



MUSIC

Delivering the Technology

February 2008



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The Global Picture

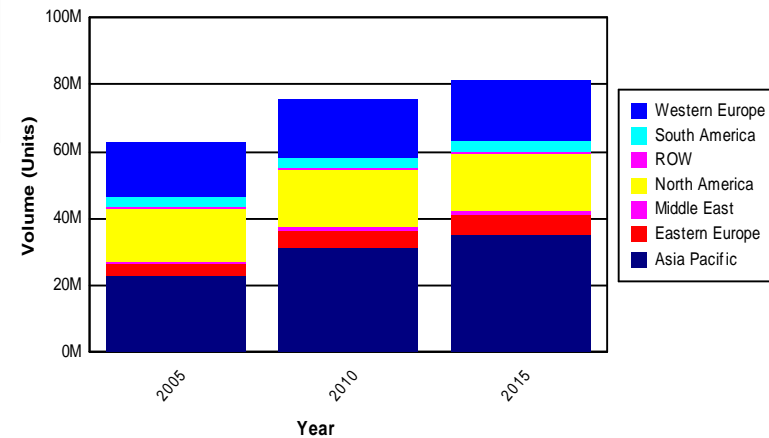
A reminder

- Global light vehicle production
 - 63m in 2005 (77% G)
 - 81 m in 2015 (64% G)

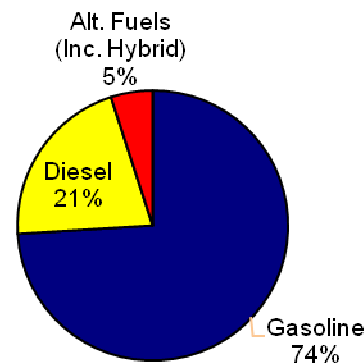
- Key drivers (for fuel choice):
 - Market mix
 - Emissions
 - Fuel economy
 - Cost

- 90% of vehicle production controlled by 13 manufacturing groups

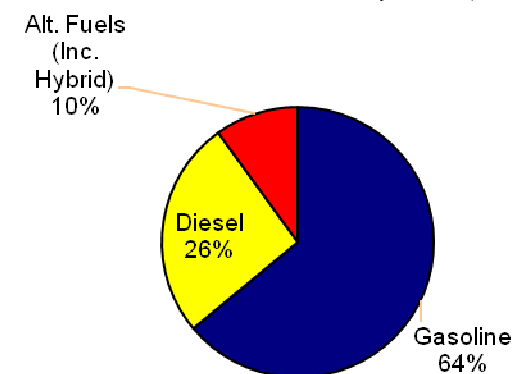
Vehicle Production by Region 2005-2015



Global Vehicle Production by Fuel (2005)



Global Vehicle Production by Fuel (2015)

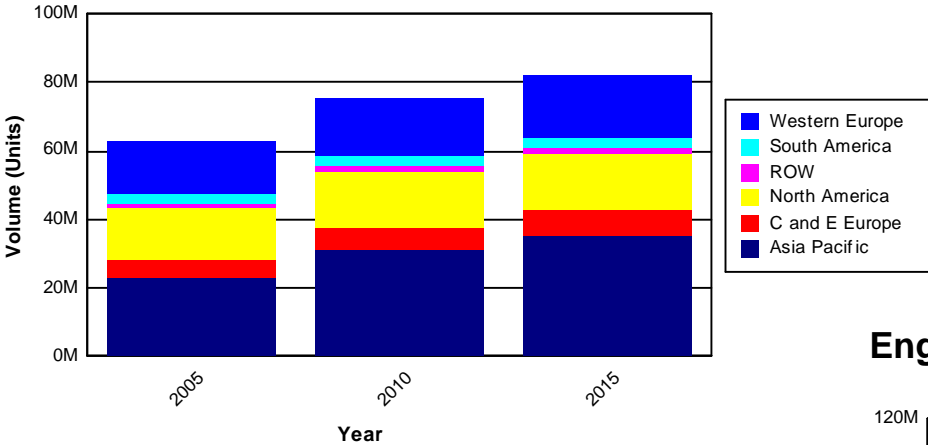


Source: KGP Global Light Vehicle Engine Production 2006

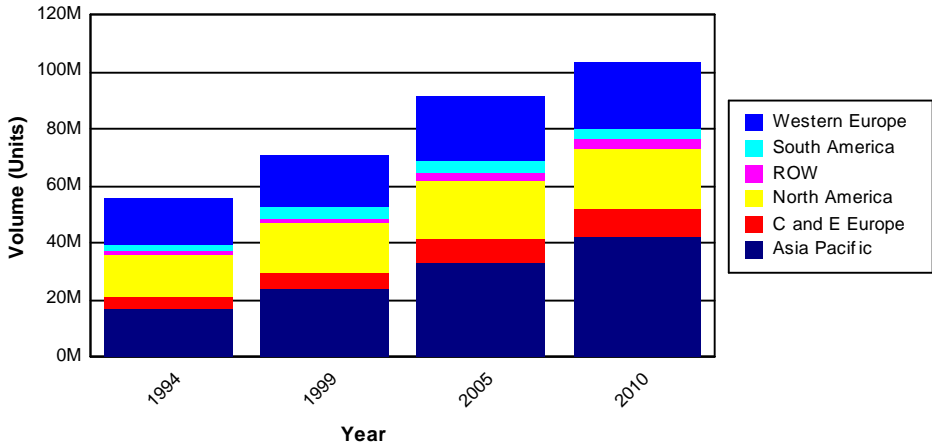


Engine Production

Engine Production by Region 2005-2015



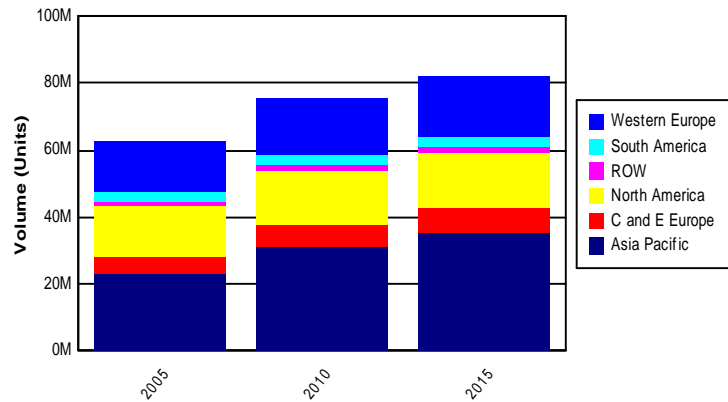
Engine Production Capacity by Region 2005-2010



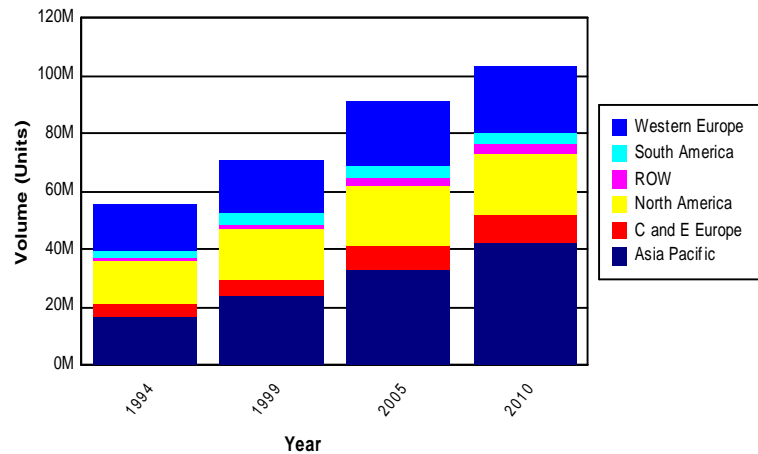


Engine Production

Engine Production by Region 2005-2015



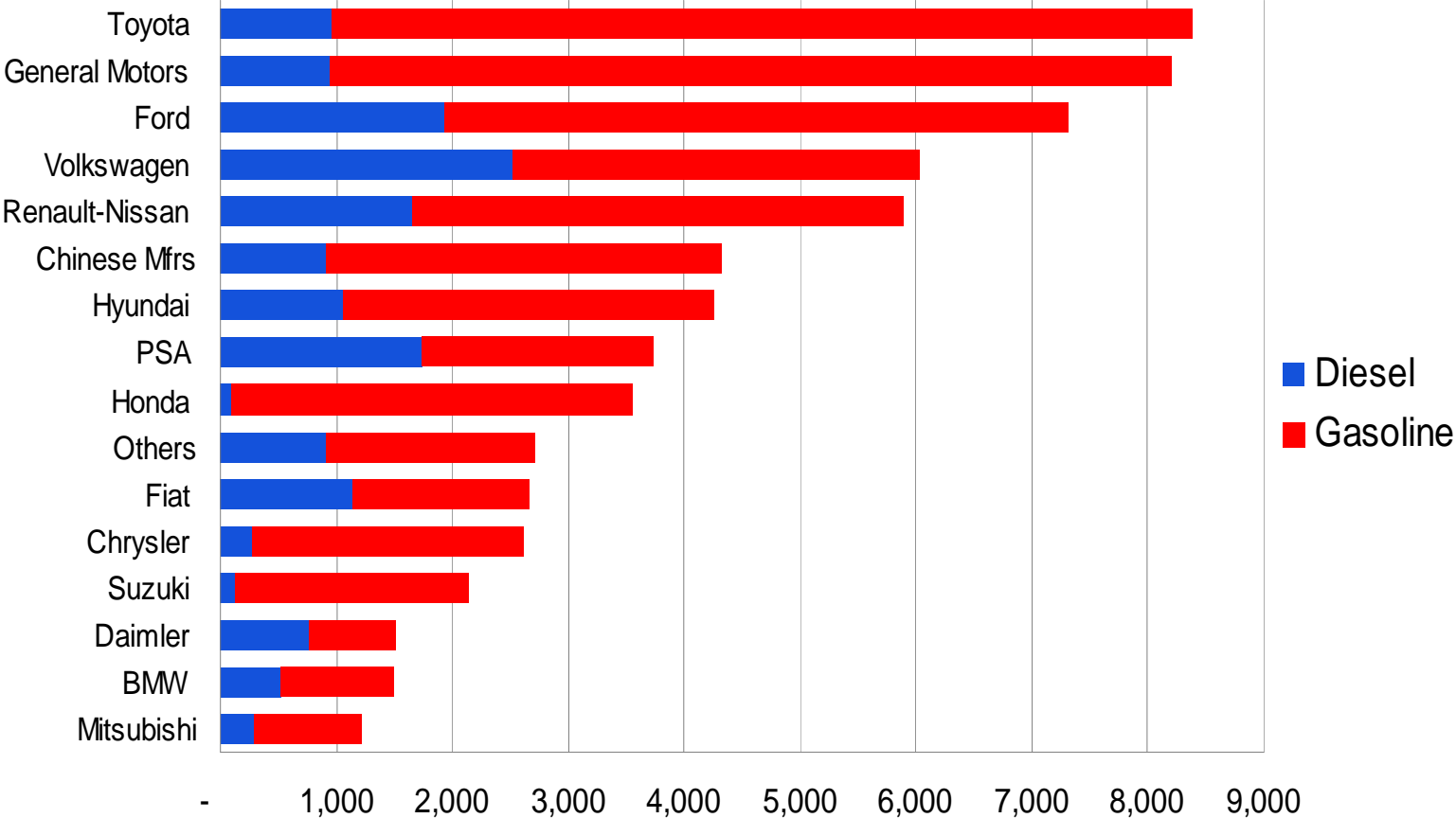
Engine Production Capacity by Region 2005-2010



- Production by region
 - Growth in Asia-Pacific (excluding Japan) dominates
 - Largely based on Western designs
 - Low cost, robust technology required for China, India and other key growth markets
 - Adding capacity rapidly
 - Considerable over-capacity worldwide



Global Vehicle Production 2007 by Fuel



Source: J D Power Automotive Forecasting / KGP analysis



Intellectual Property

- The Technology will be licensed for global production – there is no intention to manufacture



IP

- The technology is well protected by IP
- Historic IP protection covers 32 countries including
 - Europe
 - China
 - US
 - Russia
 - Japan
- Latest IP is still at PCT stage with Global coverage



Flexible Business Model

- Straight Licence
- Master Licence
 - Regional
 - Vehicle / Engine Groups
 - etc.
- Joint Development Licence
 - In-customer development centre
 - MECD facilitated development centre



Delivering the Technology

- MUSIE Engines Commercial Development Limited (MECD)
 - Development licenses / contracts from mid 2008
 - Full production licenses from late 2008
 - Details negotiable
- Preliminary enquiries welcomed from now



Commercial Enquiries

All commercial enquiries to be addressed to:

Brian Knibb

Chairman & Managing Director

Knibb, Gormezano & Partners

The Old Vicarage

Castle Donington

DERBY DE1 2JB

UK

T: +44 1332 856 301

F: +44 1332 856 302

brianknibb@kgpauto.com