



LEADERS TO FOLLOW

New Opportunities for Central European Investors

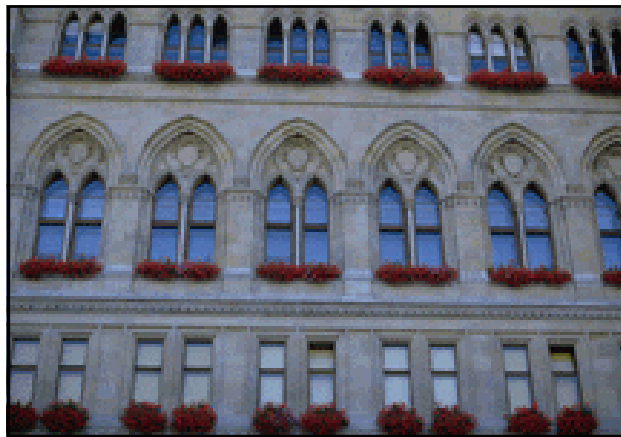
The opening of Central Europe to the competitive world economy which followed the 1989 collapse of communism resulted in unprecedented opportunities and many success stories, along with some outright financial disasters. Moving from protected artificial markets to the tremendous challenges of world business competition left many Central European companies behind. They could not adjust their thinking and practices quickly enough to survive.

Yet some Central European companies did survive and even thrive, with significant help from world business leaders, including the United States. In 1992 the International Leadership Institute launched the first U.S.-based executive education program specifically tailored for Czech business leaders. The goal was to help them privatize their businesses, just emerging from forty years of state ownership.

Simple and daring

The original concept was both simple and daring. Central European business executives, whose companies had proven expertise in making products but not selling them, urgently

needed training in marketing, product development, and pricing, sales, corporate finance, human resources, management, logistics and distribution and other standard practices of a free-market economy.



Institute executive education programs were developed to equip these executives from the Czech Republic, Slovakia, Lithuania, Croatia and Romania with the knowledge, attitude and resources required to anticipate and deal effectively with changes and challenges in a competitive business environment.

Seven years later

Nearly seven years later, the more than 300 Institute "graduates" of these executive education programs have, in

many cases, assumed leadership roles in their transition economies by successfully implementing what they learned in the U.S. and applying these techniques at home.

In the Institute programs the key "tutors" were leading American executives from firms which could illustrate successful business practices in action. Through the Institute programs, Central European and American executives became friends —to p. 2

October European Visit a Success

In October Institute President Jarda Tusek met with potential Czech investors (corporate and individual) to discuss their needs and wishes in terms of secure investment opportunities in the U.S.

Several attractive opportunities have already developed, involving prominent Czech firms that

can appreciate this new way to safely grow their money.

In early 1999, visits to America will commence, giving Czech executives access to unique investment opportunities.

In Europe, Mr. Tusek also met with Czech and German clients from past programs who are seeking opportunities for ca-

reer advancement through further study in the U.S.

In 1999, the Institute's planned focus on providing investment and educational opportunities will be expanded to Albania, another former soviet-bloc country, which has recently elected a new, non-communist government..



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The International Leadership Institute is an American-based firm dedicated to assisting top executives in business leadership development.

Since 1991, the Institute has provided programs and services designed to bring together business executives in the United States and Central Europe, with the goal of enabling them to develop mutually-beneficial and productive business relationships. More than \$1 billion of business has been transacted through Institute participants.

New Opportunities for Central European Investors—*continued*

Business associates. Many of the more than 800 participating American executives have reaped benefits far beyond their imagining, as they tapped newly-opened markets and found customers in Central Europe.

More than \$1 billion in joint ventures, contracts for supply of products and parts, and export/import activities have so far been generated through Institute graduate and their American counterparts and mentors. Participating firms have partnered for specific projects, created foreign subsidiaries and acted as liaison in countless business activities. Many of these projects are still in effect and new ones are being created as business needs and opportunities change both in the U.S. and in Central Europe.

Limits to growth

However, some limits to business growth and profitability are now being felt in Central Europe. Unlike American public corporations which are run by stockholders who hold top management accountable, Central European firms are still often completely in the hands of managers and owners seeking quick profits, not long-term growth. The sophistication and power of the American stock market has not yet

been seen, for example, in the Czech stock market where lack of transparency and poor returns, joined with a falling crown and great losses in investments in the Russian stock market, have left the Czech stock market relatively weak.

Yet Czech firms need both outside investors and safe places for their funds to be invested. Increasingly they are looking at the American stock market, but have well-justified reservations about putting their funds in that stock market. Czech investors seek stability, a steady growth of their money and security—all benefits that the American stock market cannot promise.

Investment Opportunities

Recently the Institute has been responding to requests from Czech executives for profitable and timely investment opportunities. Institute officers have been fortunate in finding American firms eager to provide secure, stable investment opportunities which can help Central European companies gain growth, steady expansion and an important place in the world economy.

At the same time, the Institute continues to broker opportunities for American firms to invest in Central European firms which have good potential for profitability but are in need of financial resources. The Czech business scene, not yet geared to long-term investments, offers virtually no long-term (five years or more) business loans at a reasonable rate of interest. This opens an excellent opportunity for foreign investors to offer need capital in the form of loans, joint ventures and other provision of resources.



The Institute, having given these Central European executives their initial boost into the highly-competitive world economic market, now focuses in helping these executives make sure their companies will endure, prosper and provide the stability needed for modern economic development in Central Europe.

European and American executives who would like to be part of this interchange can contact the Institute at the above address.