Electrical Engineering, with a minor in biomedical electronics. He has had extensive experience in Telephone systems, KSU and PABX. He has also acquired experience in troubleshooting telecommunications hardware during his two years with Nu-Tel Communications. He is currently the manager of the Telecommunications Department and a sales engineer at InfoCom.

Rafaat Sabha, Programmer

Rafaat graduated from California University, Los Angeles with a Bachelor degree in Computer Science. He has over five years of experience in web programming, JAVA, CGI and database applications.

Yasser is a graduate from The University of Ohio, Akron. He has over ten years of experience in Unix Programming and Networking.

Lima Dajani, Internet Web pages Designer

Lima Dajani graduated from the University of California, Los Angeles, UCLA, with a Bachelor of Science in Biochemistry, and a strong background in computer programming. She has extensive experience in graphics design, page layout, color separation, HTML programming and CGI programming. She has been with InfoCom since 1992. She is currently in charge of Web page design for our Internet customers.

Ahlam Asad

Ahlam is a programmer and System Administrator. She has an experience in Web programming in C, C++, Visual Basic, Perl, Java, Database, and CGI scripts. Also, she has knowledge in Windows, Dos, Unix, and Novell and in developing and maintaining Apache Servers.

Fairouz Elashi, Vendor Relations and Projects Scheduling

Fairouz Elashi graduated from the University of Ain Shams, in Cairo, Egypt, with a Bachelor of Science in psychology. She is in charge of vendor relations, and projects scheduling as well as cost control.

Summary

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. It sells customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

Careful analysis of the potential market in the Middle East and North Africa reveals unfulfilled demand for customized products and services both in the computer and telecommunications industries. Infocom's longstanding reputation for quality service, prompt delivery, technological expertise and convenient credit terms will help secure a sizable portion of the computer and telecommunications markets. The personal relationships developed by top management as well the in-depth understanding of the local culture in the overseas markets will provide an even greater competitive advantage over mass-marketers.

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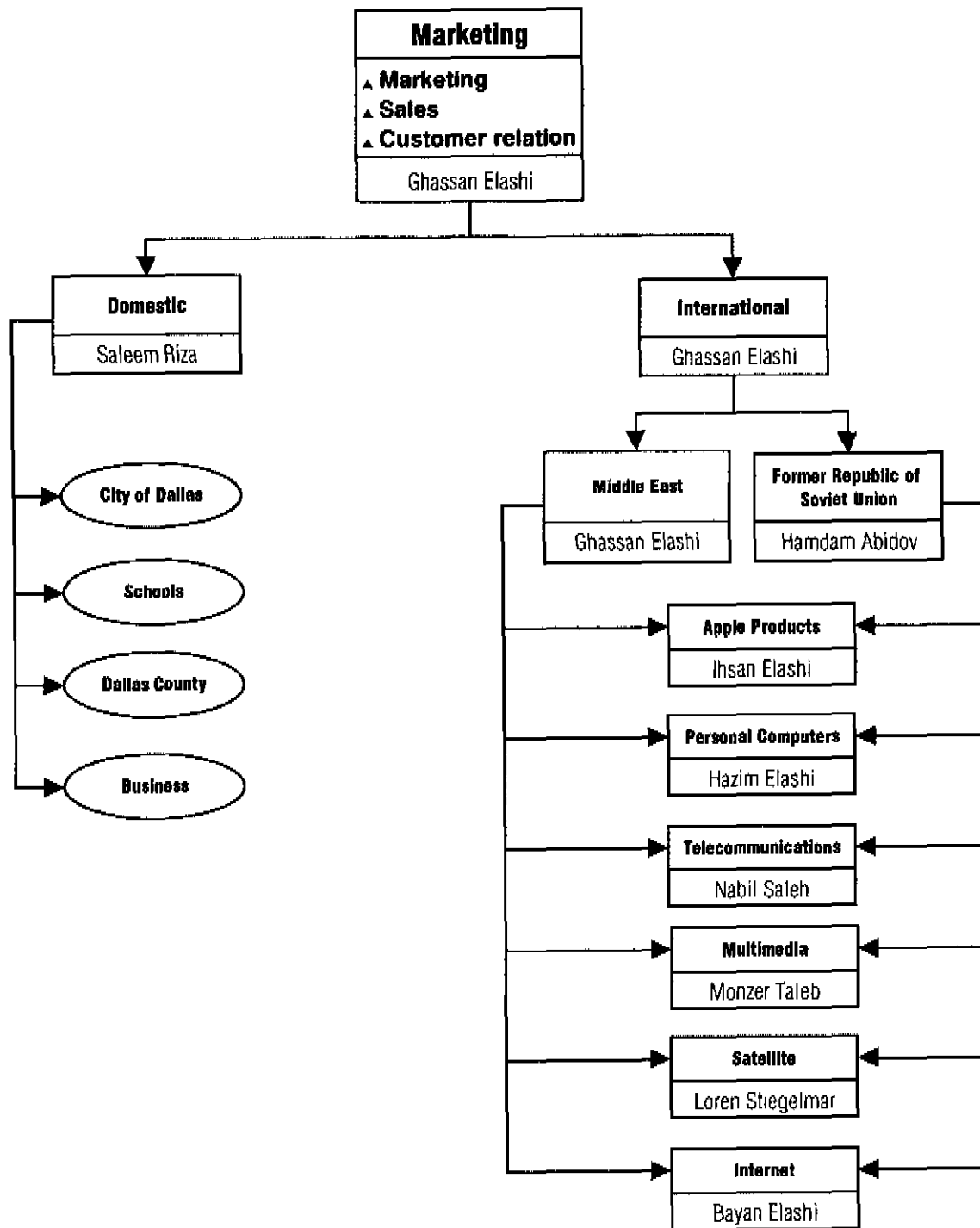
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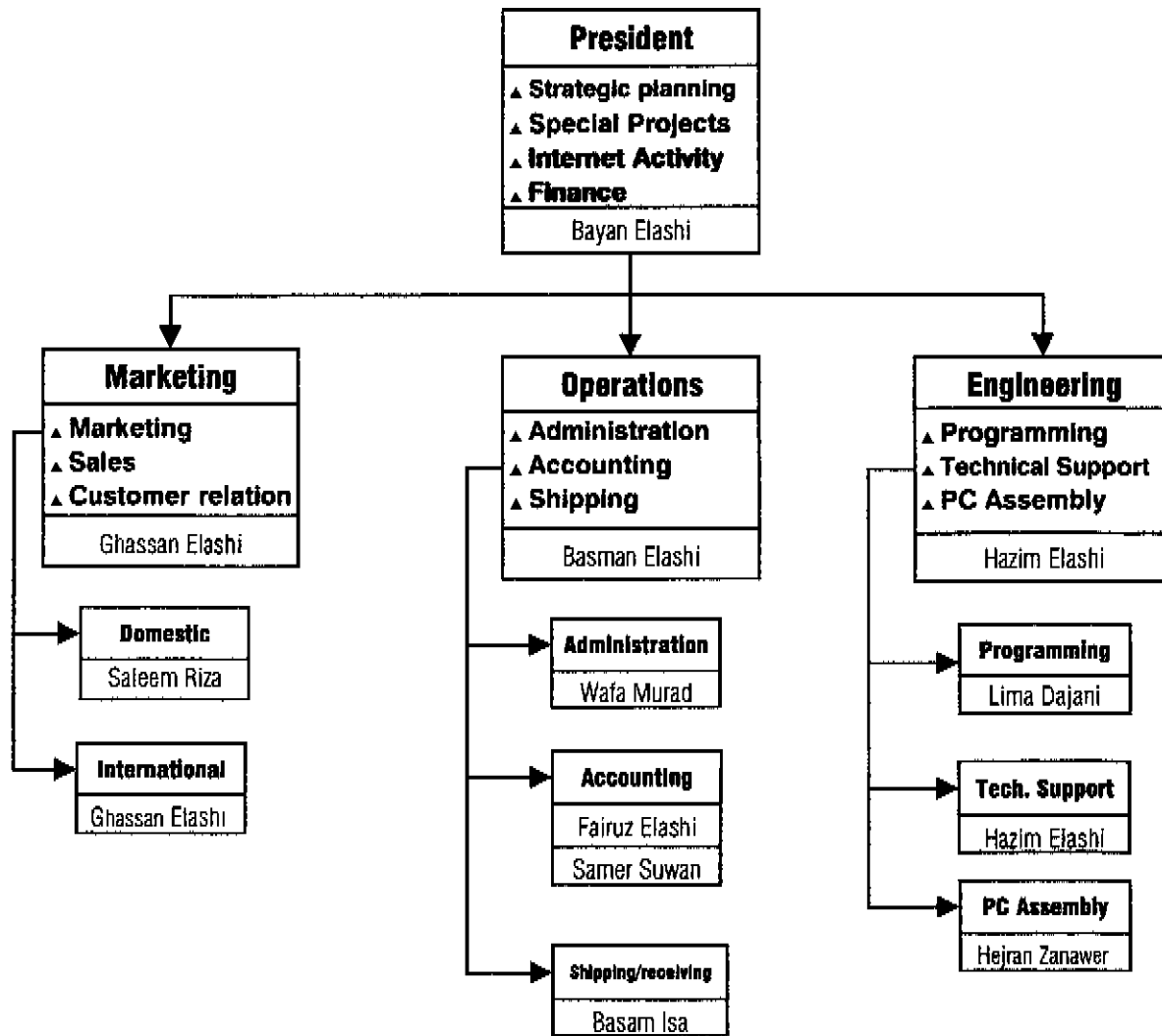
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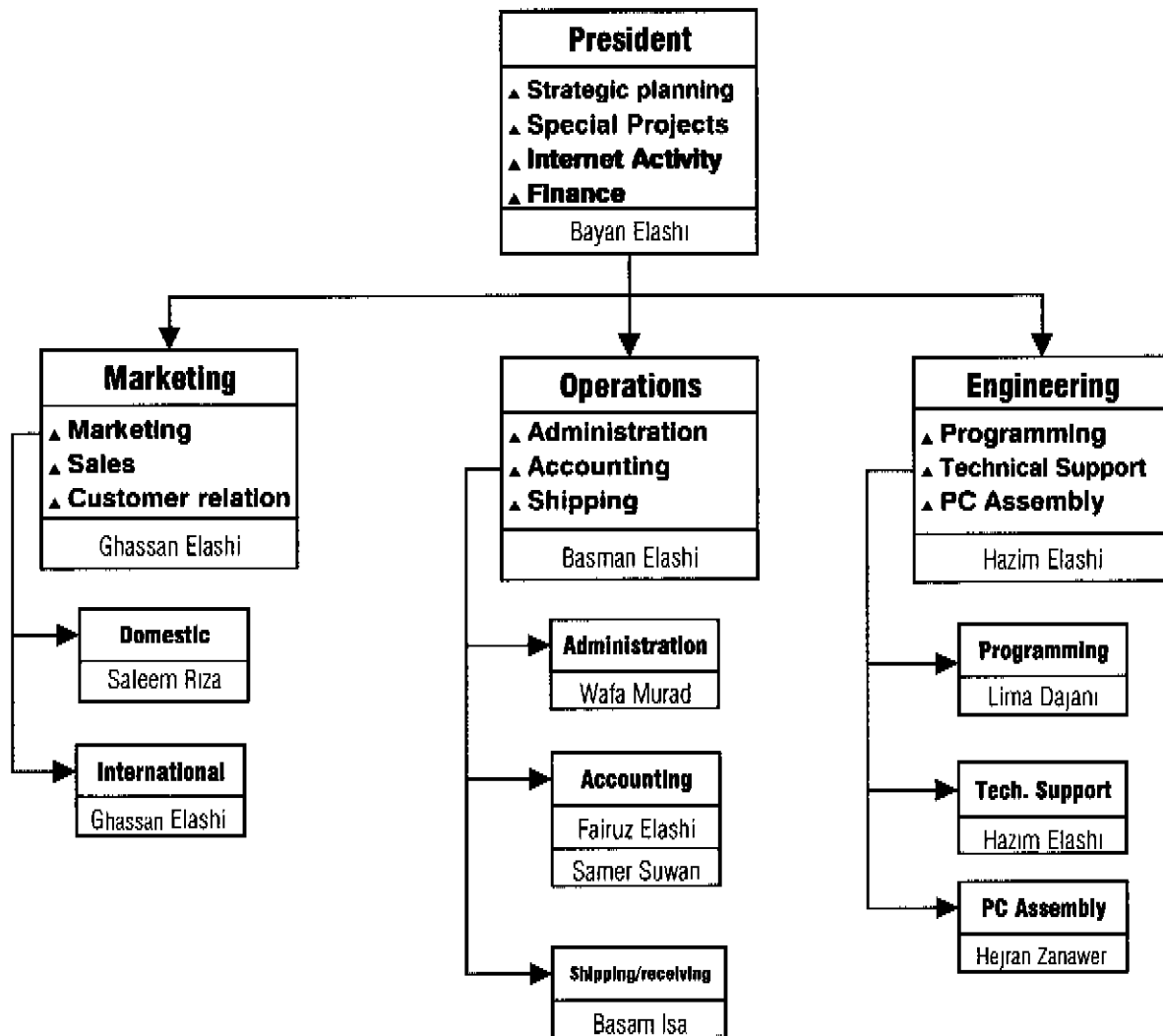
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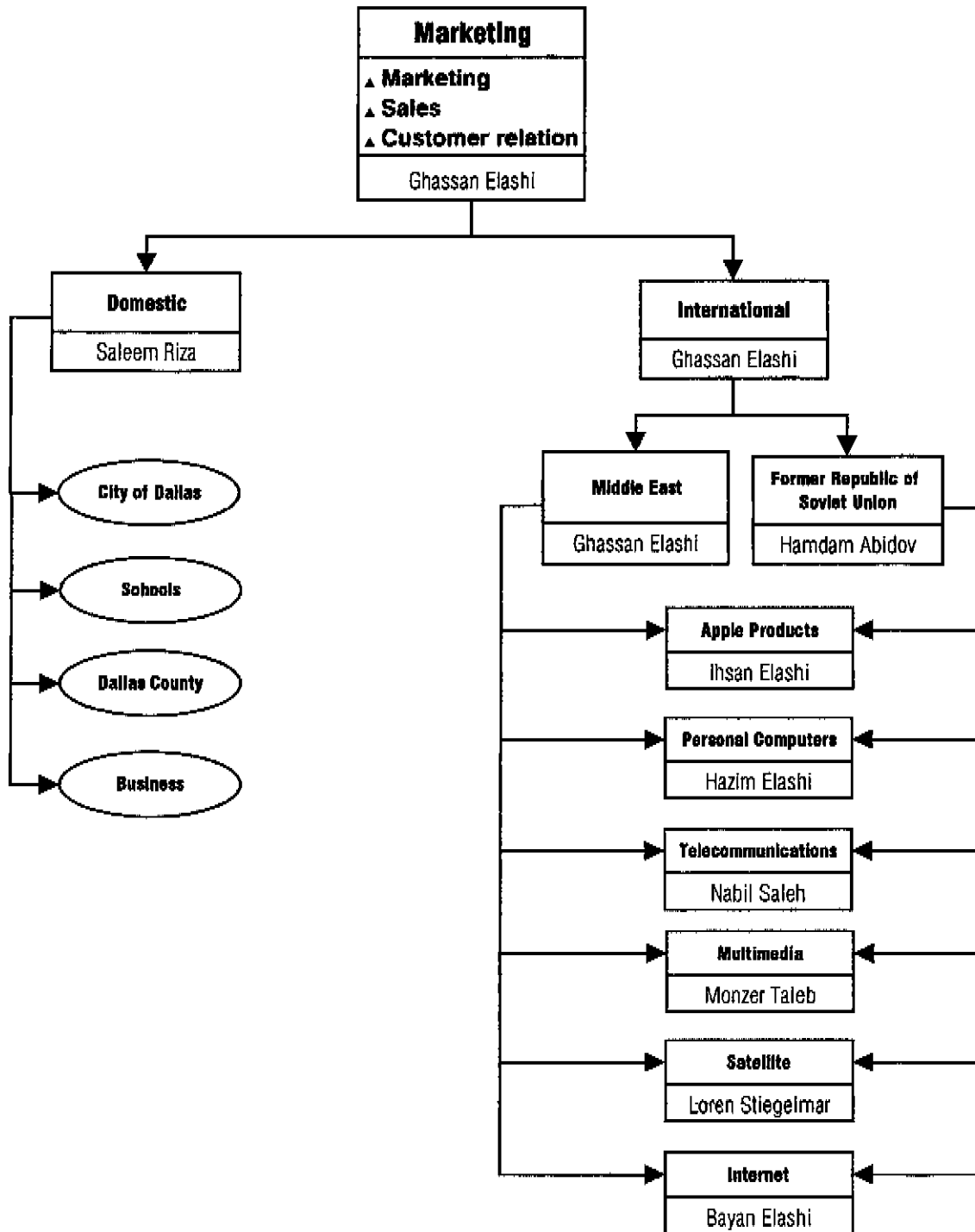


Appendix C: InfoCom's Organizational Structure

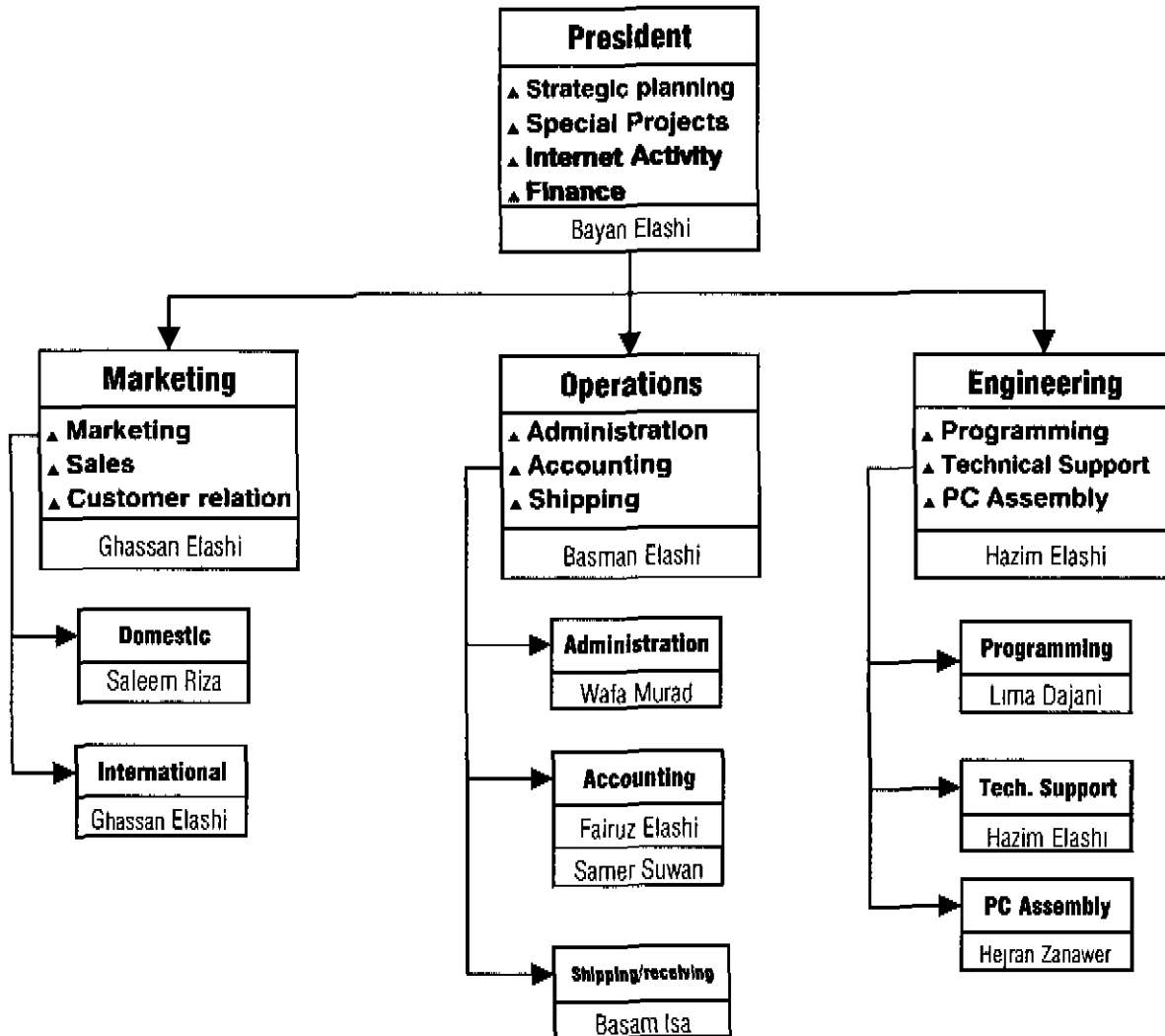


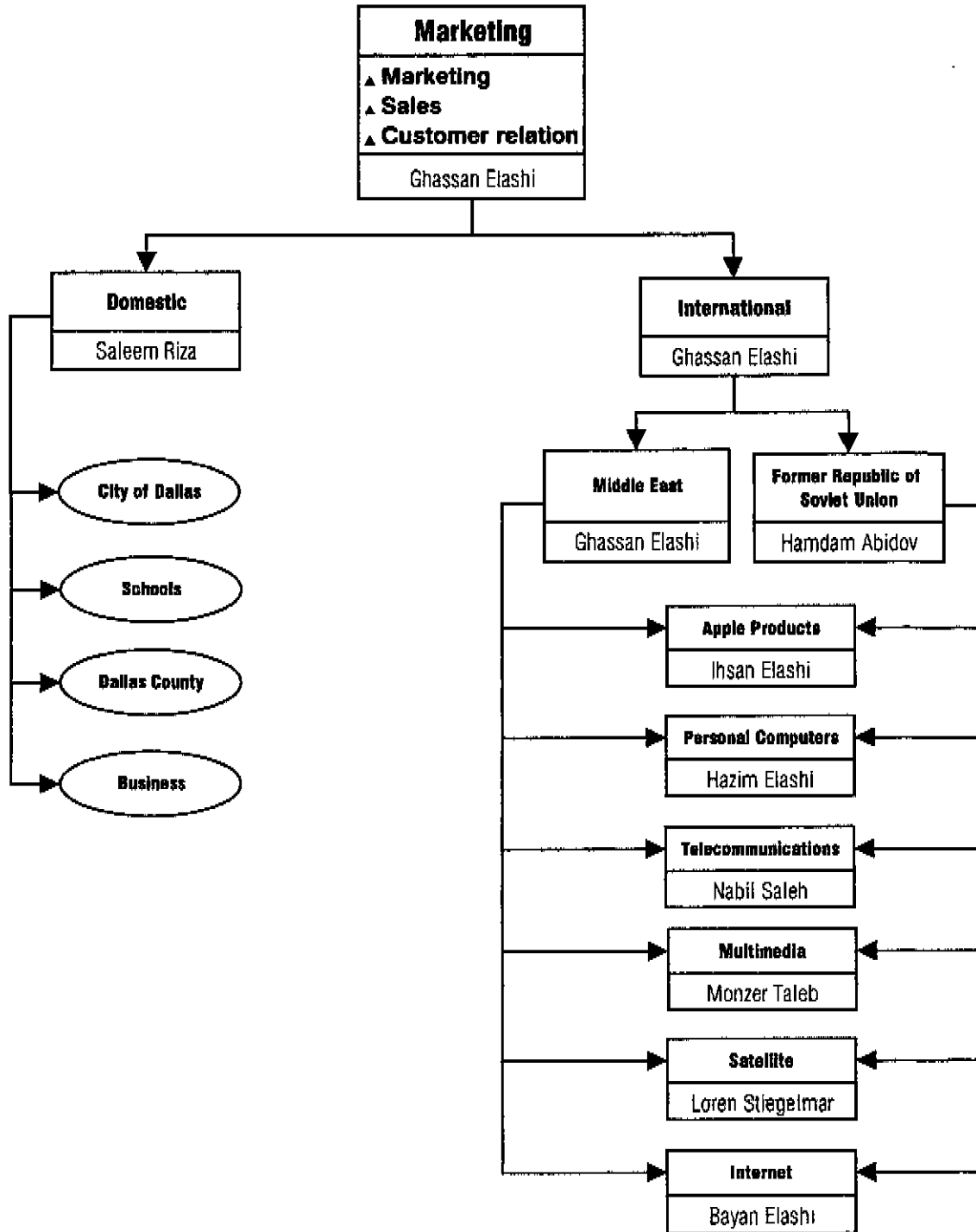
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Morocco

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Total Exports	0	0	0
Total Imports	180	220	253
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All figures are estimates in millions of US dollars

Turkey

Recent laws passed by the Parliament should produce a boom in this sector. New licenses will be issued for value added services most requiring new investments. Existing services, e.g., paging systems, analog type cellular phone networks, cable-TV, will need to be modernized and/or expanded for better service and more customers. The telephone network structure needs to accommodate more subscribers and to improve quality. Intelligent network systems, ISDN, and fiber in the loop systems will be future trends. The new telecommunications law specifies that 20 percent of the income obtained from licensing fees for value added services and 20 percent of Turk Telecom privatization revenues will be used to improve the telephone structure. This revenue is estimated at over \$3.5 billion. Thus, InfoCom can seize the growing opportunities in Turkey and participate in international projects such as fiber optic cable, microwave and satellite projects to serve Turkey.

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Total Market Size	925	1,060	1,210
Total Local Production	640	700	770
Total Exports	95	100	110
Total Imports	380	460	550
Imports from the U.S.	252	300	350

All figures are estimates in millions of US dollars

Privatization of Turkish Telecom is expected to attract additional investments in data, voice and video satellite services. The data communications industry in Turkey is moving towards

efficient satellite communication, providing, new services to banks, pipeline monitoring, energy pipelines, mines, reservation networks, automotive centers, hotels, broadcasting centers, airlines, newspapers, government offices, transportation companies, universities, electronic mail and others.

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Sales by Foreign-Owned Firms	95	140	200
Sales by US-Owned Firms	35	50	90

All figures are estimates in millions of US dollars

	1994	1995	1996
Total Market Size	760	841	931
Total Local Production	100	120	144
Total Exports	50	60	72
Total Imports	710	781	859
Total Exports from the U.S.	500	550	605

All figures are estimates in millions of US dollars

Jordan

The telecommunications draft law submitted to the Jordanian Parliament in 1995 allows private-sector firms to invest in and offer services in telecommunication hardware. When enacted, this law is expected to encourage sales of American telecommunications equipment to Jordan. More tenders for mobile communication equipment, satellite transmission and receiving components, fiber optic support stations, and modem-driven line-clustering stations are expected by mid-1996. Although U.S. products are generally more expensive than Asian or European made products by approximately 35 percent, they are in great demand because of their quality, level of technological sophistication and reliability. Since InfoCom does not compete on the basis of cost leadership, it will be able to penetrate the Jordanian market with relative ease.

	1994	1995	1996
Total Market Size	30	35	40
Total Local Production	3	4	6
Total Exports	1	2	3
Total Imports	26	33	36
Imports from the U.S.	8	10	13

All figures are estimates in millions of US dollars

Kuwait

The booming construction industry will increase the demand for telecommunications services during the next few years. There are also governmental plans to build two new satellite earth stations. Both factors will increase the demand for InfoCom's sophisticated telecommunication products and services.

	1994	1995	1996
Total Market Size	70	65	70
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	70	65	70
Imports from the US	7	10	15

All figures are estimates in millions of US dollars

Saudi Arabia

The Saudi PTT expansion (TEP 6) contract for 1.5 million lines, estimated at \$4 billion, has been awarded to the U.S. firm, AT&T. A number of sub-contracts have already been signed with U.S., foreign, and local companies to carry out different aspects of that project. More contracts will be expected to be allotted in the future, and InfoCom's track record should enable it to win some of these lucrative contracts.

U.A.E.

ETISALAT is the local PTT of the UAE. During the next two years, ETISALAT plans to invest an average of US\$300 million per year in the procurement & expansion of telecommunication services. Other end users include Abu Dhabi National Oil Company (ADNOC), Dubai Petroleum Company and Ministry of Interior. In 1994, the US market share was 13 percent. Given the projected doubling of US imports from 1994 to 1996, InfoCom is perfectly positioned to increase its penetration of this market.

	1994	1995	1996
Total Market size	401	441	535
Total Local Production	0	0	0
Total Exports	128	141	155
Total Imports	529	582	690
Total Imports from the U.S.	45	50	90

All figures are estimates in millions of US dollars

InfoCom's future markets for telecommunications equipment

Algeria

The Algerian PTT has a long-term plan to modernize and expand its network and to introduce new services. Implementation will depend almost entirely upon imports. US manufacturers dominate the radio communications and satellite equipment market, while French, Japanese and German suppliers dominate most other markets in which US presence is very limited. Sales efforts should be directed to transmission, particularly fiber optics, switching and radio communications equipment, areas which offer opportunities for InfoCom to enter this market.

	1994	1995	1996
Total Market Size	180	230	290
Total Local Production	80	100	120
Total Exports	0	0	0
Total Imports	100	130	170
Total Imports from the U.S.	15	22	30

All figures are estimates in millions of US dollars

U.S. firms presently dominate both the hardware and software market in Turkey, and are expected to continue to do so for the foreseeable future.

	1994	1995	1996
Total Market Size	65	79	90
Total Local Production	35	40	50
Total Exports	-	1	5
Total Imports	30	40	45
Imports from the U.S.	20	25	30

All figures are estimates in millions of US dollars

INFOCOM'S POTENTIAL TELECOMMUNICATIONS MARKET ANALYSIS

Telecommunications Equipment

The Department of Commerce of the USA has identified the current markets served by InfoCom and described in Table 1 as especially promising for U.S. exporters of telecommunications equipment for the foreseeable future, based on either: 1) near-term growth potential, or 2) a large market receptive to additional U.S. suppliers. Future markets that InfoCom is planning to target, e.g. Turkey and Morocco, are also included to indicate their tremendous growth potential.⁹

During 1995, U.S. shipments of telecommunications equipment were \$35.5 billion, in constant dollars. Product areas contributing to this growth are likely to include network equipment, wireless communications equipment, and satellite communications.

Key Markets for Telecommunications Equipment¹⁰

Table 1 describes the market potential for the telecommunications equipment sold by InfoCom in the countries within our company's target market area in North America and overseas. The 1 through 5 scale is used to indicate receptivity (R), local competition (L.C), third-country competition (TC), and market barriers (MB). This scale should be interpreted as follows: the higher the number, the more favorable the situation for U.S. exporters. Therefore, a score of 5 in all four areas, for example, indicates high receptivity to U.S. products, little competition from local suppliers, little competition from third-country suppliers, and minimal market barriers to imports from the U.S.

⁹ Similar data about InfoCom's future markets will be included in the market analysis for the computer industry

¹⁰ Statistical accuracy and comparability to other sources (e.g., "USDOC, Bureau of the Census") are affected by a number of factors, including lack of published figures in certain markets, variances in data collection techniques, sources of data, and industry definitions.

TABLE 1
MARKET POTENTIAL FOR US TELECOMMUNICATIONS EQUIPMENT

COUNTRY	TELEPHONE MARKET (in \$ million) 1993	% AAG 1993-95	IMPORTS from US (in \$ million) 1995	% AAG 1993-95	PE	LC	TC	MB
Algeria	85.0	30%	4.0	30%	5	5	2	5
Egypt	1,000.0	15%	345.0	15%	5	5	3	5
Indonesia	875.0	6%	180.0	10%	5	3	4	5
Kuwait	105.0	10%	50.0	20%	4	5	2	5
Malaysia	2,060.0	18%	75.0	20%	3	4	2	3
Morocco	133.9	15%	18.5	15%	5	5	1	5
Pakistan	195.0	18%	19.0	13%	4	2	2	3
Saudi Arabia	1,400.0	25%	300.0	25%	4	4	1	3
Turkey	340.0	11%	95.0	12%	4	3	3	4
U.A.E.	480.0	9%	40.0	11%	3	5	1	5

InfoCom's current markets for telecommunications equipment

Egypt

With the modernization of Egypt's telecommunication's network, state-of-the-art satellite equipment is needed to upgrade TV broadcasting in order to fulfill the growing needs of the private user market. The Egyptian market for satellite telecommunications equipment is expected to continue increasing at a rate of 30%. The current telephone density of three per 100 persons is planned to increase to seven per 100 by the year 2010. This will require the installation of 250,000-400,000 lines per year. The current five year plan 1992- 1997 includes \$700 million for the telephone and communications sector. The US has the largest share, 65%, mainly due to high quality and durability. Most promising subsectors include: satellite telecommunications equipment (\$55 million); cellular telecommunications (\$35 million); fiber optic cables (\$140 million); telephone cable (\$130 million). The U.S. equipment which InfoCom sells and services has tremendous sale potential in this country.

¹¹ Average Annual Growth. Countries where telecommunications equipment was identified as a Best Prospect are identified by an asterisk.

	1994	1995	1996
Total Market Size	57	67	82
Total Local Production	2	2	2
Total Exports	0	0	0
Total Imports	55	65	80
Total Imports from the U.S.	20	30	40

All figures are estimates in millions of US dollars

Morocco

Computers/Peripherals and Computer Software

Current Moroccan market for computers and software is estimated at US\$ 65.0 million in 1994. The market is expanding rapidly and we expect it to continue to grow by 30% over the next three years. Imports supply 100% of total market where the U.S. leads with 55% of market share. The Moroccan market for computers is open to U.S. products and technology. The growth in financial services and the stock exchange should also spur this sector. The Government believes that advanced technology is Morocco's way of catching up to the developed world. Computerizing an economy, given the pace of technological change, requires continual updating of materials. U.S. suppliers have opportunities to export computers and related equipment in this market where U.S. equipment is generally respected for its technical sophistication and high quality.

Turkey

Computer/Peripherals (including electronics and telecommunications-related equipment)

Since Turkey's electronic industry is growing rapidly, the computer and telecommunication equipment sectors are expected to boom. Once privatization of the telecommunications sector is completed, new regulations for telecommunication services and licenses are expected. This will in turn produce a considerable increase in the market for telecommunications/electronics industry production, test and measurement equipment. Much of this equipment will, of course, be computer-driven.

	1994	1995	1996
Total Market Size	140	150	165
Total Local Production	51	56	62
Total Exports	1	1	2
Total Imports	90	100	110
Imports from the U.S.	15	17	19

All figures are estimates in millions of US dollars

Until the end of 1993, the growth of personal computer (PC) sales in Turkey has been dramatic. The sale of PC's in 1993 increased by 38 percent, climbing from US\$161 million in 1992 to US\$232 million. American PC's enjoy a very good reputation in Turkey because of their quality, technical superiority and after sales service. According to leading American suppliers, current trends indicate that end-users are shifting their preferences back to major, well-known brands. In spite of a 30 percent market share, local manufacturers have suffered from the economic crisis and have difficulty providing parts, and after-sales service. An increased market share for local manufacturers is not expected for the next few years.

A study done by a local research company in June 1994 indicates that American suppliers control the PC market with more than 50 percent share in sales. IBM, with a 22 percent market share, is the leading American supplier, followed by Apple (8 percent). Other important U.S. PC suppliers to Turkey are: Hewlett-Packard, Compaq, Mackintosh, Unisys, Wang Laboratories, and AT&T(NCR). Major third-country competitors are: Germany (Siemens-Nixdorf), Italy (Olivetti), Taiwan (ASM), Singapore (Wearness, IPC), and South Korea (Samsung). The total market share of third-country suppliers is around 20 percent.

When end users are considered, the demand for PC's has been especially strong in the service and manufacturing sectors. Trading companies, advertising firms, accounting firms, and market research companies are the principal end-users in the service sector. In the manufacturing sector, principal end-users are textile, food, apparel, pharmaceutical, and plastics plants. The other promising end-users for PC's are education and banking institutions, as well as tourism, construction, and transportation companies. PC's in Turkey are used widely by technical personnel and mid-level executives. Senior company executives have also begun to use PCs.

A breakdown of sales by region reveals that the potential market for PC's is concentrated largely in Istanbul, Ankara, and Izmir. Our most recent data indicates that in 1993 sales of PC's were made to: Istanbul and Marmara region (47 percent); Ankara and Central Anatolia (25 percent); Izmir and Aegean region (14 percent). Remaining PC's were sold to the Mediterranean region (4 percent); Black Sea area (4 percent); Eastern Anatolia (3 percent) and Southeastern Anatolia (3 percent).

Finally, the leading U.S. PC suppliers to Turkey believe that Turkey's joining the EEC Customs Union will not substantially affect U.S. brand PC sales in Turkey, because most of their imports are from U.S. firms' subsidiaries in Europe.

InfoCom will be specially strongly positioned to penetrate this market because the Turkish government requires computer distributors to have sufficient parts in stock and technical personnel to provide after-sales service. As indicated earlier, end-users have begun to prefer computer firms that have strong support and after-sales services.

Computer Software

Turkey's total electronic data processing (EDP) systems market was nearly \$1 billion in 1993, and 60 percent of this amount was imported. Annual PC sales increased by 100 percent between 1990 and 1993. Software constitutes about 15 percent of the total EDP market. Privatization of state enterprises will also result in increased use of EDP as the number of personnel is reduced.

	1994	1995	1996
Total Market Size	50	60	70
Total Local Production	2	2	2
Total Exports	45	50	0
Total Imports	50	60	70
Total Imports from U.S.	35	40	45

All figures are estimates in millions of US dollars

Saudi Arabia

Computers and Peripherals

The Saudi market for computers and peripherals remains buoyant. Various Saudi organizations, both public and private, are revamping their systems, downsizing while upgrading their computer setup. The market was worth approximately \$220 million in 1994, increasing by an average two percent annually, and expected to reach \$229 million by 1996. IBM-compatible manufacturers in the Far East supply about 40 percent of the market, followed by U.S. suppliers at 36 percent. Computer utilization is on the rise and the replacement market for upgraded and higher capacity computers is also growing. Saudi businesses and government agencies are shifting away from mainframes and mid-range computers to more flexible, faster, and cheaper micro computers or PC's in a networking environment.

	1994(E)	1995(E)	1996(E)
Total Market Size	220	225	229
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	220	225	229
Imports from the U.S.	80.5	82.0	83.5

All figures are estimates in millions of US dollars

Computer Software

Beginning in July 1994, the Saudi government started enforcing the copyright law. Since then, sales of computer software have expanded at the rate of 10 percent annually, and will be expected to keep the same pace over the next three years despite prevailing recessionary pressures. The market is totally dependent on imports, except for some in-house and other third-party custom-made software. In 1994, the market was estimated at \$300 million which increased to \$330 million and \$365 million in 1995 and 1996 respectively. U.S. software companies dominate the market, accounting for more than 70 percent of sales. Their share will grow even further, especially for open architecture software packages. There is also strong demand for arabized software and tailored-made packages.

	1994(E)	1995(E)	1996(E)
Total Market Size	300	330	365
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	300	330	365
Imports from the U.S.	210	230	255

All figures are estimates in millions of US dollars

U.A.E.

Computers/Peripherals

Computer utilization is on the rise with current computer users moving towards upgraded and higher capacity computers. Government offices and businesses are shifting from mainframes to more flexible, faster and cheaper micro computers or personal computers in networking environments. The current price war in the computer industry in the U.A.E. has made computers of U.S. origin more affordable; and making it more attractive to persons who wish to buy quality products. In 1994 U.S. market share rose to 46 percent against 35 percent in 1993. U.S. computer manufacturers are looked upon as market leaders and will maintain their edge to the extent that they continue to be able to introduce state-of-the-art technology and products at competitive prices.

	1994	1995	1996
Total Market Size	164	203	251
Total Local Production	0	0	0
Total Exports	66	73	80
Total Imports	230	276	331
Imports from the U.S.	75	90	110

All figures are estimates in millions of US dollars

InfoCom's Future Markets For Computer and Peripherals as well Software

Algeria

Computers and Peripherals

The Algerian market for computers and peripherals is very large. Demand is estimated at some \$200 million, about three times the amount of estimated average annual imports, and only lack of Algerian dinars to cover the hard currency cost of purchases hampers import growth. Although U.S. manufacturers dominate this market, they could still increase their market share through greater availability of financing. Their main competitors, French and German suppliers, benefit from government export credits to finance their sales. This is their only competitive advantage over their U.S. counterparts.

Computer Software

The demand for computer software, including application package, operation systems, tools, special application/order is growing. According to published sources, in 1992, the market for software in Indonesia amounted to US\$104 million, US\$117.2 million in 1993 and increased to US\$138 million in 1994. The reasons for the increase is the enforcement of intellectual property (copyright, trademark and patent) laws though much more needs to be done in this area. The enforcement of the law has resulted in the increased use of original software (not pirated) by middle to larger firms. The market for software in 1995 and the foreseeable future is expected to grow to more than 18%.

Professional services

Among the professional services in the computer industry are consulting, data processing, training, systems integration, and network services. These services have not really developed. However, the services are anticipated to grow in the future. Professional services share about 15% of the total computer industry market.

Jordan

Computer/peripherals

Local demand for personal computers is increasing, with the largest end-user being the Government of Jordan. Schools and universities now include computer and data processing classes in their curriculum. Demand for computer components (storage devices, cpu's and chips) increased by approximately 60 percent from 1991 to 1994. Computer market sources claim that American software and hardware systems make up 85 percent of their large accounts of academic institutions, banks, factories and government agencies employing more than 50 employees. U.S. made computer equipment and peripherals enjoy a high reputation for their superior. This high degree of customer loyalty and goodwill exists in spite of the fact that U.S. made products can be up to 25 percent higher in cost than Asian or European counterparts.

	1994	1995	1996
Total market size (In US\$ millions)	30	35	40
Total local production	5	6	9
Total exports	3	4	6
Total imports	28	33	37
Imports for the U.S.	10	12	14

All figures are estimates in millions of US dollars

Computer Software

The information systems market underwent an unprecedented boom from the growing perception that businesses needed to introduce information technology to remain competitive and profitable. A number of well-known American software firms enjoys an excellent reputation in Jordan. More strict enforcement of intellectual property rights (ipr), expected by 1996, will likely

encourage further U.S. computer software sales to Jordan. Total exports of packaged software increased by 25 percent in 1994. Multi-user business software, educational software, and clientele on-line service are increasingly in demand in the local market. Despite a 20 percent price disadvantage as compared to their Asian-made counterparts, American software enjoys a significant share of the computer software market

	1994	1995	1996
Total Market Size	10	12	15
Total Local Production	3	4	5
Total Exports	2	3	4
Total Imports	9	11	14
Imports from the U.S.	5	7	9

All figures are estimates in millions of US dollars

Kuwait

Computers and Peripherals

Most major American computer firms are present in the Kuwaiti market and possess about 90 percent of the total imports of mainframes, minicomputers, microcomputers and data communications equipment. U.S. image processing systems are gaining wider acceptance. Several upcoming major projects will create an excellent potential market for U.S. computer equipment.

	1994	1995	1996
Total Market Size	120	130	140
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	120	130	140
Total Imports from U.S.	84	86	90

All figures are estimates in millions of US dollars

Computer Software

The U.S. firm, Microsoft, dominates the market. The following types of applications software will sell well in Kuwait: image processing systems, banking, insurance, hospital management, computer networking, education, training, design support, graphic design, and business solutions.

Egypt

Legislation requires all parastatal and government entities to install computer information centers. The upgrading of the telephone network has facilitated the use of modems for interconnecting systems. The high reputation of U.S. technology in Egypt enhances sales from the U.S. computer industry. There is a small computer industry in Egypt assembling imported computer components. Most promising subsectors (estimated 1993 market size in US\$ millions):

- Microcomputers 73
- Local Area Network (LAN) equipment 20

Indonesia

Computers/Peripherals

The following statistics show the market shares (stated in US\$ million) in the computer industry from 1992 to 1995:

	1992	1993	1994	1995(estimate)
Computer hardware	364	385	438	503.7
Computer software	104	117.2	138	165
Professional services	52	55.8	64	83.2

Only two branded mainframe computers are actively marketed in Indonesia, IBM And HDS (Hitachi Data Systems). There were seven new mainframe installations (including maintenance) in 1993 with a total revenue of US\$45.3 million, and in 1994, there were ten new installations. However, revenue dropped to US\$38 million.

There are more than 200 firms which assemble computers In Indonesia. These are limited to personal computers and monitors. Others are joint ventures with foreign companies from the U.S.A., Taiwan, Korea and Japan. Some personal computers are manufactured locally. A source from the Department of Industry reveals that for the past 7 years, production of computers experienced an increase of 228.04 percent but the growth rate since 1991 has been stagnant. Since 1991/1992, local production of computers has remained at around 31,000 units. Components which do not require high technology are produced locally such as keyboards, power supplies and casings. Imported components are central processing units (cpu), hard disk, random access memory (ram), and mother boards.

Although it is difficult to obtain a firm statistical grasp of the volume of imported computers, the data of the Central Bureau of Statistics show the following information:

	1993	1992	1991
Analog or hybrid Automatic data Processing			
Total imports	6,071,737	2,332,772	582,488
US imports	299,178	23,730	223,067
Mainframe computers			
Total imports	13,526,108	18,431,273	10,762,659
US imports	6,831,441	8,779,803	12,324,445
Personal & micro computer			
Total imports	7,061,008	19,032,344	16,426,092
US imports	3,058,369	1,728,282	3,114
CPU for PC and micro computer			
Total imports	8,264,212	5,835,420	4,489,205
US imports	2,798,557	729,014	1,330,135

In the most recent release by the US Department of Commerce, the percent of total import market share by major competitors based on the above products is as follows:

	1993	1992	1991
USA	26	32	41
Japan	32	9	11
Taiwan	2	2	2
France	12	13	9
Australia	4	13	7
U.K.	3	5	4
Singapore	4	5	11
Germany	1	9	1

The above statistics show that the market share for imported computers has been growing. According to published sources, in 1994 more than 250,000 units of personal computers were sold, they include 386s (SX and DX) 29%, 486s (SX,DX, DX2) 67%, and Pentium 4%. In 1995, it is estimated that 300,000 units of personal computers will be needed.

There are no restrictions governing the import of computer and peripherals. The import duty for computers ranges between 20-30 percent except for mainframe computers which is 5 percent, with a 10 percent import sales tax. Protection by the government of Indonesia is provided to support investment in computers by giving an import tariff of zero percent for some computer components.

Computer Software Segment:

Competitiveness in World Markets

U.S. vendors lead the world in packaged software development. According to IDC, U.S. vendors supplied 75 percent of the \$70 billion world packaged software market in 1993. 91 percent of the \$21 billion systems software market, 77 percent of the \$20 billion application tools market, and 63 percent of the \$29 billion application solutions market. Of the world's top 10 software suppliers, six were American. U.S. packaged software vendors dominate in each region. They supplied 63 percent of the Western European market and 54 percent of the Japanese market, regions where domestic suppliers traditionally hold stronger positions. They hold the largest market share in countries outside Western Europe and Japan, supplying 73 percent of these markets. The strong U.S. position in these countries reflects the high quality of and receptivity to U.S. software, and the relatively small international presence of European and Japanese software vendors.

Technological Advantages of the U.S. Products Marketed by InfoCom

Several factors contribute to the competitive strength of the U.S. industry. Foremost is the leading role U.S. vendors have played in developing the software industry. This has given U.S. firms a technological edge and made the United States the locus of high-quality, innovative software development. The size and sophistication of the U.S. market also contributed to the competitiveness of U.S. vendors, resulting in a variety of niche products, a great number of firms, and intense competition.

Export Opportunities and Trade Projections

The world packaged software market is expected to grow 12 percent annually between 1995 and 2000, from \$86 billion to \$153 billion. Network and multimedia products, in particular, will become increasingly important, as countries reshape their information infrastructures.

InfoCom's Computer Technology and Telecommunications Synergy

The decade of the 1990's will see the convergence of computer technology with telecommunications to form the personal access to information and entertainment called "infotainment". This type of hybrid technologies is where the innovation and progress of the computer industry are headed. InfoCom's strengths in both computer technology and telecommunications have placed it in a unique position to take advantage of sales in both of these industries in the Middle East, North Africa and the Far East.

InfoCom's Current Markets For Computer and Peripherals as well Software

Bahrain

Computers/Peripherals and Computer Software

The Government of Bahrain is in the process of moving all ministries and departments out of ledger books and into an integrated financial management information system. The Financial Sector relies on leading-edge information management to retain its competitiveness and profitability; at the top end, the retail sector is as current in its stock-control and management procedures as any in the West. The personal computer market is well-supported and hotly competitive; new shops regularly open to supply consumers with hardware, software and peripherals in impressive array. Computer-related businesses fill more than five percent of the Bahrain Yellow Pages.

The government-established National Information Technology Unit (NITU) identifies a number of activities it is particularly seeking from these international companies, most of them service-based: consultancy, research, software development, Arabisation of applications, specialized training, database publishing, networking and systems design. Regionally, the information technology market is valued at US\$ 3 billion, and Bahrain is attentive to retaining its position as the center of business services for the Gulf. By late 1995, it is anticipated that a number of Gulf countries, Bahrain first among them, will be able to offer Internet connections at local rates, an indication of the telecommunications boom that is helping to propel the information technology market into prominence.

PERSONAL COMPUTERS - IN U.S.		
	1994	JAN-MAY 1995
Total Market Size	n/a ⁸	n/a
Total Local Production	n/a	n/a
Total Exports	8,229	47,996
Total Imports	3,521,024	822,547
Imports from the U.S.	1,381,618	203,268

PERIPHERALS AND PARTS - IN U.S.		
	1994	JAN-MAY 1995
Total Market Size	n/a	n/a
Total Local Production	n/a	n/a
Total Exports	315,031	563,451
Total Imports	30,196,511	15,266,961
Imports from the U.S.	12,427,532	4,388,473

⁸ Not Available

Leading Country Markets and U.S. Import Share

In 1993, the MENA computer hardware market reached roughly \$1.5 billion. Table 5 mentions the key markets that InfoCom is currently targeting (Egypt, Kuwait and Saudi Arabia) as well as future potential markets (Morocco and UAE).

TABLE 5
COMPUTER HARDWARE MARKETS⁷
MIDDLE EAST AND NORTH AFRICA (\$ Millions)

	1992-1993	1993-1995	
MARKET	1993	(% CH)	CAGR (%)
Egypt	336	+20.0	+20.0
Kuwait	50	+25.0	+20.0
Morocco	39	+25.8	+20.0
Saudi Arabia	445	+4.7	+5.0
U.A.E.	116	+8.4	+9.0

The U.S. computer imports controlled more than half of the MENA market and had a significant presence in most of the major country markets. For example, the U.S. import share during 1993 in Egypt was 57 percent and roughly 70 percent for Kuwait and Saudi Arabia. In the U.A.E., this share was confined to 33 percent. However, these figures tend to understate the U.S. role in these markets since many of the leading U.S. computer firms also supply the region from their subsidiaries in Europe. (See Table 6.)

TABLE 6
U.S. IMPORT SHARES MIDDLE EAST/NORTH AFRICA
COMPUTER MARKETS, 1993

	IMPORTS FROM U.S.	U.S. IMPORT SHARE
MARKET	1993 (\$ million)	1993 (%)
Egypt	190	57
Kuwait	35	70
Morocco	24	62
Saudi Arabia	315	71
U.A.E.	38	33

All figures are estimates in millions of US dollars

⁷ Source: 1994 Best Markets Report for Computers and Peripherals, U.S. Department of Commerce.

The Industry and Trade

U.S. computer suppliers, including their foreign affiliates, remain a dominant force in the world market. Their share of total sales has grown since 1990, reaching over 75 percent of a \$118 billion market in 1993. U.S. computer equipment exports grew from 45 percent of its shipments in 1989 to 58 percent in 1991. In 1994, U.S. exports rose to almost 13 percent to \$34.6 billion, and were likely to increase 8 percent in 1995 and then nearly 7 percent a year through 2000, to \$52 billion. The \$60 billion U.S.-based industry encompasses electronic computer systems, peripherals, and parts. Electronic computer systems include digital computers of all sizes, from supercomputers to handheld portables, as well as computer kits assembled by the purchaser. Peripherals are storage devices, terminals, printers, plotters, graphic displays, and other input/output equipment.

The industry is concentrated in eight states: California, Massachusetts, Texas, Minnesota, Pennsylvania, New York, Washington, and Oregon. Most operations are located near major universities, allowing companies to benefit from academic research efforts and to draw on the technical talent in these institutions. Hence, the Richardson, Texas, location of InfoCom will be of tremendous strategic importance as the company avails itself of resources immediately available in its vicinity.

Competitiveness In World Markets

U.S. computer firms are price and performance leaders and occupy the foremost position in the relentless drive for higher performance at lower cost. U.S. suppliers producing all types of computer systems draw on strengths in research, design, software development, marketing, and customer support to maintain their lead in the world marketplace. Other factors that contribute to U.S. competitiveness include favorable exchange rates (vis-à-vis the Japanese yen, for instance) and improved protection of intellectual property rights in key foreign markets.

Export Opportunities and Trade Projections through 2000

Foreign computer demand is expected to be robust in the future. Foreign users' desire for local area networking equipment, desktop and portable computers, and multimedia products will continue to grow. The anticipated removal of barriers to market access and investment and the improvement in intellectual property rights protection arising from the GATT Uruguay Round, NAFTA, and bilateral agreements with Japan and China should enhance U.S. firms' trade with major developed and developing countries. Consequently, U.S. exports are expected to increase 8 percent to nearly \$37 billion in 1995. The five-year outlook for U.S. exports appears equally promising. Exports should increase about 7 percent each year on the average to almost \$52 billion by 2000. InfoCom is perfectly positioned to take advantage of this boom in U.S. exports to the Middle East and the Far East.

Executive Summary

InfoCom Corp. is an established computer and communications reseller. It markets computer hardware and software, telecommunications products and consulting services globally. InfoCom has a confirmed backlog of sales orders exceeding US\$600,000, and is projecting an average 20% growth in sales per year in the next five years with a corresponding average increase in net income. InfoCom plans to increase its sales from \$5.7 million in 1995 to \$14 million by the year 2000.

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Section One

The Business

Description of Business

InfoCom Corp., an established computer and communications reseller, markets computer hardware and software, telecommunications products and consulting services globally. At present, about 90% of its sales are to overseas computer and telecommunications dealers located in Saudi Arabia, Egypt and Kuwait, and the remaining 10% are to domestic customers. InfoCom plans to expand its current customer base to include dealers in United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan and to increase the overall domestic share of its sales to 20% by the end of 1996. Continued diversification of the markets it serves will decrease its dependence on any one country or customer, and enhance InfoCom's competitive advantage.

InfoCom Corp. was formed in 1992. Because of its relatively diversified base of global customers, demand for InfoCom's products and services is not subject to fluctuations within any single country. In spite of some seasonality because of end-of-year purchases, a backlog of \$600,000 in booked orders is constant and increasing. We are confident that our sales will continue their upward trend given the excellent quality of our products and services. In the future, we should be able to continue offering products and services of exceptional quality both because of our strong in-house technical expertise and the United States's domination of the global computer and telecommunications industry.¹ Given our personal rapport with our customer base and our understanding of their needs, we have made it a policy to ship our goods promptly and on very flexible credit terms.

Mission/Philosophy

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. We sell customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

We believe that our primary responsibility is to our customers, and we are committed to their total success. Hence, our products and services are priced competitively, delivered promptly, supported expertly and financed conveniently. We are dedicated to meeting our customers' computer and telecommunications needs as innovatively and as responsively as possible.

¹ US Department of Commerce, Economic and Statistics Administration, *US Global Trade Outlook 1995-2000*.

Product/Service

InfoCom offers a complete line of popular brand name computer and telecommunications products and services. We are committed to providing our customers with the highest quality computer systems and networks as well as telecommunications equipment backed by uncompromising service and support.

Computers systems & Networking equipment and services:

InfoCom is an authorized dealer for many well known computer hardware and software manufacturers such as Hewlett-Packard, IBM, Apple, NEC, AGFA, Toshiba, DEC, Compaq, Novell, Lotus, Oracle and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Computers:** servers, workstations, desktops, laptops, and notebooks
2. **Multimedia:** Audio boards and components; video cameras and accessories; image scanners; voice input/output systems.
3. **Networking:** LAN boards, gateways/bridges, modems, network management and security, micro-to-mainframe products and fiber optics.
4. **Document storage and desktop publishing:** Image capture and compression devices; scanners; optical mass storage and output devices.
5. **Computer components:** batteries, memory modules, microprocessors, motherboards, power supplies, chipsets, keyboards, I/O boards, math coprocessors and cabinets/enclosures.
6. **Mass storage:** Hard disk, floppy, floptical, CD-ROM, tape drives, and optical drives.
7. **Monitors:** Monochrome or color, dual page or full page monitors.
8. **Printers:** Dot matrix, laser, inkjet printers with or without color capability.
9. **Software:** Business, communications, database management, educational, financial, graphics, operating system, and programming tools.
10. **CAD /CAM/CAE:** CAD Software, co-processors, monitors, digitizers, plotters and video boards.

Telecommunications products and services:

InfoCom is an authorized dealer for many well known Telecommunications manufacturers such as Mitel, ITT, Cortelco, Alcatel, Panasonic, Nokia, Ericsson, Northern Telecom, and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Business systems:** Digital PABX, KSU, voice mail, IVR systems and call accounting.
2. **Telephones:** Feature phones, cordless phones, headsets, pay phones and cellular phones.
3. **Cables & Wires:** fiber cable, inside & outside plant, buried cables and armored cables.
4. **Pagers:** Pagers, Paging terminals and paging transmitters.
5. **Two way radio:** Mobile radio, portable radio, trunked radio, repeaters and towers.

InfoCom also offers both satellite as well as terrestrial communication products and services.

1. Satellite communications:

- a) **Products:** Earth Station Systems conforming either to INTELSAT, EUTELSAT, ARABSAT OR DOMSAT requirements; satellite news gathering; TV receive only;

transmit and receive television; direct broadcast systems; transportable or very small aperture terminals; video-conferencing systems; educational earth stations and single channel per carrier.

b) **Services:** Program and project management; earth station design and engineering; satellite system design and engineering; in-house and on-site training.

2. **Terrestrial communications:**

a) **Products:** Turnkey systems conforming to CCITT and/or CCIR requirements: microwave systems, troposcatter systems, fiber optic systems, cellular wireless systems, PCS wireless systems, coaxial cable systems, and cable TV systems.

b) **Services:**

i) Microwave, troposcatter and wireless systems: path consultations and surveys; site surveys, design and construction; tower design and erection.

ii) Fiber optic and coaxial cable systems: loss budget calculations; route and site selection; site design and construction.

Internet Services

InfoCom Corp. offers the complete solution of Internet and intranet Web site hosting, access, strategic planning, development, consulting, education, and training. InfoCom, also, can deliver the best graphics, the most user-friendly and interactive programming, and the fastest operation, all strategically linked to your business goals.

1. **Hosting:** InfoCom offers a wide range of E-Mail, World Wide Web (WWW), and FTP hosting services. InfoCom offers Dedicated hosts, Shared hosts, Scaleable bandwidth, backbone connectivity, and 24-hour continuous monitoring.
2. **Direct Connect Access:** InfoCom customers can get a dedicated connection to the Internet at speeds from 56 Kbps to 45 Mbps via T1 access, via T3 access or via Frame Relay platform.
3. **Web Site Development:** End-to-end design assures your Internet and intranet Web site conveys the mission of your organization, captures the attention of customers and potential customers, and is intuitive, helping visitors find what they need quickly.
4. **On-Line Commerce:** InfoCom can help companies set up and operate online storefronts or host multiple storefronts over the Internet. InfoCom services provides both flexible merchandising facilities to maximize selling impact and a powerful underlying framework to efficiently handle transactions and order delivery.
5. **Site Management and Marketing:** Once your site is designed, InfoCom will provide high-quality, management, and marketing service, including Security protection, through firewall, Managing the growth of your web site, Updating, Testing, Tracking and Advertising your web site.
6. **Refreshing:** A successful Web site is dynamic. Part of the InfoCom Corp. strategy is refreshing the look, content and interactivity of the site. As technology changes your site will be responsive to the demands of your customers.
7. **Technical Support:** A senior technical professional provides ongoing technical support to each and every client.
8. **Education and Training:** InfoCom provides education services to businesses and individuals on every aspect of the Internet and the Web. This includes training on such

technical topics as access and development, and business subjects like on-line marketing and leveraging intra-business communication.

9. **One-Stop Source:** InfoCom has partnered with world-wide leaders in telecommunications and technology to a single point of contact to establish an online presence, from getting top Internet access and e-mail services, to the best hardware and software products. One company, InfoCom Corp., for a state of the art, results-oriented Web site..

Description of InfoCom's Market

InfoCom will continue to sell computer and telecommunications products and services to international customers. In order to reduce our dependence on any one country, we plan to serve a larger number of countries in the Middle East instead of depending primarily on customers located in Saudi Arabia, Egypt and Kuwait. Future targeted foreign markets include United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan.

Our goal is to provide the most innovative and customized computer and telecommunications services to a diversified international customer base. Based upon 1995 market assessment surveys by the IDC, the computer and telecommunications market in the Middle East will grow by 10% with a potential growth of 26% from 1996 to 1997.

Customers will be attracted by:

- our in-house expertise in all the products and services that we sell,
- our convenient credit terms,
- our strategically convenient location and access to the most recent innovations in our product and service areas,
- our personal marketing and customer service relationships, and
- our excellent customer goodwill developed since 1992 and previously.

Marketing Information

At InfoCom, we believe in building personal, enduring relationships with our customers centered around superlative service. The following table contains a summary of our current primary customer base by country, and indicates the level of diversification of our sales.

	1993 SALES (%)	1994 SALES (%)	1995 SALES (%)	Number of Customers (1995)
CANADA	5	5	5	5
EGYPT	14	15	16	26
GERMANY	2	0	1	2
JORDAN	10	7	7	8
KUWAIT	19	13	16	15
LEBANON	1	1	1	2
MALAYSIA	1	1	1	3
QATAR	10	7	2	8
SAUDI ARABIA	18	26	27	60
YEMEN	4	5	5	4
USA	5	10	10	51
OMAN	3	0	1	2
SYRIA	3	5	5	1
UNITED ARAB EMIRATES	5	5	3	2

Appendix B lists each of our prospective markets in the Middle East and their projected growth in the next two years. Appendix D contains letters of reference from our customers describing their high degree of satisfaction with us.

InfoCom consistently tracks new customers through Computer Arabia and Middle East PC. It is in constant contact with the US-Arab Chamber of Commerce and with the appropriate commercial attaché of foreign embassies. Our typical customers are major players in their markets. Here is a sample of our international customers and the address at which they can be contacted for further reference:

COMPANY	ADDRESS
United Systems	El Sad El Aly St Dokki, Giza, Egypt
OFOQ Information System & Communications	P.O. Box 3828 Jeddah 21481, Saudi Arabia
Zaid Al Kazimi Sons Trading Co.	P.O. Box 30 Hawalli 13001, Kuwait
Jamjoom Advanced Technology Est.	P.O. Box 1247 Jeddah 21431, Saudi Arabia
CITE, Cairo Information Technology & Engineering	P.O. Box 1026 Cairo, Egypt

Location of Business

In 1992, InfoCom Corp. was established in Richardson, in North Dallas, Texas. Dallas was selected because it has the third largest concentration of high tech companies in the United States after California's Silicon Valley and Massachusetts's high tech corridor. Richardson itself was selected because it has the highest concentration of telecommunications companies in the USA, and is closely located to the Dallas/Fort Worth (DFW) International Airport, a key shipping hub to overseas markets. The strategic location of InfoCom has allowed it to take advantage of the booming Texas economy, the favorable business climate in Dallas and the abundant supply of skilled labor force from the University of Texas System. The proximity of the DFW Airport as well as other logistical services have enabled us to deliver the latest products and services to key customers overseas faster from the US than if we had set up a warehouse in or closer to our overseas market areas.

InfoCom Corp. is currently renting a one-story building covering approximately 9,000 square feet. It houses all divisions of the company, including administration, engineering and design, service, sales and the marketing staff. A graphical layout of the building space occupied by InfoCom and a flowchart illustrating the workflow pattern underlying the firm's activities are included in Appendix E.

Competition

At present, competition within the customized niche occupied by InfoCom is nonexistent. The advantages conferred by our location, in-house technological expertise, prompt customer service, convenient credit terms, cultural and language similarity are as yet unmatched. Outside InfoCom's niche, retailers have focused on providing commodity-like computer hardware and software products with very little support and without attention to the latest advances in technology. By contrast, InfoCom's innovative and customized solutions are in great demand as witnessed by our usual backlog of \$500,000 to \$600,000. Please, see Appendix D for a sample of letters from our customers reflecting how much they value our total package of products and services accompanied by uncompromising pre- and post-sales technical support.

Management

Appendix C contains the organization charts showing the current structure of InfoCom and the allocation of task responsibilities. The section below describes the background and expertise of key management and personnel people.

Bayan Elashi, CEO

Bayan Elashi is the founder and Chief Executive Officer of InfoCom Corporation. Bayan has more than ten years experience in the computer industry. He was the founder of Alraed Computer Company, the first business firm to introduce Arabic computers to the Arab world. That company was later sold to a group of Saudi investors. Bayan has earned a Masters degree in Computer Engineering, with specialization in computer architecture from Purdue University. He also spent two years in the Ph.D. program at both Purdue University and the University of Southern California. He has taught both at the University of Southern California and at California State University in the area of operating systems design, database design and artificial intelligence. His current responsibilities at InfoCom include strategic planning as well as evaluation of new products and services to be offered to our customers. He is also in charge of the design and setup of the Internet services being offered by InfoCom.

Ghassan Elashi, Vice-President, Marketing

Ghassan Elashi is the Vice-President of Marketing at InfoCom Corp. He has more than ten years work experience in accounting and finance. He has earned a B.A. in accounting and a Masters of Business Administration from Miami University, Miami. He has acquired in-depth expertise as an accountant, eventually serving as Chief Financial Officer of Research Computers Technology Corp. (RCTC) in Los Angeles, California. He then became sales manager for International Computer and Communications in Los Angeles. He moved to join InfoCom Corp., serving as its marketing and sales vice-president since 1992. His duties include formulating and implementing the marketing and sales strategic plan for the sale of computer and telecommunication products overseas. He is currently involved in the market research efforts necessary to maintain and expand InfoCom's international customer base.

Personnel

Basman Elashi, Logistics Manager

Basman Elashi earned a Bachelors degree in Mechanical Engineering from Western Michigan University. He joined International Computers and Communications in 1987, and has acquired extensive experience in shipping logistics both by air and by sea. Current responsibilities at InfoCom include managing our shipping operations by air and by sea.

Ihsan Elashi, System Consultant, Apple Products

Ihsan Elashi earned a Masters degree in Computer Science from the University of Miami, Miami, Florida. He worked as an instructor in the Computer Science Department at this university. He has extensive experience in teaching database management and MIS. He has also worked as a senior systems programmer for the University of Miami. He joined International Computers and Communications in 1989. His current duties at InfoCom include the sales and support of Apple computer hardware and software.

Hazim Elashi, Manager of Personal Computers Division

Hazim Elashi earned a B.S. in Computer Systems Engineering from the Oregon Institute of Technology. While working on his college degree, he acquired substantial experience at several computer companies. He joined International Computers and Communications in 1988. Since then he has attended Novell Netware and Corteclo Digital PABX training classes and received additional training in hardware maintenance and repair. He has been in charge of the production of PCs, and has analyzed, evaluated and integrated hardware/software products. He heads the technical support section, conducts system analyses and helps customers streamline their operations.

Saleem Reza, Local Sales Manager

Saleem Reza has a BBA in marketing from Purdue University. He has worked with Microage, earning experience in sales, support, and training. He has negotiated sales with local and state schools as well as colleges and universities. At Microage, he acquired 8 years of managerial expertise. He has developed management training programs. At InfoCom, he is in charge of developing new accounts and expanding the client server application software market. He oversees service and support agreements, and creates training programs for customer service. He also works on marketing plans for LAN-WAN sales, and prepares the budgets for advertising and other marketing-related campaigns.

Mohammad Nabil Salah, Telecommunications specialist

Mohammad Nabil Salah graduated from the University of Toledo, Ohio, with a Bachelor of Science in Electrical Engineering, with a minor in biomedical electronics. He has had extensive experience in Telephone systems, KSU and PABX. He has also acquired experience in troubleshooting telecommunications hardware during his two years with Nu-Tel Communications. He is currently the manager of the Telecommunications Department and a sales engineer at InfoCom.

Monzer Taleb, Multimedia Product Specialist.

Monzer Taleb graduated from the University of North Texas, Denton, with a Bachelor of Science in Computer Science, with a minor in Business Administration. He has developed several software packages including payroll, general ledger, and purchase order processing. He has also

acquired experience in training users in using various hardware and software products. He is currently in charge of multimedia products sales at InfoCom.

Samer Suwwan, Accountant

Samer Suwwan graduated from the University of Texas at Dallas with a Bachelors of Science in Accounting--Cum Laude. He has studied financial, cost and managerial accounting as well as auditing and taxation. He has had 4 years of experience in book keeping, tax filing, as well as payroll and bank reconciliation with Rapid City Valet. Current responsibilities at InfoCom include: book keeping, tax filing, as well as payroll and bank reconciliation.

Lima Dajani, Internet Web pages Designer

Lima Dajani graduated from the University of California, Los Angeles, UCLA, with a Bachelor of Science in Biochemistry, and a strong background in computer programming. She has extensive experience in graphics design, page layout, color separation, HTML programming and CGI programming. She has been with InfoCom since 1992. She is currently in charge of Web page design for our Internet customers.

Hamdan Abidov, Sales Manager, Former Republics of the Soviet Union.

Hamdam Abidov graduated from Tashkent State University, Uzbekistan, former republics of the Soviet Union. He has a degree in International Business. He was in the top 10% of his class, with a GPA of 3.81/4.0 . He has extensive experience in computers. He has also acquired experience in customer support, troubleshooting computer hardware and software during his two years with Stream International and College of Business Computer center. He is currently leading InfoCom's efforts to penetrate the computer and communications market in the former Republic of the Soviet Union, starting with Kasakhstan and Uzbekistan.

Wafa Murad, Marketing Support Manager

Wafa Murad graduated from the University of Mecca, Saudi Arabia, with a Bachelor of Science in Mathematics, with a minor in Computers. She is the marketing support manager. She is currently in charge of monitoring the market in the Middle East to identify potential customers for InfoCom.

Fairouz Elashi, Vendor Relations and Projects Scheduling

Fairouz Elashi graduated from the University of Ain Shams, in Cairo, Egypt, with a Bachelor of Science in psychology. She is in charge of vendor relations, and projects scheduling as well as cost control.

Summary

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. It sells customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

Careful analysis of the potential market in the Middle East and North Africa reveals unfulfilled demand for customized products and services both in the computer and telecommunications industries. Infocom's longstanding reputation for quality service, prompt delivery, technological expertise and convenient credit terms will help secure a sizable portion of the computer and telecommunications markets. The personal relationships developed by top management as well the in-depth understanding of the local culture in the overseas markets will provide an even greater competitive advantage over mass-marketers.

Appendix B: Market Analysis

INFOCOM'S POTENTIAL COMPUTER INDUSTRY MARKET ANALYSIS²

Computer Hardware/Peripherals Segment:

The Middle East/North Africa (MENA) region presents an excellent opportunity for computer hardware suppliers, like InfoCom. It is characterized by a highly educated population, a common Arabic language for 250 million of the region's inhabitants, and very large Gross Domestic Product (GDP) per capita levels in several countries. Major factors that influence the information technology market in this region include:

1. A wide range of economic output and growth among MENA countries. (See Table 2.)
2. National governments that have a significant influence over information technology expenditures as a result of their involvement in developing national infrastructures.

TABLE 2
GROSS DOMESTIC PRODUCT (\$ Billions)

MARKET	1993	1994	1995(E) ³
Egypt	40.3	41.3	42.9
Jordan	4.7	5.0	5.3
Kuwait	24.2	26.7	28.0
Morocco	27.6	31.5	32.1
Oman	11.5	11.7	2.4 (Q1)
Qatar	7.5	7.8	7.6
Saudi Arabia	122.1	117.3	118.4
U.A.E.	35.9	N/A	N/A

Largely spurred by developments in the telecommunications infrastructure in this region, the growth rate for MENA information technology hardware markets through 1997 is projected to average 10%, according to International Data Corporation (IDC). Although Israel, Saudi Arabia and Egypt currently represent the lion's share of this information technology market, demand in other MENA countries such as the UAE, Morocco and Kuwait has been growing rapidly. Substantial export opportunities also exist in the smaller markets of Bahrain, Jordan, Oman, Qatar, and Tunisia.

The U.S. computer exports for the countries in this region have grown at a 7% average annual rate from \$342 million (1990) to \$450 million (1994), with computer systems representing roughly half of this value. In 1994, the major customers for these exports were Saudi Arabia (\$87 million), U.A.E. (\$50 million), Egypt (\$32 million) and Kuwait (\$27 million). Tables 2 and 3 illustrate the total export amount of US computer systems and equipment to countries within InfoCom's target market area, and thus the potential market for InfoCom's products and services.

² U.S. Department of Commerce, Office of Computers and Business Equipment, 09/19/95.

³ Source: U.S. Department Commerce Market Research

TABLE 3
1990-1994 U.S. COMPUTER SYSTEMS EXPORTS⁴ (\$ Thousands)

	1990	1991	1992	1993	1994	CAGR (%)
Egypt	22,045	25,722	22,424	18,935	17,020	-6.3
Jordan	726	880	1,496	1,559	2,564	37.1
Kuwait	10,363	9,319	20,974	13,406	13,666	7.2
Morocco	1,323	1,164	1,384	2,791	1,624	5.3
Oman	2,445	2,008	2,415	6,914	1,697	-8.7
Qatar	886	242	940	1,033	1,180	7.4
Saudi Arabia	26,524	96,387	88,013	49,608	38,052	9.4
U.A.E.	5,354	11,234	15,164	29,300	28,190	31.5
Total	145,872	232,541	229,761	218,152	209,435	9.5

TABLE 4
1990-1994 U.S. COMPUTER EQUIPMENT EXPORTS⁶ (\$ Thousands)

MARKET	1990	1991	1992	1993	1994	CAGR (%)
Egypt	69,915	89,501	79,181	36,480	32,379	-17.5
Jordan	1,391	1,603	2,737	2,913	4,568	34.6
Kuwait	12,822	12,649	32,596	23,675	26,801	20.2
Morocco	2,211	1,968	2,403	4,576	3,831	14.7
Oman	6,097	3,706	4,499	10,377	3,531	-12.8
Qatar	2,101	959	1,923	1,663	2,263	1.9
Saudi Arabia	61,906	157,326	136,165	110,224	86,936	8.9
U.A.E.	12,007	19,560	27,714	49,652	49,907	42.8
Total	342,346	494,916	485,241	461,610	449,620	7.1

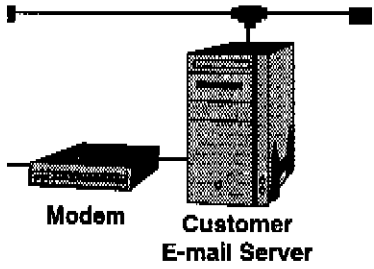
Competition in the region's computer market is intense with U.S. firms facing growing challenges from Far Eastern suppliers in recent years. However, U.S. vendors have a commanding presence, based on their marketing prowess, technological capabilities, and the price, quality, and performance of their systems. Apple, AST Research, AT&T Global Information Systems, Compaq, Digital Equipment Corporation, Hewlett-Packard, IBM, Sun Microsystems, and Unisys are well established in the region.

⁴ Source: Compiled from official statistics of the U.S. Department of Commerce.

⁵ Computer Average Growth.

⁶ Source: Compiled from official statistics of the U.S. Department of Commerce. Computer equipment includes computer systems, peripherals, and parts.

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*(exchange mail
phone network)*



e.g.
SAUDI ARABIA



foCom Corp.
Las, Texas, U.S.A.

tel: (972)644-5363
fax: (972)644-8609
email: ayan@infocomUSA.com
http://www.infocomUSA.com

To make golden text

new

choose text → on objects (localist) click
group
collapse

select
effects → surface control, Apply surface texture

Mask → change things as you like → etc.

How to
capture
patterns

choose new → select all → go to gradient choose
what gradient you want → fill the image
go to the word patterns say capture pattern

Section One

The Business

Description of Business

InfoCom Corp., an established computer and communications reseller, markets computer hardware and software, telecommunications products and consulting services globally. At present, about 90% of its sales are to overseas computer and telecommunications dealers located in Saudi Arabia, Egypt and Kuwait, and the remaining 10% are to domestic customers. InfoCom plans to expand its current customer base to include dealers in United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan and to increase the overall domestic share of its sales to 20% by the end of 1996. Continued diversification of the markets it serves will decrease its dependence on any one country or customer, and enhance InfoCom's competitive advantage.

InfoCom Corp. was formed in 1992. Because of its relatively diversified base of global customers, demand for InfoCom's products and services is not subject to fluctuations within any single country. In spite of some seasonality because of end-of-year purchases, a backlog of \$600,000 in booked orders is constant and increasing. We are confident that our sales will continue their upward trend given the excellent quality of our products and services. In the future, we should be able to continue offering products and services of exceptional quality both because of our strong in-house technical expertise and the United States's domination of the global computer and telecommunications industry.¹ Given our personal rapport with our customer base and our understanding of their needs, we have made it a policy to ship our goods promptly and on very flexible credit terms.

Mission/Philosophy

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. We sell customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

We believe that our primary responsibility is to our customers, and we are committed to their total success. Hence, our products and services are priced competitively, delivered promptly, supported expertly and financed conveniently. We are dedicated to meeting our customers' computer and telecommunications needs as innovatively and as responsively as possible.

¹ US Department of Commerce, Economic and Statistics Administration, *US Global Trade Outlook 1995-2000*.

Product/Service

InfoCom offers a complete line of popular brand name computer and telecommunications products and services. We are committed to providing our customers with the highest quality computer systems and networks as well as telecommunications equipment backed by uncompromising service and support.

Computers systems & Networking equipment and services:

InfoCom is an authorized dealer for many well known computer hardware and software manufacturers such as Hewlett-Packard, IBM, Apple, NEC, AGFA, Toshiba, DEC, Compaq, Novell, Lotus, Oracle and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Computers:** servers, workstations, desktops, laptops, and notebooks
2. **Multimedia:** Audio boards and components; video cameras and accessories; image scanners; voice input/output systems.
3. **Networking:** LAN boards, gateways/bridges, modems, network management and security, micro-to-mainframe products and fiber optics.
4. **Document storage and desktop publishing:** Image capture and compression devices; scanners; optical mass storage and output devices.
5. **Computer components:** batteries, memory modules, microprocessors, motherboards, power supplies, chipsets, keyboards, I/O boards, math coprocessors and cabinets/enclosures.
6. **Mass storage:** Hard disk, floppy, floptical, CD-ROM, tape drives, and optical drives.
7. **Monitors:** Monochrome or color, dual page or full page monitors.
8. **Printers:** Dot matrix, laser, inkjet printers with or without color capability.
9. **Software:** Business, communications, database management, educational, financial, graphics, operating system, and programming tools.
10. **CAD /CAM/CAE:** CAD Software, co-processors, monitors, digitizers, plotters and video boards.

Telecommunications products and services:

InfoCom is an authorized dealer for many well known Telecommunications manufacturers such as Mitel, ITT, Cortelco, Alcatel, Panasonic, Nokia, Ericsson, Northern Telecom, and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Business systems:** Digital PABX, KSU, voice mail, IVR systems and call accounting.
2. **Telephones:** Feature phones, cordless phones, headsets, pay phones and cellular phones.
3. **Cables & Wires:** fiber cable, inside & outside plant, buried cables and armored cables.
4. **Pagers:** Pagers, Paging terminals and paging transmitters.
5. **Two way radio:** Mobile radio, portable radio, trunked radio, repeaters and towers.

InfoCom also offers both satellite as well as terrestrial communication products and services.

1. Satellite communications:

- a) **Products:** Earth Station Systems conforming either to INTELSAT, EUTELSAT, ARABSAT OR DOMSAT requirements; satellite news gathering; TV receive only;

transmit and receive television; direct broadcast systems; transportable or very small aperture terminals; video-conferencing systems; educational earth stations and single channel per carrier.

- b) **Services:** Program and project management; earth station design and engineering; satellite system design and engineering; in-house and on-site training.

2. **Terrestrial communications:**

- a) **Products:** Turnkey systems conforming to CCITT and/or CCIR requirements: microwave systems, troposcatter systems, fiber optic systems, cellular wireless systems, PCS wireless systems, coaxial cable systems, and cable TV systems.

- b) **Services:**

- i) Microwave, troposcatter and wireless systems: path consultations and surveys; site surveys, design and construction; tower design and erection.
- ii) Fiber optic and coaxial cable systems: loss budget calculations; route and site selection; site design and construction.

Internet Services

InfoCom Corp. offers the complete solution of Internet and intranet Web site hosting, access, strategic planning, development, consulting, education, and training. InfoCom, also, can deliver the best graphics, the most user-friendly and interactive programming, and the fastest operation, all strategically linked to your business goals.

1. **Hosting:** InfoCom offers a wide range of E-Mail, World Wide Web (WWW), and FTP hosting services. InfoCom offers Dedicated hosts, Shared hosts, Scaleable bandwidth, backbone connectivity, and 24-hour continuous monitoring.
2. **Direct Connect Access:** InfoCom customers can get a dedicated connection to the Internet at speeds from 56 Kbps to 45 Mbps via T1 access, via T3 access or via Frame Relay platform.
3. **Web Site Development:** End-to-end design assures your Internet and intranet Web site conveys the mission of your organization, captures the attention of customers and potential customers, and is intuitive, helping visitors find what they need quickly.
4. **On-Line Commerce:** InfoCom can help companies set up and operate online storefronts or host multiple storefronts over the Internet. InfoCom services provides both flexible merchandising facilities to maximize selling impact and a powerful underlying framework to efficiently handle transactions and order delivery.
5. **Site Management and Marketing:** Once your site is designed, InfoCom will provide high-quality, management, and marketing service, including Security protection, through firewall, Managing the growth of your web site, Updating, Testing, Tracking and Advertising your web site.
6. **Refreshing:** A successful Web site is dynamic. Part of the InfoCom Corp. strategy is refreshing the look, content and interactivity of the site. As technology changes your site will be responsive to the demands of your customers.
7. **Technical Support:** A senior technical professional provides ongoing technical support to each and every client.
8. **Education and Training:** InfoCom provides education services to businesses and individuals on every aspect of the Internet and the Web. This includes training on such

technical topics as access and development, and business subjects like on-line marketing and leveraging intra-business communication.

9. **One-Stop Source:** InfoCom has partnered with world-wide leaders in telecommunications and technology to a single point of contact to establish an online presence, from getting top Internet access and e-mail services, to the best hardware and software products. One company, InfoCom Corp., for a state of the art, results-oriented Web site..

Description of InfoCom's Market

InfoCom will continue to sell computer and telecommunications products and services to international customers. In order to reduce our dependence on any one country, we plan to serve a larger number of countries in the Middle East instead of depending primarily on customers located in Saudi Arabia, Egypt and Kuwait. Future targeted foreign markets include United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan.

Our goal is to provide the most innovative and customized computer and telecommunications services to a diversified international customer base. Based upon 1995 market assessment surveys by the IDC, the computer and telecommunications market in the Middle East will grow by 10% with a potential growth of 26% from 1996 to 1997.

Customers will be attracted by:

- our in-house expertise in all the products and services that we sell,
- our convenient credit terms,
- our strategically convenient location and access to the most recent innovations in our product and service areas,
- our personal marketing and customer service relationships, and
- our excellent customer goodwill developed since 1992 and previously.

Marketing Information

At InfoCom, we believe in building personal, enduring relationships with our customers centered around superlative service. The following table contains a summary of our current primary customer base by country, and indicates the level of diversification of our sales.

	1993 SALES (%)	1994 SALES (%)	1995 SALES (%)	Number of Customers (1995)
CANADA	5	5	5	5
EGYPT	14	15	16	26
GERMANY	2	0	1	2
JORDAN	10	7	7	8
KUWAIT	19	13	16	15
LEBANON	1	1	1	2
MALAYSIA	1	1	1	3
QATAR	10	7	2	8
SAUDI ARABIA	18	26	27	60
YEMEN	4	5	5	4
USA	5	10	10	51
OMAN	3	0	1	2
SYRIA	3	5	5	1
UNITED ARAB EMIRATES	5	5	3	2

Appendix B lists each of our prospective markets in the Middle East and their projected growth in the next two years. Appendix D contains letters of reference from our customers describing their high degree of satisfaction with us.

InfoCom consistently tracks new customers through Computer Arabia and Middle East PC. It is in constant contact with the US-Arab Chamber of Commerce and with the appropriate commercial attaché of foreign embassies. Our typical customers are major players in their markets. Here is a sample of our international customers and the address at which they can be contacted for further reference:

COMPANY	ADDRESS
United Systems	El Sad El Aly St Dokki, Giza, Egypt
OFOQ Information System & Communications	P.O. Box 3828 Jeddah 21481, Saudi Arabia
Zaid Al Kazimi Sons Trading Co.	P.O. Box 30 Hawalli 13001, Kuwait
Jamjoom Advanced Technology Est.	P.O. Box 1247 Jeddah 21431, Saudi Arabia
CITE, Cairo Information Technology & Engineering	P.O. Box 1026 Cairo, Egypt

Location of Business

In 1992, InfoCom Corp. was established in Richardson, in North Dallas, Texas. Dallas was selected because it has the third largest concentration of high tech companies in the United States after California's Silicon Valley and Massachusetts's high tech corridor. Richardson itself was selected because it has the highest concentration of telecommunications companies in the USA, and is closely located to the Dallas/Fort Worth (DFW) International Airport, a key shipping hub to overseas markets. The strategic location of InfoCom has allowed it to take advantage of the booming Texas economy, the favorable business climate in Dallas and the abundant supply of skilled labor force from the University of Texas System. The proximity of the DFW Airport as well as other logistical services have enabled us to deliver the latest products and services to key customers overseas faster from the US than if we had set up a warehouse in or closer to our overseas market areas.

InfoCom Corp. is currently renting a one-story building covering approximately 9,000 square feet. It houses all divisions of the company, including administration, engineering and design, service, sales and the marketing staff. A graphical layout of the building space occupied by InfoCom and a flowchart illustrating the workflow pattern underlying the firm's activities are included in Appendix E.

Competition

At present, competition within the customized niche occupied by InfoCom is nonexistent. The advantages conferred by our location, in-house technological expertise, prompt customer service, convenient credit terms, cultural and language similarity are as yet unmatched. Outside InfoCom's niche, retailers have focused on providing commodity-like computer hardware and software products with very little support and without attention to the latest advances in technology. By contrast, InfoCom's innovative and customized solutions are in great demand as witnessed by our usual backlog of \$500,000 to \$600,000. Please, see Appendix D for a sample of letters from our customers reflecting how much they value our total package of products and services accompanied by uncompromising pre- and post-sales technical support.

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INFOCOM'S POTENTIAL COMPUTER INDUSTRY MARKET ANALYSIS²

Computer Hardware/Peripherals Segment:

The Middle East/North Africa (MENA) region presents an excellent opportunity for computer hardware suppliers, like InfoCom. It is characterized by a highly educated population, a common Arabic language for 250 million of the region's inhabitants, and very large Gross Domestic Product (GDP) per capita levels in several countries. Major factors that influence the information technology market in this region include:

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GROSS DOMESTIC PRODUCT (\$ Billions)

MARKET	1993	1994	1995(E) ³
Egypt	40.3	41.3	42.9
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Largely spurred by developments in the telecommunications infrastructure in this region, the growth rate for MENA information technology hardware markets through 1997 is projected to average 10%, according to International Data Corporation (IDC). Although Israel, Saudi Arabia and Egypt currently represent the lion's share of this information technology market, demand in other MENA countries such as the UAE, Morocco and Kuwait has been growing rapidly. Substantial export opportunities also exist in the smaller markets of Bahrain, Jordan, Oman, Qatar, and Tunisia.

The U.S. computer exports for the countries in this region have grown at a 7% average annual rate from \$342 million (1990) to \$450 million (1994), with computer systems representing roughly half of this value. In 1994, the major customers for these exports were Saudi Arabia (\$87 million), U.A.E. (\$50 million), Egypt (\$32 million) and Kuwait (\$27 million). Tables 2 and 3 illustrate the total export amount of US computer systems and equipment to countries within InfoCom's target market area, and thus the potential market for InfoCom's products and services.

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Oman	6,097	3,706	4,499	10,377	3,531	-12.8
Qatar	2,101	959	1,923	1,663	2,263	1.9
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U.A.E.	12,007	19,560	27,714	49,652	49,907	42.8
Total	342,346	494,916	485,241	461,610	449,620	7.1

Competition in the region's computer market is intense with U.S. firms facing growing challenges from Far Eastern suppliers in recent years. However, U.S. vendors have a commanding presence, based on their marketing prowess, technological capabilities, and the price, quality, and performance of their systems. Apple, AST Research, AT&T Global Information Systems, Compaq, Digital Equipment Corporation, Hewlett-Packard, IBM, Sun Microsystems, and Unisys are well established in the region.

⁴ Source: Compiled from official statistics of the U.S. Department of Commerce.

⁵ Computer Average Growth.

⁶ Source: Compiled from official statistics of the U.S. Department of Commerce. Computer equipment includes computer systems, peripherals, and parts.

Leading Country Markets and U.S. Import Share

In 1993, the MENA computer hardware market reached roughly \$1.5 billion. Table 5 mentions the key markets that InfoCom is currently targeting (Egypt, Kuwait and Saudi Arabia) as well as future potential markets (Morocco and UAE).

TABLE 5
COMPUTER HARDWARE MARKETS⁷
MIDDLE EAST AND NORTH AFRICA (\$ Millions)

	1992-1993	1993-1995	
MARKET	1993	(% CH)	CAGR (%)
Egypt	336	+20.0	+20.0
Kuwait	50	+25.0	+20.0
Morocco	39	+25.8	+20.0
Saudi Arabia	445	+4.7	+5.0
U.A.E.	116	+8.4	+9.0

The U.S. computer imports controlled more than half of the MENA market and had a significant presence in most of the major country markets. For example, the U.S. import share during 1993 in Egypt was 57 percent and roughly 70 percent for Kuwait and Saudi Arabia. In the U.A.E., this share was confined to 33 percent. However, these figures tend to understate the U.S. role in these markets since many of the leading U.S. computer firms also supply the region from their subsidiaries in Europe. (See Table 6.)

TABLE 6
U.S. IMPORT SHARES MIDDLE EAST/NORTH AFRICA
COMPUTER MARKETS, 1993

	IMPORTS FROM U.S.	U.S. IMPORT SHARE
MARKET	1993 (\$ million)	1993 (%)
Egypt	190	57
Kuwait	35	70
Morocco	24	62
Saudi Arabia	315	71
U.A.E.	38	33

All figures are estimates in millions of US dollars

⁷ Source: 1994 Best Markets Report for Computers and Peripherals, U.S. Department of Commerce.

The Industry and Trade

U.S. computer suppliers, including their foreign affiliates, remain a dominant force in the world market. Their share of total sales has grown since 1990, reaching over 75 percent of a \$118 billion market in 1993. U.S. computer equipment exports grew from 45 percent of its shipments in 1989 to 58 percent in 1991. In 1994, U.S. exports rose to almost 13 percent to \$34.6 billion, and were likely to increase 8 percent in 1995 and then nearly 7 percent a year through 2000, to \$52 billion. The \$60 billion U.S.-based industry encompasses electronic computer systems, peripherals, and parts. Electronic computer systems include digital computers of all sizes, from supercomputers to handheld portables, as well as computer kits assembled by the purchaser. Peripherals are storage devices, terminals, printers, plotters, graphic displays, and other input/output equipment.

The industry is concentrated in eight states: California, Massachusetts, Texas, Minnesota, Pennsylvania, New York, Washington, and Oregon. Most operations are located near major universities, allowing companies to benefit from academic research efforts and to draw on the technical talent in these institutions. Hence, the Richardson, Texas, location of InfoCom will be of tremendous strategic importance as the company avails itself of resources immediately available in its vicinity.

Competitiveness In World Markets

U.S. computer firms are price and performance leaders and occupy the foremost position in the relentless drive for higher performance at lower cost. U.S. suppliers producing all types of computer systems draw on strengths in research, design, software development, marketing, and customer support to maintain their lead in the world marketplace. Other factors that contribute to U.S. competitiveness include favorable exchange rates (vis-à-vis the Japanese yen, for instance) and improved protection of intellectual property rights in key foreign markets.

Export Opportunities and Trade Projections through 2000

Foreign computer demand is expected to be robust in the future. Foreign users' desire for local area networking equipment, desktop and portable computers, and multimedia products will continue to grow. The anticipated removal of barriers to market access and investment and the improvement in intellectual property rights protection arising from the GATT Uruguay Round, NAFTA, and bilateral agreements with Japan and China should enhance U.S. firms' trade with major developed and developing countries. Consequently, U.S. exports are expected to increase 8 percent to nearly \$37 billion in 1995. The five-year outlook for U.S. exports appears equally promising. Exports should increase about 7 percent each year on the average to almost \$52 billion by 2000. InfoCom is perfectly positioned to take advantage of this boom in US exports to the Middle East and the Far East.

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Computer Software Segment:

Competitiveness in World Markets

U.S. vendors lead the world in packaged software development. According to IDC, U.S. vendors supplied 75 percent of the \$70 billion world packaged software market in 1993, 91 percent of the \$21 billion systems software market, 77 percent of the \$20 billion application tools market, and 63 percent of the \$29 billion application solutions market. Of the world's top 10 software suppliers, six were American. U.S. packaged software vendors dominate in each region. They supplied 63 percent of the Western European market and 54 percent of the Japanese market, regions where domestic suppliers traditionally hold stronger positions. They hold the largest market share in countries outside Western Europe and Japan, supplying 73 percent of these markets. The strong U.S. position in these countries reflects the high quality of and receptivity to U.S. software, and the relatively small international presence of European and Japanese software vendors.

Technological Advantages of the U.S. Products Marketed by InfoCom

Several factors contribute to the competitive strength of the U.S. industry. Foremost is the leading role U.S. vendors have played in developing the software industry. This has given U.S. firms a technological edge and made the United States the locus of high-quality, innovative software development. The size and sophistication of the U.S. market also contributed to the competitiveness of U.S. vendors, resulting in a variety of niche products, a great number of firms, and intense competition.

Export Opportunities and Trade Projections

The world packaged software market is expected to grow 12 percent annually between 1995 and 2000, from \$86 billion to \$153 billion. Network and multimedia products, in particular, will become increasingly important, as countries reshape their information infrastructures.

InfoCom's Computer Technology and Telecommunications Synergy

The decade of the 1990's will see the convergence of computer technology with telecommunications to form the personal access to information and entertainment called "infotainment". This type of hybrid technologies is where the innovation and progress of the computer industry are headed. InfoCom's strengths in both computer technology and telecommunications have placed it in a unique position to take advantage of sales in both of these industries in the Middle East, North Africa and the Far East.

InfoCom's Current Markets For Computer and Peripherals as well Software

Bahrain

Computers/Peripherals and Computer Software

The Government of Bahrain is in the process of moving all ministries and departments out of ledger books and into an integrated financial management information system. The Financial Sector relies on leading-edge information management to retain its competitiveness and profitability; at the top end, the retail sector is as current in its stock-control and management procedures as any in the West. The personal computer market is well-supported and hotly competitive; new shops regularly open to supply consumers with hardware, software and peripherals in impressive array. Computer-related businesses fill more than five percent of the Bahrain Yellow Pages.

The government-established National Information Technology Unit (NITU) identifies a number of activities it is particularly seeking from these international companies, most of them service-based: consultancy, research, software development, Arabisation of applications, specialized training, database publishing, networking and systems design. Regionally, the information technology market is valued at US\$ 3 billion, and Bahrain is attentive to retaining its position as the center of business services for the Gulf. By late 1995, it is anticipated that a number of Gulf countries, Bahrain first among them, will be able to offer Internet connections at local rates, an indication of the telecommunications boom that is helping to propel the information technology market into prominence.

PERSONAL COMPUTERS - IN U.S.		
	1994	JAN-MAY 1995
Total Market Size	n/a ⁸	n/a
Total Local Production	n/a	n/a
Total Exports	8,229	47,996
Total Imports	3,521,024	822,547
Imports from the U.S.	1,381,618	203,268

PERIPHERALS AND PARTS - IN U.S.		
	1994	JAN-MAY 1995
Total Market Size	n/a	n/a
Total Local Production	n/a	n/a
Total Exports	315,031	563,451
Total Imports	30,196,511	15,266,961
Imports from the U.S.	12,427,532	4,388,473

⁸ Not Available

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Egypt

Legislation requires all parastatal and government entities to install computer information centers. The upgrading of the telephone network has facilitated the use of modems for interconnecting systems. The high reputation of U.S. technology in Egypt enhances sales from the U.S. computer industry. There is a small computer industry in Egypt assembling imported computer components. Most promising subsectors (estimated 1993 market size in US\$ millions):

- Microcomputers 73
- Local Area Network (LAN) equipment 20

Indonesia

Computers/Peripherals

The following statistics show the market shares (stated in US\$ million) in the computer industry from 1992 to 1995:

	1992	1993	1994	1995(estimate)
Computer hardware	364	385	438	503.7
Computer software	104	117.2	138	165
Professional services	52	55.8	64	83.2

Only two branded mainframe computers are actively marketed in Indonesia, IBM And HDS (Hitachi Data Systems). There were seven new mainframe installations (including maintenance) in 1993 with a total revenue of US\$45.3 million, and in 1994, there were ten new installations. However, revenue dropped to US\$38 million.

There are more than 200 firms which assemble computers in Indonesia. These are limited to personal computers and monitors. Others are joint ventures with foreign companies from the U.S.A., Taiwan, Korea and Japan. Some personal computers are manufactured locally. A source from the Department of Industry reveals that for the past 7 years, production of computers experienced an increase of 228.04 percent but the growth rate since 1991 has been stagnant. Since 1991/1992, local production of computers has remained at around 31,000 units. Components which do not require high technology are produced locally such as keyboards, power supplies and casings. Imported components are central processing units (cpu), hard disk, random access memory (ram), and mother boards.

Although it is difficult to obtain a firm statistical grasp of the volume of imported computers, the data of the Central Bureau of Statistics show the following information:

	1993	1992	1991
Analog or hybrid Automatic data Processing			
Total imports	6,071,737	2,332,772	582,488
US imports	299,178	23,730	223,067
Mainframe computers			
Total imports	13,526,108	18,431,273	10,762,659
US imports	6,831,441	8,779,803	12,324,445
Personal & micro computer			
Total imports	7,061,008	19,032,344	16,426,092
US imports	3,058,369	1,728,282	3,114
CPU for PC and micro computer			
Total imports	8,264,212	5,835,420	4,489,205
US imports	2,798,557	729,014	1,330,135

In the most recent release by the US Department of Commerce, the percent of total import market share by major competitors based on the above products is as follows:

	1993	1992	1991
USA	26	32	41
Japan	32	9	11
Taiwan	2	2	2
France	12	13	9
Australia	4	13	7
U.K.	3	5	4
Singapore	4	5	11
Germany	1	9	1

The above statistics show that the market share for imported computers has been growing. According to published sources, in 1994 more than 250,000 units of personal computers were sold, they include 386s (SX and DX) 29%, 486S (SX,DX, DX2) 67%, and Pentium 4%. In 1995, it is estimated that 300,000 units of personal computers will be needed.

There are no restrictions governing the import of computer and peripherals. The import duty for computers ranges between 20-30 percent except for mainframe computers which is 5 percent, with a 10 percent import sales tax. Protection by the government of Indonesia is provided to support investment in computers by giving an import tariff of zero percent for some computer components.

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Computer Software

The demand for computer software, including application package, operation systems, tools, special application/order is growing. According to published sources, in 1992, the market for software in Indonesia amounted to US\$104 million, US\$117.2 million in 1993 and increased to US\$138 million in 1994. The reasons for the increase is the enforcement of intellectual property (copyright, trademark and patent) laws though much more needs to be done in this area. The enforcement of the law has resulted in the increased use of original software (not pirated) by middle to larger firms. The market for software in 1995 and the foreseeable future is expected to grow to more than 18%.

Professional services

Among the professional services in the computer industry are consulting, data processing, training, systems integration, and network services. These services have not really developed. However, the services are anticipated to grow in the future. Professional services share about 15% of the total computer industry market.

Jordan

Computer/peripherals

Local demand for personal computers is increasing, with the largest end-user being the Government of Jordan. Schools and universities now include computer and data processing classes in their curriculum. Demand for computer components (storage devices, cpu's and chips) increased by approximately 60 percent from 1991 to 1994. Computer market sources claim that American software and hardware systems make up 85 percent of their large accounts of academic institutions, banks, factories and government agencies employing more than 50 employees. U.S. made computer equipment and peripherals enjoy a high reputation for their superior. This high degree of customer loyalty and goodwill exists in spite of the fact that U.S. made products can be up to 25 percent higher in cost than Asian or European counterparts.

	1994	1995	1996
Total market size (In US\$ millions)	30	35	40
Total local production	5	6	9
Total exports	3	4	6
Total imports	28	33	37
Imports for the U.S.	10	12	14

All figures are estimates in millions of US dollars

Computer Software

The information systems market underwent an unprecedented boom from the growing perception that businesses needed to introduce information technology to remain competitive and profitable. A number of well-known American software firms enjoys an excellent reputation in Jordan. More strict enforcement of intellectual property rights (ipr), expected by 1996, will likely

encourage further U.S. computer software sales to Jordan. Total exports of packaged software increased by 25 percent in 1994. Multi-user business software, educational software, and clientele on-line service are increasingly in demand in the local market. Despite a 20 percent price disadvantage as compared to their Asian-made counterparts, American software enjoys a significant share of the computer software market

	1994	1995	1996
Total Market Size	10	12	15
Total Local Production	3	4	5
Total Exports	2	3	4
Total Imports	9	11	14
Imports from the U.S.	5	7	9

All figures are estimates in millions of US dollars

Kuwait

Computers and Peripherals

Most major American computer firms are present in the Kuwaiti market and possess about 90 percent of the total imports of mainframes, minicomputers, microcomputers and data communications equipment. U.S. image processing systems are gaining wider acceptance. Several upcoming major projects will create an excellent potential market for U.S. computer equipment.

	1994	1995	1996
Total Market Size	120	130	140
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	120	130	140
Total Imports from U.S.	84	86	90

All figures are estimates in millions of US dollars

Computer Software

The U.S. firm, Microsoft, dominates the market. The following types of applications software will sell well in Kuwait: image processing systems, banking, insurance, hospital management, computer networking, education, training, design support, graphic design, and business solutions.

	1994	1995	1996
Total Market Size	50	60	70
Total Local Production	2	2	2
Total Exports	45	50	0
Total Imports	50	60	70
Total Imports from U.S.	35	40	45

All figures are estimates in millions of US dollars

Saudi Arabia

Computers and Peripherals

The Saudi market for computers and peripherals remains buoyant. Various Saudi organizations, both public and private, are revamping their systems, downsizing while upgrading their computer setup. The market was worth approximately \$220 million in 1994, increasing by an average two percent annually, and expected to reach \$229 million by 1996. IBM-compatible manufacturers in the Far East supply about 40 percent of the market, followed by U.S. suppliers at 36 percent. Computer utilization is on the rise and the replacement market for upgraded and higher capacity computers is also growing. Saudi businesses and government agencies are shifting away from mainframes and mid-range computers to more flexible, faster, and cheaper micro computers or PC's in a networking environment.

	1994(E)	1995(E)	1996(E)
Total Market Size	220	225	229
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	220	225	229
Imports from the U.S.	80.5	82.0	83.5

All figures are estimates in millions of US dollars

Computer Software

Beginning in July 1994, the Saudi government started enforcing the copyright law. Since then, sales of computer software have expanded at the rate of 10 percent annually, and will be expected to keep the same pace over the next three years despite prevailing recessionary pressures. The market is totally dependent on imports, except for some in-house and other third-party custom-made software. In 1994, the market was estimated at \$300 million which increased to \$330 million and \$365 million in 1995 and 1996 respectively. U.S. software companies dominate the market, accounting for more than 70 percent of sales. Their share will grow even further, especially for open architecture software packages. There is also strong demand for arabized software and tailored-made packages.

	1994 (E)	1995 (E)	1996 (E)
Total Market Size	300	330	365
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	300	330	365
Imports from the U.S.	210	230	255

All figures are estimates in millions of US dollars

U.A.E.

Computers/Peripherals

Computer utilization is on the rise with current computer users moving towards upgraded and higher capacity computers. Government offices and businesses are shifting from mainframes to more flexible, faster and cheaper micro computers or personal computers in networking environments. The current price war in the computer industry in the U.A.E. has made computers of U.S. origin more affordable; and making it more attractive to persons who wish to buy quality products. In 1994 U.S. market share rose to 46 percent against 35 percent in 1993. U.S. computer manufacturers are looked upon as market leaders and will maintain their edge to the extent that they continue to be able to introduce state-of-the-art technology and products at competitive prices.

	1994	1995	1996
Total Market Size	164	203	251
Total Local Production	0	0	0
Total Exports	66	73	80
Total Imports	230	276	331
Imports from the U.S.	75	90	110

All figures are estimates in millions of US dollars

InfoCom's Future Markets For Computer and Peripherals as well Software

Algeria

Computers and Peripherals

The Algerian market for computers and peripherals is very large. Demand is estimated at some \$200 million, about three times the amount of estimated average annual imports, and only lack of Algerian dinars to cover the hard currency cost of purchases hampers import growth. Although U.S. manufacturers dominate this market, they could still increase their market share through greater availability of financing. Their main competitors, French and German suppliers, benefit from government export credits to finance their sales. This is their only competitive advantage over their U.S. counterparts.

	1994	1995	1996
Total Market Size	57	67	82
Total Local Production	2	2	2
Total Exports	0	0	0
Total Imports	55	65	80
Total Imports from the U.S.	20	30	40

All figures are estimates in millions of US dollars

Morocco

Computers/Peripherals and Computer Software

Current Moroccan market for computers and software is estimated at US\$ 65.0 million in 1994. The market is expanding rapidly and we expect it to continue to grow by 30% over the next three years. Imports supply 100% of total market where the U.S. leads with 55% of market share. The Moroccan market for computers is open to U.S. products and technology. The growth in financial services and the stock exchange should also spur this sector. The Government believes that advanced technology is Morocco's way of catching up to the developed world. Computerizing an economy, given the pace of technological change, requires continual updating of materials. U.S. suppliers have opportunities to export computers and related equipment in this market where U.S. equipment is generally respected for its technical sophistication and high quality.

Turkey

Computer/Peripherals (including electronics and telecommunications-related equipment)

Since Turkey's electronic industry is growing rapidly, the computer and telecommunication equipment sectors are expected to boom. Once privatization of the telecommunications sector is completed, new regulations for telecommunication services and licenses are expected. This will in turn produce a considerable increase in the market for telecommunications/electronics industry production, test and measurement equipment. Much of this equipment will, of course, be computer-driven.

	1994	1995	1996
Total Market Size	140	150	165
Total Local Production	51	56	62
Total Exports	1	1	2
Total Imports	90	100	110
Imports from the U.S.	15	17	19

All figures are estimates in millions of US dollars

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Until the end of 1993, the growth of personal computer (PC) sales in Turkey has been dramatic. The sale of PC's in 1993 increased by 38 percent, climbing from US\$161 million in 1992 to US\$232 million. American PC's enjoy a very good reputation in Turkey because of their quality, technical superiority and after sales service. According to leading American suppliers, current trends indicate that end-users are shifting their preferences back to major, well-known brands. In spite of a 30 percent market share, local manufacturers have suffered from the economic crisis and have difficulty providing parts, and after-sales service. An increased market share for local manufacturers is not expected for the next few years.

A study done by a local research company in June 1994 indicates that American suppliers control the PC market with more than 50 percent share in sales. IBM, with a 22 percent market share, is the leading American supplier, followed by Apple (8 percent). Other important U.S. PC suppliers to Turkey are: Hewlett-Packard, Compaq, Mackintosh, Unisys, Wang Laboratories, and AT&T(NCR). Major third-country competitors are: Germany (Siemens-Nixdorf), Italy (Olivetti), Taiwan (ASM), Singapore (Wearness, IPC), and South Korea (Samsung). The total market share of third-country suppliers is around 20 percent.

When end users are considered, the demand for PC's has been especially strong in the service and manufacturing sectors. Trading companies, advertising firms, accounting firms, and market research companies are the principal end-users in the service sector. In the manufacturing sector, principal end-users are textile, food, apparel, pharmaceutical, and plastics plants. The other promising end-users for PC's are education and banking institutions, as well as tourism, construction, and transportation companies. PC's in Turkey are used widely by technical personnel and mid-level executives. Senior company executives have also begun to use PCs.

A breakdown of sales by region reveals that the potential market for PC's is concentrated largely in Istanbul, Ankara, and Izmir. Our most recent data indicates that in 1993 sales of PC's were made to: Istanbul and Marmara region (47 percent); Ankara and Central Anatolia (25 percent); Izmir and Aegean region (14 percent). Remaining PC's were sold to the Mediterranean region (4 percent); Black Sea area (4 percent); Eastern Anatolia (3 percent) and Southeastern Anatolia (3 percent).

Finally, the leading U.S. PC suppliers to Turkey believe that Turkey's joining the EEC Customs Union will not substantially affect U.S. brand PC sales in Turkey, because most of their imports are from U.S. firms' subsidiaries in Europe.

InfoCom will be specially strongly positioned to penetrate this market because the Turkish government requires computer distributors to have sufficient parts in stock and technical personnel to provide after-sales service. As indicated earlier, end-users have begun to prefer computer firms that have strong support and after-sales services.

Computer Software

Turkey's total electronic data processing (EDP) systems market was nearly \$1 billion in 1993, and 60 percent of this amount was imported. Annual PC sales increased by 100 percent between 1990 and 1993. Software constitutes about 15 percent of the total EDP market. Privatization of state enterprises will also result in increased use of EDP as the number of personnel is reduced.

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U.S. firms presently dominate both the hardware and software market in Turkey, and are expected to continue to do so for the foreseeable future.

	1994	1995	1996
Total Market Size	65	79	90
Total Local Production	35	40	50
Total Exports	-	1	5
Total Imports	30	40	45
Imports from the U.S.	20	25	30

All figures are estimates in millions of US dollars

INFOCOM'S POTENTIAL TELECOMMUNICATIONS MARKET ANALYSIS

Telecommunications Equipment

The Department of Commerce of the USA has identified the current markets served by InfoCom and described in Table 1 as especially promising for U.S. exporters of telecommunications equipment for the foreseeable future, based on either: 1) near-term growth potential, or 2) a large market receptive to additional U.S. suppliers. Future markets that InfoCom is planning to target, e.g. Turkey and Morocco, are also included to indicate their tremendous growth potential.⁹

During 1995, U.S. shipments of telecommunications equipment were \$35.5 billion, in constant dollars. Product areas contributing to this growth are likely to include network equipment, wireless communications equipment, and satellite communications.

Key Markets for Telecommunications Equipment¹⁰

Table 1 describes the market potential for the telecommunications equipment sold by InfoCom in the countries within our company's target market area in North America and overseas. The 1 through 5 scale is used to indicate receptivity (R), local competition (LC), third-country competition (TC), and market barriers (MB). This scale should be interpreted as follows: the higher the number, the more favorable the situation for U.S. exporters. Therefore, a score of 5 in all four areas, for example, indicates high receptivity to U.S. products, little competition from local suppliers, little competition from third-country suppliers, and minimal market barriers to imports from the U.S.

⁹ Similar data about InfoCom's future markets will be included in the market analysis for the computer industry

¹⁰ Statistical accuracy and comparability to other sources (e.g., "USDOC, Bureau of the Census") are affected by a number of factors, including lack of published figures in certain markets, variances in data collection techniques, sources of data, and industry definitions.

TABLE 1
MARKET POTENTIAL FOR US TELECOMMUNICATIONS EQUIPMENT

COUNTRY	IMPORT MARKET (US\$ million) 1993	% AAG 1993-95	IMPORTS from US (US\$ million) 1993	% AAG 1993-95	RG	LC	FC	MB
Algeria	85.0	30%	4.0	30%	5	5	2	5
Egypt	1,000.0	15%	345.0	15%	5	5	3	5
Indonesia	875.0	6%	180.0	10%	5	3	4	5
Kuwait	105.0	10%	50.0	20%	4	5	2	5
Malaysia	2,060.0	18%	75.0	20%	3	4	2	3
Morocco	133.9	15%	18.5	15%	5	5	1	5
Pakistan	195.0	18%	19.0	13%	4	2	2	3
Saudi Arabia	1,400.0	25%	300.0	25%	4	4	1	3
Turkey	340.0	11%	95.0	12%	4	3	3	4
U.A.E.	480.0	9%	40.0	11%	3	5	1	5

InfoCom's current markets for telecommunications equipment

Egypt

With the modernization of Egypt's telecommunication's network, state-of-the-art satellite equipment is needed to upgrade TV broadcasting in order to fulfill the growing needs of the private user market. The Egyptian market for satellite telecommunications equipment is expected to continue increasing at a rate of 30%. The current telephone density of three per 100 persons is planned to increase to seven per 100 by the year 2010. This will require the installation of 250,000-400,000 lines per year. The current five year plan 1992- 1997 includes \$700 million for the telephone and communications sector. The US has the largest share, 65%, mainly due to high quality and durability. Most promising subsectors include: satellite telecommunications equipment (\$55 million); cellular telecommunications (\$35 million); fiber optic cables (\$140 million); telephone cable (\$130 million). The U.S. equipment which InfoCom sells and services has tremendous sale potential in this country.

¹¹ Average Annual Growth. Countries where telecommunications equipment was identified as a Best Prospect are identified by an asterisk.

	1994	1995	1996
Total Market Size	760	841	931
Total Local Production	100	120	144
Total Exports	50	60	72
Total Imports	710	781	859
Total Exports from the U.S.	500	550	605

All figures are estimates in millions of US dollars

Jordan

The telecommunications draft law submitted to the Jordanian Parliament in 1995 allows private-sector firms to invest in and offer services in telecommunication hardware. When enacted, this law is expected to encourage sales of American telecommunications equipment to Jordan. More tenders for mobile communication equipment, satellite transmission and receiving components, fiber optic support stations, and modem-driven line-clustering stations are expected by mid-1996. Although U.S. products are generally more expensive than Asian or European made products by approximately 35 percent, they are in great demand because of their quality, level of technological sophistication and reliability. Since InfoCom does not compete on the basis of cost leadership, it will be able to penetrate the Jordanian market with relative ease.

	1994	1995	1996
Total Market Size	30	35	40
Total Local Production	3	4	6
Total Exports	1	2	3
Total Imports	26	33	36
Imports from the U.S.	8	10	13

All figures are estimates in millions of US dollars

Kuwait

The booming construction industry will increase the demand for telecommunications services during the next few years. There are also governmental plans to build two new satellite earth stations. Both factors will increase the demand for InfoCom's sophisticated telecommunication products and services.

	1994	1995	1996
Total Market Size	70	65	70
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	70	65	70
Imports from the US	7	10	15

All figures are estimates in millions of US dollars

Saudi Arabia

The Saudi PTT expansion (TEP 6) contract for 1.5 million lines, estimated at \$4 billion, has been awarded to the U.S. firm, AT&T. A number of sub-contracts have already been signed with U.S., foreign, and local companies to carry out different aspects of that project. More contracts will be expected to be allotted in the future, and InfoCom's track record should enable it to win some of these lucrative contracts.

U.A.E.

ETISALAT is the local PTT of the UAE. During the next two years, ETISALAT plans to invest an average of US\$300 million per year in the procurement & expansion of telecommunication services. Other end users include Abu Dhabi National Oil Company (ADNOC), Dubai Petroleum Company and Ministry of Interior. In 1994, the US market share was 13 percent. Given the projected doubling of US imports from 1994 to 1996, InfoCom is perfectly positioned to increase its penetration of this market.

	1994	1995	1996
Total Market size	401	441	535
Total Local Production	0	0	0
Total Exports	128	141	155
Total Imports	529	582	690
Total Imports from the U.S.	45	50	90

All figures are estimates in millions of US dollars

InfoCom's future markets for telecommunications equipment

Algeria

The Algerian PTT has a long-term plan to modernize and expand its network and to introduce new services. Implementation will depend almost entirely upon imports. US manufacturers dominate the radio communications and satellite equipment market, while French, Japanese and German suppliers dominate most other markets in which US presence is very limited. Sales efforts should be directed to transmission, particularly fiber optics, switching and radio communications equipment, areas which offer opportunities for InfoCom to enter this market.

	1994	1995	1996
Total Market Size	180	230	290
Total Local Production	80	100	120
Total Exports	0	0	0
Total Imports	100	130	170
Total Imports from the U.S.	15	22	30

All figures are estimates in millions of US dollars

Morocco

The Moroccan market for telecommunications is growing rapidly. It is one of the most dynamic in North Africa. Telecommunications infrastructure is an essential link for all sectors and the development of the national economy and the opening of the market to foreign investments cannot be achieved without it. Recognizing this, the Government is making considerable efforts to develop a modern telecommunication network based on the most advanced technologies. The Government is taking steps to privatize and expand the growing mobile phone market. The best sales prospects for InfoCom are in the high-tech areas where the US continues to maintain a competitive edge over other countries. US products and services have a good reputation and are considered the pioneers in new telecommunications technology.

	1994	1995(E)	1996(E)
Total Market Size	180	220	253
Total Local Production	0	0	0
Total Exports	0	0	0
Total Imports	180	220	253
Imports from the U.S.	35	42	49

All figures are estimates in millions of US dollars

Turkey

Recent laws passed by the Parliament should produce a boom in this sector. New licenses will be issued for value added services most requiring new investments. Existing services, e.g., paging systems, analog type cellular phone networks, cable-TV, will need to be modernized and/or expanded for better service and more customers. The telephone network structure needs to accommodate more subscribers and to improve quality. Intelligent network systems, ISDN, and fiber in the loop systems will be future trends. The new telecommunications law specifies that 20 percent of the income obtained from licensing fees for value added services and 20 percent of Turk Telecom privatization revenues will be used to improve the telephone structure. This revenue is estimated at over \$3.5 billion. Thus, InfoCom can seize the growing opportunities in Turkey and participate in international projects such as fiber optic cable, microwave and satellite projects to serve Turkey.

	1994	1995	1996
Total Market Size	925	1,060	1,210
Total Local Production	640	700	770
Total Exports	95	100	110
Total Imports	380	460	550
Imports from the U.S.	252	300	350

All figures are estimates in millions of US dollars

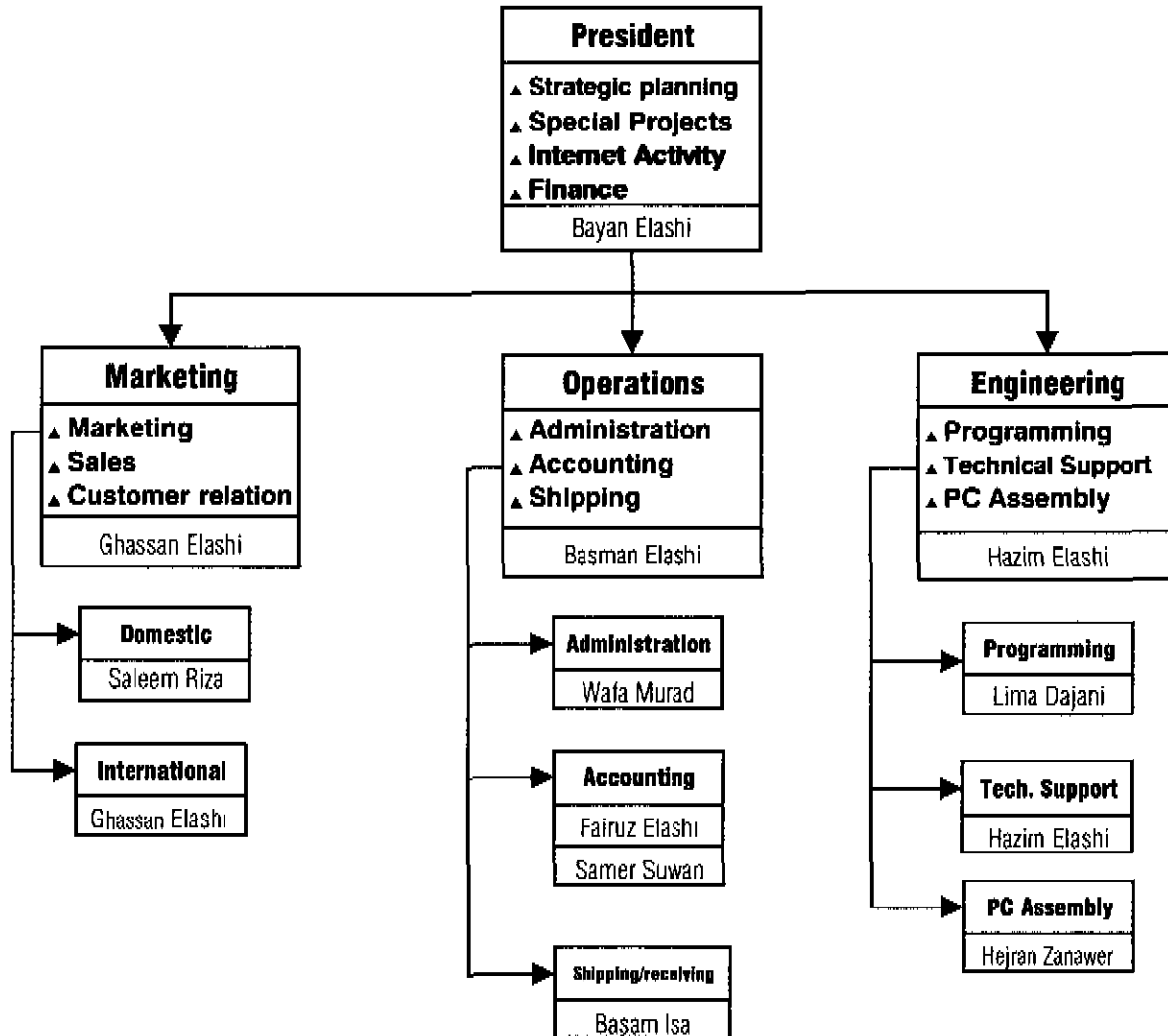
Privatization of Turkish Telecom is expected to attract additional investments in data, voice and video satellite services. The data communications industry in Turkey is moving towards

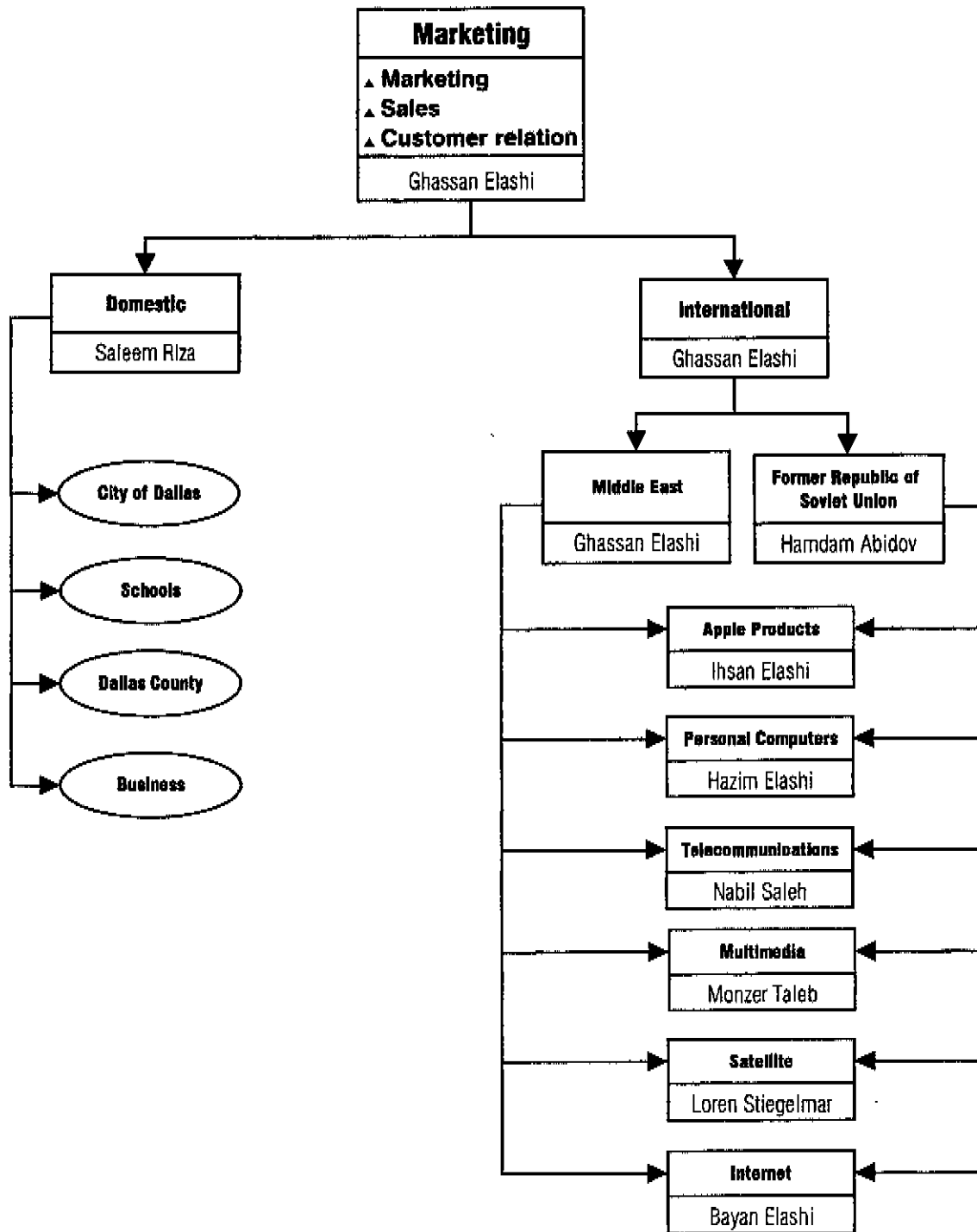
efficient satellite communication, providing, new services to banks, pipeline monitoring, energy pipelines, mines, reservation networks, automotive centers, hotels, broadcasting centers, airlines, newspapers, government offices, transportation companies, universities, electronic mail and others.

	199	199	199
Total Sales	2,810	3,090	3,300
Sales by Local Firms	2,715	2,950	3,100
Export Sales by Local Firms	150	160	180
Sales by Foreign-Owned Firms	95	140	200
Sales by US-Owned Firms	35	50	90

All figures are estimates in millions of US dollars

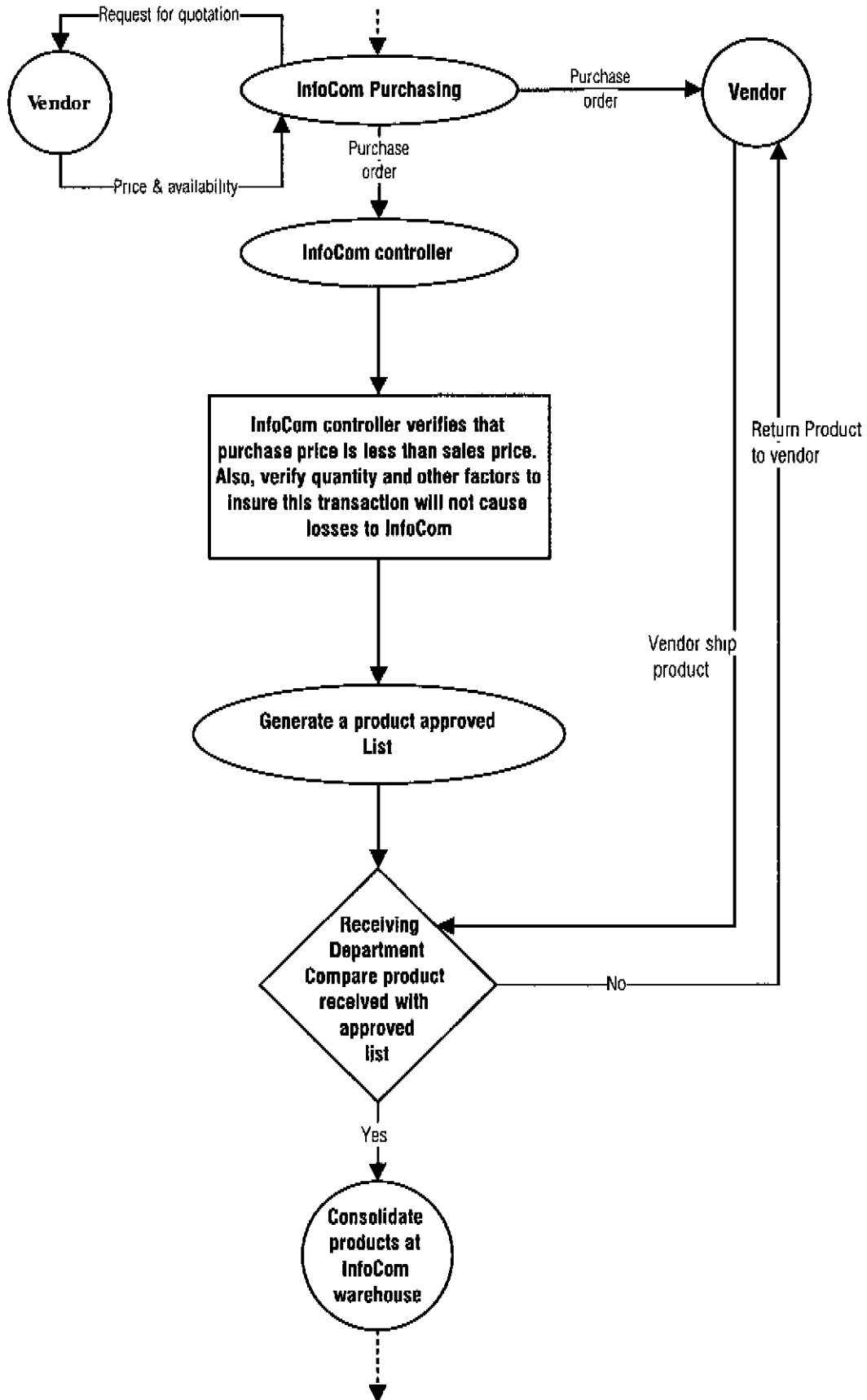
Appendix C: InfoCom's Organizational Structure

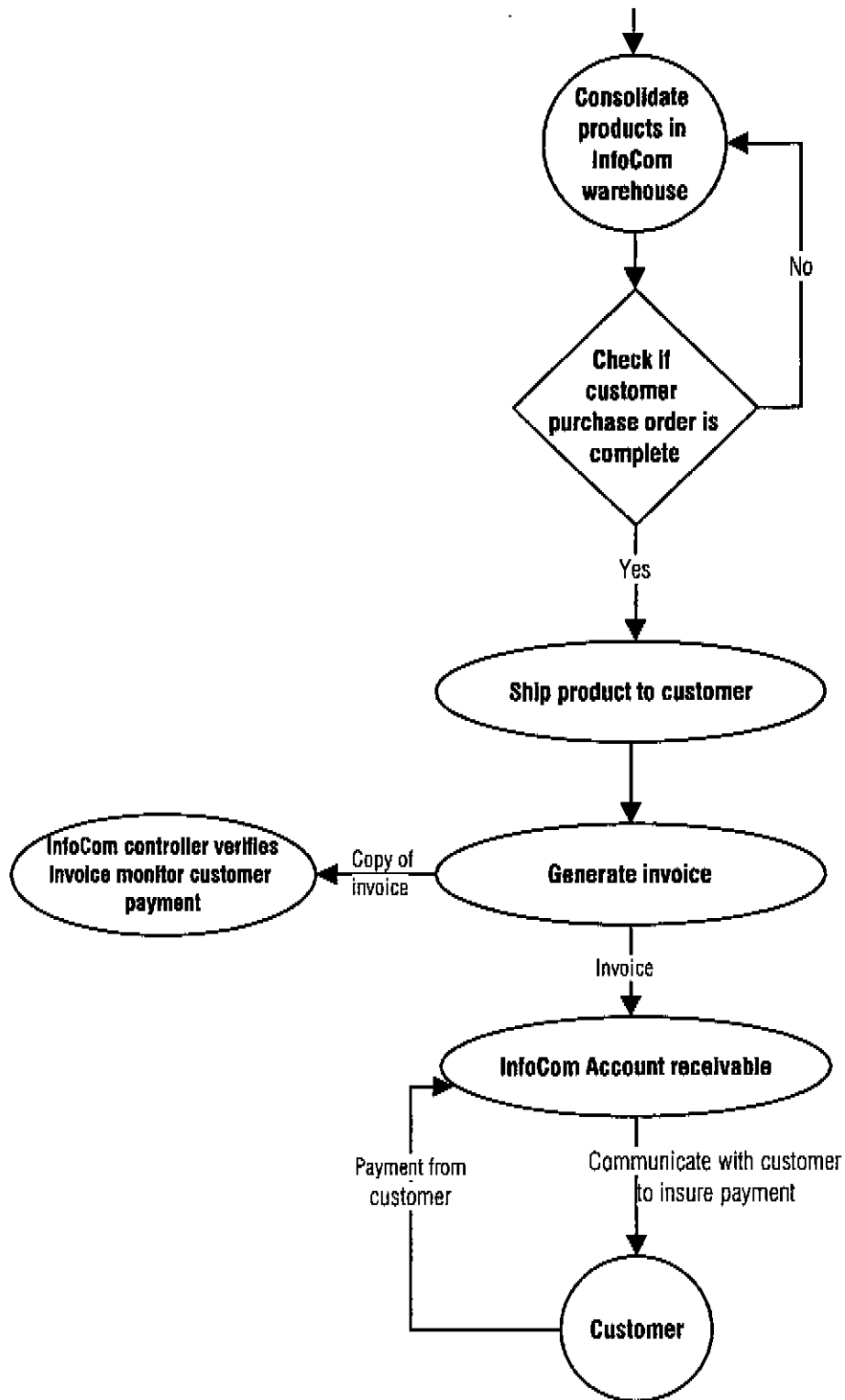




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Appendix D: Letters of Reference





InfoCom Corp.

Innovations in Computers & Communications

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belonging exclusively to InfoCom Corp.*

Bayan Elashi
Chief Executive Officer
14999 Preston Road, Building D212, Unit 566
Dallas, Texas 75240, USA
Telephone: (972) 644-5363, Fax: (972) 644-8609
E-mail Address: bayan@infocomUSA.com
Internet Address: <http://www.infocomUSA.com>

This is a business plan. It does not imply an offering of securities.




TO WHOM IT MAY CONCERN

This to certify that we have been conducting business with InfoCom Corp. since March 1994, our evaluation of the services provided to us by the them will be of high standards.

They have been prompt on delivery times, their prices have been competitive with other suppliers. We have had a satisfactory report from our maintenance department about the technical support they received from InfoCom Corp.

Our credit terms with InfoCom Corp. has been on net terms and satisfactory.


Salim S. Akl
Manager
Commercial Dept.

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SW144 0000533

ALJAH BANKING & INVESTMENT CORP.

Publicly Traded Stock Corp. - Capital S. R. 1500,000,000

C. P. No. 93 Head Office : Riyadh



شركة الجاه بنكية والاستثمار
شركة مساهمة سعودية - رأس المال ١٥٠٠٠٠٠٠٠٠٠٠ ريال
سجل رقم ٩٣ - المقر الرئيسي : الرياض

السيد

السيد

السيد

30th January, 1996

السيد

Mr. Bayan Ashi
InfoCom Corp.
Dallas, Texas 75240

Fax.: 214 644 8609

Dear Mr. Bayan Ashi,

We thank you very much for constantly updating us with the latest computer and communication technology emerging in the United States of America. Your vast experience and knowledge of modern technology was very helpful for us in our Branch Automation Project, as we have the largest Banking Network which consists of more than 350 branches.

Right from the beginning of our business relationship in 1990, your services had been outstanding with prompt delivery of equipment, excellent technical support in addition to your competitive prices and providing payment facilities after delivery and testing of the products.

We thank you once again for your continuous support and we foresee for an ongoing business relationship.

Best regards,

Mansour Alghuláiga
Deputy General Manager
for Information Systems

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SW144 0000534



Zaid Al-Kazemi Son Trd. Co.

Fax

To: GHASAN AL-ASHI
Company: INFOCOM
Fax:
From: Loay Mustafa
Company: Zaid Al-Kazemi Sons Trading Co.
Fax: (965) 2401548
Subject: LETTER OF RECOMMENDATION
Our reference: ZAK/COMP/F/67857
Date: January 30, 1996
No. of pages: 1

LETTER OF RECOMMENDATION

THIS IS TO IMPLY OUR GRATITUDE FOR LONG RELATIONSHIP OF DEALING BETWEEN ZAID AL-KAZEMI SON'S TRADING CO. AND INFO COM CORP.

A PERIOD OF 12 YEARS OPERATION AND FRUITFUL RELATIONSHIP , SUPPORTED BY EXCELLENT PRICES, VERY PROMPT DELIVERIES , VERY SUPPORTIVE TECHNICALLY AND LASTLY BUT NOT THE LEAST AN EXCELLENT CREDIT LINE FACILITY.

WE ALWAYS FIND INFOCOM STAFF VERY RELIABLE ,SINCERE AND VERY TRUSTY. INFO COM STAFF ALSO HAVE AN EXCELLENT HABIT OF CONTACTING THEIR CUSTOMERS ON SPECIAL SALES EVENTS AND ON NEW ANNOUNCEMENT OF NEW PRODUCTS.

MY LETTER OF RECOMMENDATION IS ABSOLUTELY IN ITS PLACE DUE TO OUR LONG LASTING RELATIONSHIP AND I WISH INFOCOM ALL SUCCESS AND PROGRESS.

Sincerely,

Loay Mustafa

Manger, Computer Div.

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SW144 0000535

Cairo in 30/1/1996

To Whom It May Concern

Reference to the continuous relationship between **Cairo Information Technology & Engineering (CITE) & InfoCom Corp.**, CITE is glad to inform you with the following :

- 1- We have been dealing successfully with Infocom since 2 years .
- 2- Regarding the services of Infocom our commitments as follows :
 - *- Delivery is excellent
 - *- Prices are fair
 - *- Technical Support is excellent
 - *- Credit Terms are good

Best Regards**Hussein Labib****General Manager**

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SW144 0000530

GULF STARS COMPUTER SYSTEMS

(Formerly SPERRY ARABIA COMPUTER DIVISION)
C.R. 1010088813
C.G. No. 12550



مؤسسة نج. والخليج لانظمة الكمبيوتر

(أساسيا حاسوب العربية قسم الحاسوب)
ص. ب. 1010088813
رقم العضوية: 12550

To Whom It May Concern:

January 31, 1996

This is to certify that we have been doing business with Infocom since 1988. Infocom is supplying computer equipment and peripherals, including technical support and other related services to Gulf Stars Computer Systems.

During the eight year period, we found Infocom to be very reliable as far as the following are concern:

- Prompt Delivery
- Competitive Prices
- Excellent Credit Terms
- Superior Technical Support
- Professionally Trustworthy

I trust Infocom to any investment and strongly recommend them to anyone that needs a professional partner or representative in the United States of America.


Musaid Al Deghaith
Acting President



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SW144 0000537

 **NOVELL**
DISTRIBUTOR - MIDDLE EAST

 **SynOptics**
Computer Systems, Inc.

 **COMPUTER ASSOCIATES**
Solutions. Support. Success.

 **COMPAQ**
Computer Systems, Inc.

 **HEWLETT PACKARD**
DEALER - SAUDI ARABIA

HEAD OFFICE - P.O. BOX 52008, RIYADH 11573 TEL: 462-8222 FAX: 465-3156 TLX. 407602 GSCS SJ, SAUDI ARABIA
BRANCH OFFICES - P.O. BOX 16712 JEDDAH 21474 TEL: 667 - 1314, 689-0913 FAX: 660-3625
P.O. BOX 6700 DAMMAM 31452 TEL. 827-4130 FAX: 828-6649



Fax Message

If any of the following pages are missing please call us at Tel. 6610948

Date : 29th January '96
Ref. No. : JAT/ICC/3712 C
To : InfoCom Corporation
Attn. : Mr. Ghasan Elushi
Fax No. : 1 (214) 644-8609
No. of Pages : 1

TO WHOM IT MAY CONCERN:

We have been doing business with InfoCom Corporation since 1991. Our business was based on imports of various requirements including high tech equipments. InfoCom Corporation was providing us with professional services and technical back-up for our various needs and requirements. Financially, InfoCom Corporation had a very good financial record with us. They are providing us with credit facilities and they have been very professional in their dealings with us.

Thank you.

Sincerely yours,

MARWAN A. JAMJOOM
Managing Director

cc: File

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SW144 0000538

Date: 30th January, 1996

To Whom It May Concern

OFOQ is a subsidiary of Saudi Research & Marketing Group, one of the top ten largest companies in Saudi Arabia. OFOQ is a specialized in the selling and service of computer and telecommunications products in the Saudi market.

Our relation with InfoCom Corp. dates back to the early 1990 as a source most for our computer and telecommunications needs, With no doubt, InfoCom has contributed a lot to our success and we relay heavily on their services especially their technical capabilities and credit terms. We look forward for a stronger relation for the coming future.

Sincerely

Hisham Zahid

Managing Director



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SW144 0000539



الشركة التطبيقية لخدمات الحاسب الالى

Applied Computer Services Company



30 January 1996

TO WHOM IT MAY CONCERN

We have the pleasure in certifying that we Applied Computer Services Company (HASIB) are doing business with InfoCom Corporation of Dallas, Texas for over 10 years. We always found them competitive in pricing, punctual in delivery schedules, and reliable in after sale service and technical support. We are also enjoying the credit facility from InfoCom Corp.

This certificate is issued without any responsibility on HASIB.

IBRAHIM AL-NEGHAIMISH
General Manager

P.O. BOX 6800 RYADH - 11644 KINGDOM OF SAUDI ARABIA FAX: 4634485
HEAD OFFICE TEL: 4631700
HASIB TRANS-INFOCOM COMPUTER NETWORK TEL: 4637700
PROFESSIONAL COMPUTER CENTER TEL: 4637711
HASIB INSTITUTE FOR TECHNICAL TRAINING TEL: 4637712
DOCUMENT REPRODUCTION & PROGRAMING CENTER TEL: 4634135

ص.ب. 6800 الرياض 11644 المملكة العربية السعودية فاكس: 4634485
الامارة (العامة)
شبكة حاسب المركزية عبر المملكة
مركز الحاسب الشخصي
معهد حاسب الالى والكهرباء الالكترونية
مركز معالجة الوثائق والمنطقات
البرج. ح.م.م. طابون 46 11644



الانظمة المتحدة
united systems

Microcomputer Systems & Supplies

To Whom It May Concern

Dear Sirs,

We "United Systems" the authorized Apple Center and sole distributor for QMS printers in Egypt, had the honor to cooperate with InfoCom Corporation in Egypt as a trader and supplier for computer and Information Technology Systems and peripherals, since 1990.

During the last 6 years, InfoCom. has never failed to supply us with the best services, technical supporting addition to the competitive prices and credit terms.

Best Regards,

Sherif Khattab
General Manager
Sherif Khattab

ش السد العالي - القلي - جيزة / ت ١٥٧٠-٣٣٥ - ٣٣٥٣٤٦٢ - ٣٦٠٣٥٧٧ / فاكس : ٣٦٠٩٧٨٧
J El Sad El Aly St., Tel. : 3350157 - 3353462 - 3603577 / Fax. : 3609787

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United International

Trading
Co., Ltd.



الشركة المتحدة العالمية

للتجارة

ذ م م

Ofaya Apple Center

مركز أبل الصلبي

Date : 30 Jan. 1996 .
To : To Whom It May Concern
From : Mr. Mansour Al-Naser

Dear Sir,

We have been doing business with Infocom for 4 years as a source for Our computer needs from the US . Infocom has helped our business a lot . They helped us fast response and competitive prices. The credit facilities That Infocom provided us with helped Our Company to grow. Infocom Technical staff was always helpful in meeting our needs. We wish Infocom the best.

Sincerely

Mansour Al-Naser
General Manger



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SW144 0000542

Almano & Partners W. L. L.

P. O. Box : 49, DOHA - QATAR
Telephone : 422690/1/2, 423499, 422221
Fax.: 439610
C. R. No. : 9134



المافع وشركاه ذات مسؤولية محدودة

ص. ب. : ٤٩ - الدوحة - قطر
تليفون : ٤٢٢٢٢١ / ٤٢٣٤٩٩ / ٤٢٢٦٩٠ / ١ / ٢
فاكس : ٤٣٩٦١٠
سجل تجاري : ٩١٣٤

Our Ref.

إشارتنا :

30 January 1996

To whom it may concern;

Letter of Recommendation

We are established trading and manufacturing organization in Qatar, having diverse business interests such as office automation, computers, office furniture, contract furnishings, consumer durables, soaps, detergent, toiletries and food stuffs.

In our computer business, we are the exclusive distributor for Apple computers in Qatar and also distributor for Acer PCs. We also deal with Supra Computers & Philips Computers in our computer line of business.

It is a great privilege to be associated with Infocom Corporation to whom we have been dealing for almost four years now for some of our computer requirements. During our association with them, we appreciate their prompt services in terms of delivery and technical support. We also enjoy reasonable prices and good credit terms from them.

This letter is being issued to Infocom Corp. for whatever purpose it may serve them without any liability on our part.



Mohammed Khalid Almano
General Manager

REF: OE/4687/RI/CEE/96

Paidup Capital QRs. 3,000,000

رأس المال ٣.٠٠٠.٠٠٠ ريال قطري

البنوك : تشاوتود بنك - البنك البريطاني للشرق الأوسط - أ. ان. زد. كرنديلز بنك

BANKERS : Standard Chartered Bank - The British Bank of the Middle East - ANZ Grindlays Ba.k

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SW144 0000543

InfoCom Corp.

Innovations in Computers & Communications

*This document contains confidential and proprietary information
belonging exclusively to InfoCom Corp.*

Bayan Elashi
Chief Executive Officer
14999 Preston Road, Building D212, Unit 566
Dallas, Texas 75240, USA
Telephone: (972) 644-5363, Fax: (972) 644-8609
E-mail Address: bayan@infocomUSA.com
Internet Address: <http://www.infocomUSA.com>

This is a business plan. It does not imply an offering of securities.

Executive Summary

InfoCom Corp. is an established computer and communications reseller. It markets computer hardware and software, telecommunications products and consulting services globally. InfoCom has a confirmed backlog of sales orders exceeding US\$600,000, and is projecting an average 20% growth in sales per year in the next five years with a corresponding average increase in net income. InfoCom plans to increase its sales from \$5.7 million in 1995 to \$14 million by the year 2000.

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Section One

The Business

Description of Business

InfoCom Corp., an established computer and communications reseller, markets computer hardware and software, telecommunications products and consulting services globally. At present, about 90% of its sales are to overseas computer and telecommunications dealers located in Saudi Arabia, Egypt and Kuwait, and the remaining 10% are to domestic customers. InfoCom plans to expand its current customer base to include dealers in United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan and to increase the overall domestic share of its sales to 20% by the end of 1996. Continued diversification of the markets it serves will decrease its dependence on any one country or customer, and enhance InfoCom's competitive advantage.

InfoCom Corp. was formed in 1992. Because of its relatively diversified base of global customers, demand for InfoCom's products and services is not subject to fluctuations within any single country. In spite of some seasonality because of end-of-year purchases, a backlog of \$600,000 in booked orders is constant and increasing. We are confident that our sales will continue their upward trend given the excellent quality of our products and services. In the future, we should be able to continue offering products and services of exceptional quality both because of our strong in-house technical expertise and the United States's domination of the global computer and telecommunications industry.¹ Given our personal rapport with our customer base and our understanding of their needs, we have made it a policy to ship our goods promptly and on very flexible credit terms.

Mission/Philosophy

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. We sell customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

We believe that our primary responsibility is to our customers, and we are committed to their total success. Hence, our products and services are priced competitively, delivered promptly, supported expertly and financed conveniently. We are dedicated to meeting our customers' computer and telecommunications needs as innovatively and as responsively as possible.

¹ US Department of Commerce, Economic and Statistics Administration, *US Global Trade Outlook 1995-2000*.

Product/Service

InfoCom offers a complete line of popular brand name computer and telecommunications products and services. We are committed to providing our customers with the highest quality computer systems and networks as well as telecommunications equipment backed by uncompromising service and support.

Computers systems & Networking equipment and services:

InfoCom is an authorized dealer for many well known computer hardware and software manufacturers such as Hewlett-Packard, IBM, Apple, NEC, AGFA, Toshiba, DEC, Compaq, Novell, Lotus, Oracle and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Computers:** servers, workstations, desktops, laptops, and notebooks
2. **Multimedia:** Audio boards and components; video cameras and accessories; image scanners; voice input/output systems.
3. **Networking:** LAN boards, gateways/bridges, modems, network management and security, micro-to-mainframe products and fiber optics.
4. **Document storage and desktop publishing:** Image capture and compression devices; scanners; optical mass storage and output devices.
5. **Computer components:** batteries, memory modules, microprocessors, motherboards, power supplies, chipsets, keyboards, I/O boards, math coprocessors and cabinets/enclosures.
6. **Mass storage:** Hard disk, floppy, floptical, CD-ROM, tape drives, and optical drives.
7. **Monitors:** Monochrome or color, dual page or full page monitors.
8. **Printers:** Dot matrix, laser, inkjet printers with or without color capability.
9. **Software:** Business, communications, database management, educational, financial, graphics, operating system, and programming tools.
10. **CAD /CAM/CAE:** CAD Software, co-processors, monitors, digitizers, plotters and video boards.

Telecommunications products and services:

InfoCom is an authorized dealer for many well known Telecommunications manufacturers such as Mitel, ITT, Cortelco, Alcatel, Panasonic, Nokia, Ericsson, Northern Telecom, and Motorola. Here are the general categories of the products and services that we offer currently:

1. **Business systems:** Digital PABX, KSU, voice mail, IVR systems and call accounting.
2. **Telephones:** Feature phones, cordless phones, headsets, pay phones and cellular phones.
3. **Cables & Wires:** fiber cable, inside & outside plant, buried cables and armored cables.
4. **Pagers:** Pagers, Paging terminals and paging transmitters.
5. **Two way radio:** Mobile radio, portable radio, trunked radio, repeaters and towers.

InfoCom also offers both satellite as well as terrestrial communication products and services.

1. Satellite communications:

- a) **Products:** Earth Station Systems conforming either to INTELSAT, EUTELSAT, ARABSAT OR DOMSAT requirements; satellite news gathering; TV receive only;

transmit and receive television; direct broadcast systems; transportable or very small aperture terminals; video-conferencing systems; educational earth stations and single channel per carrier.

- b) **Services:** Program and project management; earth station design and engineering; satellite system design and engineering; in-house and on-site training.

2. **Terrestrial communications:**

- a) **Products:** Turnkey systems conforming to CCITT and/or CCIR requirements: microwave systems, troposcatter systems, fiber optic systems, cellular wireless systems, PCS wireless systems, coaxial cable systems, and cable TV systems.

- b) **Services:**

- i) Microwave, troposcatter and wireless systems: path consultations and surveys; site surveys, design and construction; tower design and erection.
- ii) Fiber optic and coaxial cable systems: loss budget calculations; route and site selection; site design and construction.

Internet Services

InfoCom Corp. offers the complete solution of Internet and intranet Web site hosting, access, strategic planning, development, consulting, education, and training. InfoCom, also, can deliver the best graphics, the most user-friendly and interactive programming, and the fastest operation, all strategically linked to your business goals.

1. **Hosting:** InfoCom offers a wide range of E-Mail, World Wide Web (WWW), and FTP hosting services. InfoCom offers Dedicated hosts, Shared hosts, Scalable bandwidth, backbone connectivity, and 24-hour continuous monitoring.
2. **Direct Connect Access:** InfoCom customers can get a dedicated connection to the Internet at speeds from 56 Kbps to 45 Mbps via T1 access, via T3 access or via Frame Relay platform.
3. **Web Site Development:** End-to-end design assures your Internet and intranet Web site conveys the mission of your organization, captures the attention of customers and potential customers, and is intuitive, helping visitors find what they need quickly.
4. **On-Line Commerce:** InfoCom can help companies set up and operate online storefronts or host multiple storefronts over the Internet. InfoCom services provides both flexible merchandising facilities to maximize selling impact and a powerful underlying framework to efficiently handle transactions and order delivery.
5. **Site Management and Marketing:** Once your site is designed, InfoCom will provide high-quality, management, and marketing service, including Security protection, through firewall, Managing the growth of your web site, Updating, Testing, Tracking and Advertising your web site.
6. **Refreshing:** A successful Web site is dynamic. Part of the InfoCom Corp. strategy is refreshing the look, content and interactivity of the site. As technology changes your site will be responsive to the demands of your customers.
7. **Technical Support:** A senior technical professional provides ongoing technical support to each and every client.
8. **Education and Training:** InfoCom provides education services to businesses and individuals on every aspect of the Internet and the Web. This includes training on such

technical topics as access and development, and business subjects like on-line marketing and leveraging intra-business communication.

9. **One-Stop Source:** InfoCom has partnered with world-wide leaders in telecommunications and technology to a single point of contact to establish an online presence, from getting top Internet access and e-mail services, to the best hardware and software products. One company, InfoCom Corp., for a state of the art, results-oriented Web site..

Description of InfoCom's Market

InfoCom will continue to sell computer and telecommunications products and services to international customers. In order to reduce our dependence on any one country, we plan to serve a larger number of countries in the Middle East instead of depending primarily on customers located in Saudi Arabia, Egypt and Kuwait. Future targeted foreign markets include United Arab Emirates, Qatar, Bahrain, Oman, Yemen, Jordan, Syria, Lebanon, Indonesia, Turkey, Tunisia, Algeria, Morocco, Kazakhstan and Uzbekistan.

Our goal is to provide the most innovative and customized computer and telecommunications services to a diversified international customer base. Based upon 1995 market assessment surveys by the IDC, the computer and telecommunications market in the Middle East will grow by 10% with a potential growth of 26% from 1996 to 1997.

Customers will be attracted by:

- our in-house expertise in all the products and services that we sell,
- our convenient credit terms,
- our strategically convenient location and access to the most recent innovations in our product and service areas,
- our personal marketing and customer service relationships, and
- our excellent customer goodwill developed since 1992 and previously.

Marketing Information

At InfoCom, we believe in building personal, enduring relationships with our customers centered around superlative service. The following table contains a summary of our current primary customer base by country, and indicates the level of diversification of our sales.

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	1993 SALES (%)	1994 SALES (%)	1995 SALES (%)	Number of Customers (1995)
CANADA	5	5	5	5
EGYPT	14	15	16	26
GERMANY	2	0	1	2
JORDAN	10	7	7	8
KUWAIT	19	13	16	15
LEBANON	1	1	1	2
MALAYSIA	1	1	1	3
QATAR	10	7	2	8
SAUDI ARABIA	18	26	27	60
YEMEN	4	5	5	4
USA	5	10	10	51
OMAN	3	0	1	2
SYRIA	3	5	5	1
UNITED ARAB EMIRATES	5	5	3	2

Appendix B lists each of our prospective markets in the Middle East and their projected growth in the next two years. Appendix D contains letters of reference from our customers describing their high degree of satisfaction with us.

InfoCom consistently tracks new customers through Computer Arabia and Middle East PC. It is in constant contact with the US-Arab Chamber of Commerce and with the appropriate commercial attaché of foreign embassies. Our typical customers are major players in their markets. Here is a sample of our international customers and the address at which they can be contacted for further reference:

COMPANY	ADDRESS
United Systems	El Sad El Aly St Dokki, Giza, Egypt
OFOQ Information System & Communications	P.O. Box 3828 Jeddah 21481, Saudi Arabia
Zaid Al Kazimi Sons Trading Co.	P.O. Box 30 Hawalli 13001, Kuwait
Jamjoom Advanced Technology Est.	P.O. Box 1247 Jeddah 21431, Saudi Arabia
CITE, Cairo Information Technology & Engineering	P.O. Box 1026 Cairo, Egypt

Location of Business

In 1992, InfoCom Corp. was established in Richardson, in North Dallas, Texas. Dallas was selected because it has the third largest concentration of high tech companies in the United States after California's Silicon Valley and Massachusetts's high tech corridor. Richardson itself was selected because it has the highest concentration of telecommunications companies in the USA, and is closely located to the Dallas/Fort Worth (DFW) International Airport, a key shipping hub to overseas markets. The strategic location of InfoCom has allowed it to take advantage of the booming Texas economy, the favorable business climate in Dallas and the abundant supply of skilled labor force from the University of Texas System. The proximity of the DFW Airport as well as other logistical services have enabled us to deliver the latest products and services to key customers overseas faster from the US than if we had set up a warehouse in or closer to our overseas market areas.

InfoCom Corp. is currently renting a one-story building covering approximately 9,000 square feet. It houses all divisions of the company, including administration, engineering and design, service, sales and the marketing staff. A graphical layout of the building space occupied by InfoCom and a flowchart illustrating the workflow pattern underlying the firm's activities are included in Appendix E.

Competition

At present, competition within the customized niche occupied by InfoCom is nonexistent. The advantages conferred by our location, in-house technological expertise, prompt customer service, convenient credit terms, cultural and language similarity are as yet unmatched. Outside InfoCom's niche, retailers have focused on providing commodity-like computer hardware and software products with very little support and without attention to the latest advances in technology. By contrast, InfoCom's innovative and customized solutions are in great demand as witnessed by our usual backlog of \$500,000 to \$600,000. Please, see Appendix D for a sample of letters from our customers reflecting how much they value our total package of products and services accompanied by uncompromising pre- and post-sales technical support.

Management

Appendix C contains the organization charts showing the current structure of InfoCom and the allocation of task responsibilities. The section below describes the background and expertise of key management and personnel people.

Bayan Elashi, CEO

Bayan Elashi is the founder and Chief Executive Officer of InfoCom Corporation. Bayan has more than ten years experience in the computer industry. He was the founder of Alraed Computer Company, the first business firm to introduce Arabic computers to the Arab world. That company was later sold to a group of Saudi investors. Bayan has earned a Masters degree in Computer Engineering, with specialization in computer architecture from Purdue University. He also spent two years in the Ph.D. program at both Purdue University and the University of Southern California. He has taught both at the University of Southern California and at California State University in the area of operating systems design, database design and artificial intelligence. His current responsibilities at InfoCom include strategic planning as well as evaluation of new products and services to be offered to our customers. He is also in charge of the design and setup of the Internet services being offered by InfoCom.

Ghassan Elashi, Vice-President, Marketing

Ghassan Elashi is the Vice-President of Marketing at InfoCom Corp. He has more than ten years work experience in accounting and finance. He has earned a B.A. in accounting and a Masters of Business Administration from Miami University, Miami. He has acquired in-depth expertise as an accountant, eventually serving as Chief Financial Officer of Research Computers Technology Corp. (RCTC) in Los Angeles, California. He then became sales manager for International Computer and Communications in Los Angeles. He moved to join InfoCom Corp., serving as its marketing and sales vice-president since 1992. His duties include formulating and implementing the marketing and sales strategic plan for the sale of computer and telecommunication products overseas. He is currently involved in the market research efforts necessary to maintain and expand InfoCom's international customer base.

Personnel

Basman Elashi, Logistics Manager

Basman Elashi earned a Bachelors degree in Mechanical Engineering from Western Michigan University. He joined International Computers and Communications in 1987, and has acquired extensive experience in shipping logistics both by air and by sea. Current responsibilities at InfoCom include managing our shipping operations by air and by sea.

Ihsan Elashi, System Consultant, Apple Products

Ihsan Elashi earned a Masters degree in Computer Science from the University of Miami, Miami, Florida. He worked as an instructor in the Computer Science Department at this university. He has extensive experience in teaching database management and MIS. He has also worked as a senior systems programmer for the University of Miami. He joined International Computers and Communications in 1989. His current duties at InfoCom include the sales and support of Apple computer hardware and software.

Hazim Elashi, Manager of Personal Computers Division

Hazim Elashi earned a B.S. in Computer Systems Engineering from the Oregon Institute of Technology. While working on his college degree, he acquired substantial experience at several computer companies. He joined International Computers and Communications in 1988. Since then he has attended Novell Netware and Corteclo Digital PABX training classes and received additional training in hardware maintenance and repair. He has been in charge of the production of PCs, and has analyzed, evaluated and integrated hardware/software products. He heads the technical support section, conducts system analyses and helps customers streamline their operations.

Saleem Reza, Local Sales Manager

Saleem Reza has a BBA in marketing from Purdue University. He has worked with Microage, earning experience in sales, support, and training. He has negotiated sales with local and state schools as well as colleges and universities. At Microage, he acquired 8 years of managerial expertise. He has developed management training programs. At InfoCom, he is in charge of developing new accounts and expanding the client server application software market. He oversees service and support agreements, and creates training programs for customer service. He also works on marketing plans for LAN-WAN sales, and prepares the budgets for advertising and other marketing-related campaigns.

Mohammad Nabil Salah, Telecommunications specialist

Mohammad Nabil Salah graduated from the University of Toledo, Ohio, with a Bachelor of Science in Electrical Engineering, with a minor in biomedical electronics. He has had extensive experience in Telephone systems, KSU and PABX. He has also acquired experience in troubleshooting telecommunications hardware during his two years with Nu-Tel Communications. He is currently the manager of the Telecommunications Department and a sales engineer at InfoCom.

Monzer Taleb, Multimedia Product Specialist.

Monzer Taleb graduated from the University of North Texas, Denton, with a Bachelor of Science in Computer Science, with a minor in Business Administration. He has developed several software packages including payroll, general ledger, and purchase order processing. He has also

acquired experience in training users in using various hardware and software products. He is currently in charge of multimedia products sales at InfoCom.

Samer Suwwan, Accountant

Samer Suwwan graduated from the University of Texas at Dallas with a Bachelors of Science in Accounting--Cum Laude. He has studied financial, cost and managerial accounting as well as auditing and taxation. He has had 4 years of experience in book keeping, tax filing, as well as payroll and bank reconciliation with Rapid City Valet. Current responsibilities at InfoCom include: book keeping, tax filing, as well as payroll and bank reconciliation.

Lima Dajani, Internet Web pages Designer

Lima Dajani graduated from the University of California, Los Angeles, UCLA, with a Bachelor of Science in Biochemistry, and a strong background in computer programming. She has extensive experience in graphics design, page layout, color separation, HTML programming and CGI programming. She has been with InfoCom since 1992. She is currently in charge of Web page design for our Internet customers.

Hamdan Abidov, Sales Manager, Former Republics of the Soviet Union.

Hamdam Abidov graduated from Tashkent State University, Uzbekistan, former republics of the Soviet Union. He has a degree in International Business. He was in the top 10% of his class, with a GPA of 3.81/4.0 . He has extensive experience in computers. He has also acquired experience in customer support, troubleshooting computer hardware and software during his two years with Stream International and College of Business Computer center. He is currently leading InfoCom's efforts to penetrate the computer and communications market in the former Republic of the Soviet Union, starting with Kasakhstan and Uzbekistan.

Wafa Murad, Marketing Support Manager

Wafa Murad graduated from the University of Mecca, Saudi Arabia, with a Bachelor of Science in Mathematics, with a minor in Computers. She is the marketing support manager. She is currently in charge of monitoring the market in the Middle East to identify potential customers for InfoCom.

Fairouz Elashi, Vendor Relations and Projects Scheduling

Fairouz Elashi graduated from the University of Ain Shams, in Cairo, Egypt, with a Bachelor of Science in psychology. She is in charge of vendor relations, and projects scheduling as well as cost control.

Summary

InfoCom Corp. is a diversified, multi-industry, global corporation with strong marketing capabilities, technical skills and entrepreneurial policies. It sells customized computer and telecommunication solutions to value-added resellers as well as corporate and government buyers worldwide.

Careful analysis of the potential market in the Middle East and North Africa reveals unfulfilled demand for customized products and services both in the computer and telecommunications industries. Infocom's longstanding reputation for quality service, prompt delivery, technological expertise and convenient credit terms will help secure a sizable portion of the computer and telecommunications markets. The personal relationships developed by top management as well the in-depth understanding of the local culture in the overseas markets will provide an even greater competitive advantage over mass-marketers.

Section Two: InfoCom Products and Market

Appendix A: Brochures of InfoCom's Product and Service Offerings

- 1. Delivery and Distribution*
- 2. Computer Systems and Networking*
- 3. Computer Replacement Parts*
- 4. Telecommunications and Security*
- 5. Telecommunications Replacement Parts*
- 6. Satellite Communications*
- 7. Internet Services*
- 8. Manufacturing*
- 9. ICC Innovations*
- 10. Voice Expert Hardware and Software*
- 11. Industrial Applications*
- 12. Financing*

Appendix B: Market Analysis

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