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“MISTER” - Business Plan Overview & INVESTMENT OFFER FROM MISTER Ltd, POLAND

www.mist-er.com

EXECUTIVE SUMMARY

“The better and simpler WAY for public and goods transportation in the cities.”

Elevator Message :

- *MISTER is the answer for every city in the world with traffic jam and transport problems.*
- *Patent pending invention, experience and know-how to make it happen on grand scale.*
- *Business based on an outstanding financial and social benefits.*

MISTER Ltd. has been qualified by high tech EU development programs to receive US\$ 10M support for its R&D and certification track in Opole, Poland. However to receive these funds, it must rise matching investment from private sources.

To rise these funds, MISTER decided to offer private investors a DISCOUNTED option to purchase pre-emptive license rights to future profits of MISTER systems, on country by country basis.

See more detailed INVESTMENT OFFER at the end of this document.

Highlights :

In general, MISTER System offers the following advantages to investors:

1. **Huge market potential** (world-wide appeal, mass market need of a necessary service with low pricing).
2. **Experienced Management Team.**
3. **Technology differential** (patent pending for core product elements plus innovative software technology).
4. **High barrier to competitive entry** (technologically advanced with unique business & R&D model).
5. **Close co-operation with major** Technological Universities and high-tech manufacturing plants in Europe.
6. **Access to inexpensive yet highly educated** and skilled technical resources in Europe.

Topics:

1. PRODUCT – individual, safe, fast, ecological and super energy efficient public transportation system.
2. MARKET ANALYSIS – a minimum of €200-400 billion per year and growing.
3. INDUSTRY and COMPETITION - no commercial systems yet, and **MISTER is clearly superior** to those 3 in development.
4. FINANCIAL –very high ROI after 3-5 years of operation and growing annually at least 30%+
5. MANAGEMENT & COMPANY – highly experienced team
6. Current INVESTMENT OFFER

A report from Dec 2008 by one of the World largest and most reputable market research companies, Frost & Sullivan, titled: „Executive Analysis of the Global Emergence of Personal Rapid Transit Systems Market”, leaves no doubt as to the size and growth of PRT World market. It assesses it to be worth some \$7 Trillion over next 3 years. It speaks for itself and is much larger than our humble estimates.

Dec 2008 - Polish Minister of Environment, prof. Nowicki, expressed his full support in August 2008 for MISTER project. He allocated exhibition space for MISTER stand at the world's largest UN Climate Change (COP14) in Dec 2008, which was hosted in Poznan, Poland.

Ministers visited MISTER stand on **"Technologies for climate protection"** exhibition.



(left) **Deputy Prime Minister and Minister of Economy - Waldemar Pawlak** as well as **Minister of the Environment and President of the Climate Conference COP14 in Poznań - prof. Maciej Nowicki** (below) - put their signatures on MISTER vehicle.



(right) Prof. Maciej Nowicki stated at the COP14 website: The exhibition is a unique event on a world scale, as it presents a whole spectrum of possible technical solutions designed to protect the climate of the Earth. The selection of exhibits was very rigorous and lasted many months. Drawing on his knowledge and experience gained over many years, Minister Nowicki gave his personal opinion on all the proposals.

"Only the most important and most spectacular human achievements were qualified for the exhibition." (Prof. Maciej Nowicki)



Left: Dutch Minister of Environment – Ms. Jacqueline Cramer – visited MISTER stand and also signed MISTER vehicle.



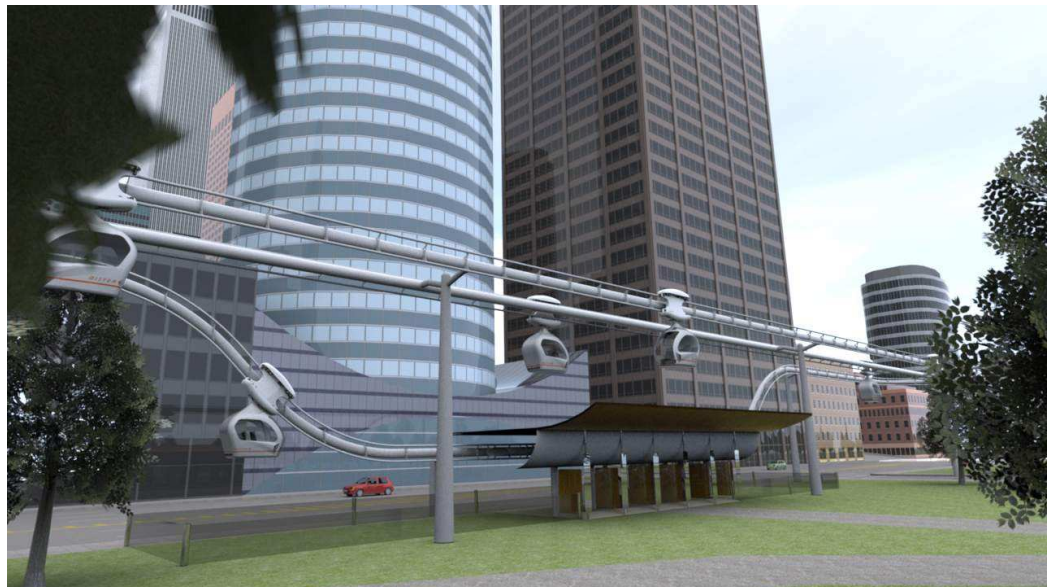
MISTER prototype demonstrated in Opole City square in Sept 2007

Business Plan Overview

1. PRODUCT

METROPOLITAN INDIVIDUAL SYSTEM OF TRANSPORTATION ON ELEVATED RAIL **MISTER**

MISTER is a private system for public and cargo transportation within cities, across centres and suburbs. It is driven by demand and individual commuting requirements. It is extremely ecological in production and operation and high capacity,



capable to replace even subways, not to mention tramways, buses and private cars. MISTER avoids problems inherent in such current city transport systems. At the same time all economical and functional parameters are greatly improved in comparison to those.

MISTER is a new, innovative public transportation system for cities where small (taxi size), **fully automatic, driverless vehicles** (or Pods) travel independently suspended under an overhead network of light guideways, some 10 m above street-level. All trips are only on passenger demand and cater for individuals (families or friends - max 5pax per vehicle), therefore providing personal safety. Trips take place from a point of embarkation to any destination point without any intermediary stops and with an average speed of some 50 km/h. Stations are off-line (like petrol stations on motorways), therefore they do not obstruct the flow of traffic on the main guideways. The ticket cost is that of a bus fare and the Pods are available without waiting. Rides are safer than by airplane, which is the safest travel mode today..

How is MISTER better than the competition?

Because it :

- **has a better design, functional and operational parameters.**
- **is cheaper to build, operate and maintain.**
- **is a high capacity system design (critical for profitability).**
- **is the most energy efficient of all PRT-s.**
- **is supremely ecological, with energy self-sufficiency in the next few years.**
- **has capability of dual mode and intercity operation in the future.**

More information on <http://www.mist-er.com>

2. MARKET ANALYSIS

Target – All cities with population over 50,000 (yes, such small cities - <http://www.docstoc.com/docs/21015611/Benefits-and-Costs-of-a-PRT-Network-in-59-Swedish-Cities>), holiday centers or tourist attractions anywhere in the world. We are already in discussions with the several additional cities, regarding possible development of MISTER systems there.

Market - worldwide – our rough estimate shows it to be worth at present at least €200-400 **billion** per year and growing fast. Some sources say that city transport constitutes 1-2% of GDP, which is therefore higher than our estimate.

A report from Dec 2008 by one of the world largest and most reputable market research companies, Frost & Sullivan, titled: „Executive Analysis of the Global Emergence of Personal Rapid Transit Systems Market”, leaves no doubt as to the size and growth of PRT world market. It assesses it to be **worth some \$7 Trillion over next 3 years**. It speaks for itself and is much larger than our humble estimates.

MISTER's 10 year aim is to control 1 to 5% of city transportation market in the countries, where it will be operating.

Ticket price for this market is a crucial consideration, as it is highly regulated and heavily subsidized by Governments. But MISTER can turn around this situation and from drain on public money, can become high income and high profitability business, therefore being even more attractive option to city governments. Offloading the subsidy burden from Gvmt shoulders should help in acceptance of MISTER.

Our Financial-Analysis shows, that MISTER can make at least 30-50% net profit on charges of some €0,20 per km with a ceiling of €4. Such charges are far less than ticket costs for comparable city rides in most cities in the developed countries, hence will guarantee high patronage, increasing profitability.



Since the comfort, speed and safety will be comparable or better than a private cars, therefore at such low costs there seems absolutely impossible for people NOT to choose MISTER, as their city transportation means. Those who are traveling today by car, are doing so, only because they can afford the costs and prefer sometimes slower but more comfortable and accessible transport than

public systems. Those who are traveling by public transport are doing so because they cannot afford the car or delays in traffic jams. If a totally NEW, yet much better and inexpensive option appears, there will be no other viable option for most people than to select MISTER.

Last but not least, MISTER will provide a very sizable revenue source from advertising and related media services as well as goods delivery to inner city businesses.

Media will be able to address more closely target groups and even involve them in the interactive dialogue during travel on MISTER, with many sales taking place “in the air”. Shops supply and refuse removal will provide substantial, if not main, revenue source. The charges for delivery of goods (in euro-containers) to many shops in the city centers will be numerous and even more profitable than passenger fares. The ability to use the same vehicles for goods delivery (but different stops) and surplus of vehicles (outside of rush hours) is of high importance to the overall system profitability.



And MISTER is also designed from the start for the future expansion for intercity traffic, and door-2-door city operation, which will enhance and prolong its life.

Growing number of cities begin to get interested in PRT solution to their transit problems. Cities like San Jose, Santa Cruz, Ithaca in the USA and others around the world, have issued or

are preparing to issue PRT tenders for pilot PRT systems. It further proves the rising of PRT awareness around the world.



3. INDUSTRY and COMPETITION

There is a competition but very scarce and in the early stages of the development. All systems, which are being built at present are inferior to MISTER in all aspects of technology, economy and functionality. And there is no competitive system in operation at present, although 3 are being built as commercial pilot schemas.

A small number of companies (~3) with PRT (Personal Rapid Transit) concepts in commercialization stage exist in Holland, UK and Sweden, but none of them succeeded in providing a fully fledged and commercially viable system yet. More importantly, none of them has a **HIGH CAPACITY** design and capability, not to mention door-2-door or intercity design, as MISTER does. And none of them has obtained Right of Way in any existing city, but **MISTER has obtained it already in 5 cities.**

Competitive designs have a number of drawbacks, as compared to MISTER.

But their emergence is good news, as those competitive projects have removed the main barrier to PRT concept acceptance, yet they will be no threat to MISTER, once we get our design to the development stage.



1

2

3

- 1. ULTra** – battery driven, heavy, tires, supported, complex control
- 2. Vectus** – expensive LIM propulsion (Linear Induction Motors), heavy, supported
- 3. 2getthere** – battery driven, heavy, tires, supported, complex control (similar to ULTra)

MISTER aims to win with competition by its NEW and SUPERIOR, yet SIMPLE DESIGN plus inexpensive, readily available technology and components.

Short of anti-gravity and teleportation, there are no other technological developments, which will be able to compete with MISTER design for decades, at least. Magneto-levitation is expensive and not commercially economical. Small aircraft will never become mass transit option, due to its energy consumption, therefore operating cost, not to mention capital costs, space requirements and safety.

People and goods will have to be moved in ever increasing numbers and distances. This is a guarantee for the expansion trends of MISTER systems in the future.

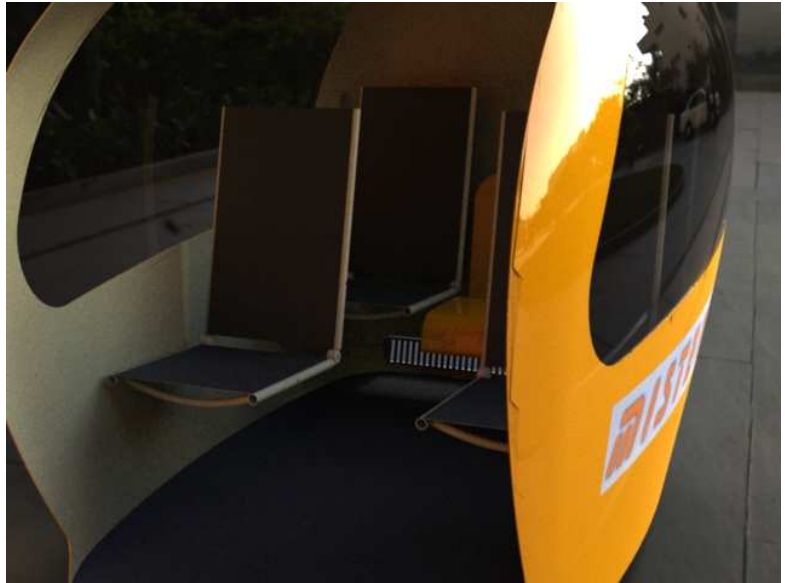
Aging population is another growth factor in favor of MISTER, as more old people will not be able to drive themselves around. This system will make them more mobile and safe.

4. FINANCIAL

Cost/Profit Analysis, based on various parameters, shows an excellent profit potential.

An 18-24 months certification track project will precede a 10 to 15 km commercial pilot system. Certification track will provide fine tuning of system design and automation, necessary for the next stage, i.e. pilot system.

First 10 to 15 km Pilot will require some 12 months to design and build, part of which will overlap with last phase of certification project. It will include some 60+ stations and 1,000 vehicles.



We take into account only a small percentage of utilization of the potential track capacity, starting from 10% and not exceeding 50% over a 12 to 16 hours per day, although system will operate 24x7.

In stage three, even at the most conservative assumptions of 20-30% system loading and 30-50 km of 2 way tracks in some 1st world countries like Japan, Europe or USA - ROI would be only some 1-2 years. It seems remarkable and indicates the potential of the MISTER system, as the major investment opportunity.

First profits are expected within first year of pilot system going operational. But if we succeed, as we should, in selling pre-emptive rights to a couple of national MISTER companies (see at the end), then the ROI will happen much sooner.

And if one considers, as we must, a further expansion of the networks plus exporting of the technology around the world, then even “**a small network of 1,000 km**” of 2 way guideways (this is the length of a system for larger metropolis), would yield at least a **€1+ billion of net earnings p/year**.

But the world will NEED much more than 1,000 km of such systems and our 10 year plan is aimed at building and directly managing 5,000 km, with many more under franchises.

Although the commercial ROI is quicker with increased investment amount, but it would seem prudent to go for a conservative investment for the 1st commercial system of initially some 10 to 15 km of 2 way tracks and 60+ stations, 1,000 vehicles, capable to carry **over 1 mln passenger-km p/day**

Subsequent commercial systems will have around 20 km of 2 way guideways and 100+ stations, 2,000 vehicles, capable to carry **over 2 mln passenger-km p/day**

While such 20 km system would cost around €100M, but they will provide for peak capacity similar to metro systems, at a fraction of a cost and time for building such a metro infrastructure. Subway development costs are at least €100 mln per kilometer and it is never profitable thereafter!

ALL of such investment funds for a 20 km MISTER systems as above will be obtained latter from banks and even partially subsidized from European Union funds, where billions of Euros are spent each year on infrastructure projects. Such unique and beneficial project as MISTER, would also likely invoke EU support, thus reducing costs and increasing profitability.

These days a hotel in any major city will cost more than the 20 km of MISTER system, while the profitability of MISTER is 5-10 higher.

5. MANAGEMENT & COMPANY

“MISTER Ltd.” Company was formed in 2007, based on the pending patents and design of Ollie Mikosza. All of the team members have corporate experience.

The Company will seek to develop all commercial systems in co-operation with subcontracted companies for all structural and mechanical work, while developing its own resources for software and automation elements of the projects.

There is already an agreement with several design/manufacturing and engineering companies which have offered to develop vehicles and infrastructure. There are also contacts maintained with a number of top engineers, who will become part of design teams.

Critical success factors will be the ability for a certification system to comply with specifications, and even before its full completion, to capture attention of cities around the world.

Founders Management Team (CV-s available upon request) :

Ollie Mikosza (President and CEO) - MSc. Degree in Computers and Electronics from Warsaw Technology University (Poland, 1974).

- *Executive & Manager, a strategic, tactical and **innovative** thinker, leader, results-oriented problem solver, motivator and negotiator.*
- *Over 30 years of hands-on experience in Business, Management, Systems Analysis, Design and Programming, Data Modeling & Warehousing within ERP, CRM, Telecom, Manufacturing, Banking and other major commercial environments, performance tuning as well as Web development and Databases.*
- *Servicing high tech, telecommunications, military, banking, commercial, manufacturing, retail, hospital, distribution and other industries.*
- *Extensive experience in business engineering, business administration, contract negotiations, financial analysis/control, applications, software development and consulting, project management, sales/marketing, organizational structuring, capital/asset procurements, recruiting/training.*
- *Working around the world, familiar with the cultural nuances and various customs of Europe, Africa, Asia and the United States.*

Dr R. Kajka (CTO – Chief Technology Officer) - PhD. From Warsaw University of Technology, Vehicle and Machinery Faculty.

Manager of design unit at an aeronautic corporation. Author and co-author of over 20 publications in the field of aeronautics with several diplomas for innovative technical projects.

A. Langer (VP IT and Automation) - MSc. from Warsaw University of Technology - Faculty of Technical Physics and Applied Mathematics, and from Warsaw School of Economics - Faculty of Business Information Technology .

Completed Management course at the Canadian International Management Institute. Managed e-learning department in a private training company, played a key role in development of IT framework at the Ministry of Finance, also worked for Norwich Union and Ericsson.

6. Current INVESTMENT OFFER

The following options of pre-emptive rights are offered as the license fees indicated and are related to the given country MARKET size and profits over a longer period of time.

Economic estimates give city transit market as 1-2% of country GDP.

If so, then even a mid size developing country like Poland, with a GDP of €300 Bln, would yield a city transit market of €3-6Bln, while USA, with a GDP of some €10 trillion has city transit market of some €100-200 Bln – per YEAR (see also Frost & Sullivan recent report: „Executive Analysis of the Global Emergence of Personal Rapid Transit Systems Market”).

MISTER will aim for a modest and realistic 1-5% share of city transit market in countries like that over next 10 years. It will mean profits of €30-300 mil in Poland and €1-10 billion in the USA p/YEAR.

It compares rather well with the license fees being asked herewith.

License fees of 10% of annual country profit potential are paid for 20% of shares in a given country operation, i.e. 20% of profits from all cities of a given country. Therefore these license fees should be repaid twofold every year, once the MISTER is fully expanded in a given country.

COUNTRY	GDP (upper limit)	Market as average % of GDP	MISTER as average % of Market	Once off license fee (% of 1 year average profits)	Investor's annual profits
		1,5%	2,5%	10,0%	20,0%
		Billions		Millions	
USA	€ 10 000	€ 150	€ 3 750	€ 375	€ 750
China, Japan	€ 5 000	€ 75	€ 1 875	€ 188	€ 375
Germany, France, UK, India, Brazil, Russia	€ 2 000	€ 30	€ 750	€ 75	€ 150
Italy, Spain, Mexico, Canada, Australia, Korea	€ 1 000	€ 15	€ 375	€ 38	€ 75
Countries with GDP up to :	€ 500	€ 8	€ 188	€ 19	€ 38
Countries with GDP up to :	€ 200	€ 3	€ 75	€ 8	€ 15

Annual dividends from every city system will be maintained at the minimum of 50% of profits, which will guarantee for the investor a very high and tangible ROI.