

Introduction to XP Vehicles Inc.



September 2008

*XP Vehicle's mission is to
become the leading provider of
the safest, most durable vehicles
powered by alternative energy*

The XP Revolution

“BUMPER CAR. “Fill ’er up” takes on a whole other meaning with a new inflatable car from XP Vehicles. The blow-up ride, called the Whisper, ... yet surprisingly tough...the car is basically made of airbags...“ - May 2008

POPULAR SCIENCE
THE FUTURE NOW
Mighty Morphin' Mini Cellphone #17

HOLLYWOOD SCIENCE
THE REAL

22 HOT PRODUCTS

THE 65-POUND WARPLANE
Inside the Obsessive World of Remote-Control-Jet Builders

POPSICI.COM

LIGHTER

QUICK CHANGE
Drivers can take their air and filter Whisper to fit in tight spaces and can swap in fresh battery cassettes on the go (above).

BUMPER CAR
“Fill ’er up” takes on a whole other meaning with a new inflatable car from XP Vehicles. The blow-up ride, called the Whisper, weighs just 480 pounds—about 2,000 pounds less than a typical sedan—and is surprisingly tough. When engineers slammed a Hummer into a prototype, the frame bounced back into shape and its custom-made “padding” remained intact. “The car is basically made of airbags,” says senior designer Scott Redmond. The two-seater has separate airbag chambers made from the same tough fabric used for the landing airbags of NASA’s Mars probes. Caught in a tight parking space? Just deflate the nose and fold it like a sack. Onboard pumps puff the car back to its normal pressure, which ranges from 3 to 11 pounds per square inch, depending on the area of inflation. Thanks to its featherweight construction, the car can travel 400 miles at 60 mph on a single charge of its hybrid hydrogen-fueled batteries. The Whisper’s initial U.S. rollout will be limited to amusement parks and federal parks, which are mostly restricted to pedal golf carts, but by year’s end a less sporty version called the Nilo will go on sale for \$3,000 in Southeast Asia, where road-safety certification is less stringent—check it out.

620-HP VETTE

POPULAR MECHANICS

MY OTHER CAR IS INFLATABLE
XP Vehicles is pitching for a proposed ultralight, ultra-efficient car powered by fuel cells and batteries. The body will be made of pressurized airbags, which the company claims will be so safe that you could drive the car off a 25-ft. cliff without injury. The car will initially be targeted at Asian markets, and will ship in two flat-packed cardboard boxes. Users should be able to assemble the car and drive away in about 2 hours—if they’re managed to convince local authorities that the vehicles are roadworthy.

Fresh Approach For A Biodegradable Car
If all the hype on the world’s environmental issues are showing you cars, then here’s something to lighten things up—sustainable innovation on a whole new level.
XP Vehicles has come up with the **Whisper** car—environmentally friendly and designed with safety in mind, the whisper is an inflatable car. There’s not a whole lot of technical information available on the whisper, but the **trekneger** online gives you a general idea.

XP Vehicles has come up with the **Whisper** car—environmentally friendly and designed with safety in mind, the whisper is an inflatable car. There’s not a whole lot of technical information available on the whisper, but the **trekneger** online gives you a general idea.

XP Vehicles claims a range of over 3,000 miles on a single fuel cell and battery pack. The **Whisper** is designed to be as safe as a car. The goal of the **Whisper** is to provide a safe, super-efficient vehicle that helps break our dependence on fossil fuels.

XP Vehicles claims a range of over 3,000 miles on a single fuel cell and battery pack. The **Whisper** is designed to be as safe as a car. The goal of the **Whisper** is to provide a safe, super-efficient vehicle that helps break our dependence on fossil fuels.

AutoblogGreen

Battery- or fuel cell-powered inflatable car just might be safest in the world

XP Vehicles is pitching for a proposed ultralight, ultra-efficient car powered by fuel cells and batteries. The body will be made of pressurized airbags, which the company claims will be so safe that you could drive the car off a 25-ft. cliff without injury. The car will initially be targeted at Asian markets, and will ship in two flat-packed cardboard boxes. Users should be able to assemble the car and drive away in about 2 hours—if they’re managed to convince local authorities that the vehicles are roadworthy.

Inflatable Cars

XP Vehicles is pitching for a proposed ultralight, ultra-efficient car that is powered by both fuel cells and batteries. The body of this radical concept is proposed to be made up of pressurized airbags, of which, the company claims will be so safe that you could actually drive the car off of a 25-ft cliff without suffering injury. The inflatable car is scheduled to be targeted at Asian markets initially.

Inflatable Cars

XP Vehicles is pitching for a proposed ultralight, ultra-efficient car that is powered by both fuel cells and batteries. The body of this radical concept is proposed to be made up of pressurized airbags, of which, the company claims will be so safe that you could actually drive the car off of a 25-ft cliff without suffering injury. The inflatable car is scheduled to be targeted at Asian markets initially.



Agenda

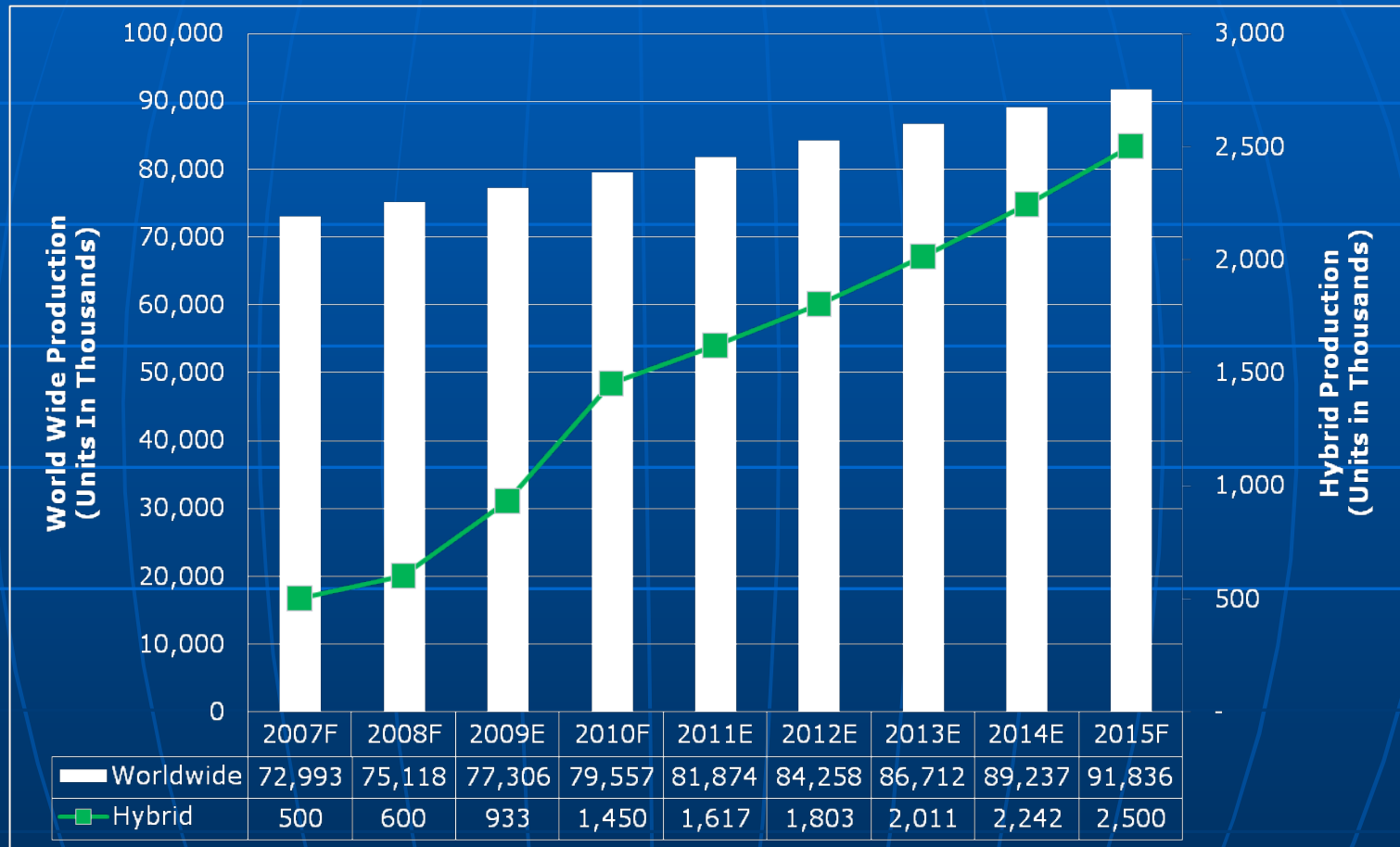
- Financing Objective
- Market for Hybrid Electric Vehicles
- Market Drivers
- XP Competitive Advantage
- Project Objectives
- Financials
- Team

Financing Objective

- Silicon Valley start-up seeking \$1M in seed financing for prototype development
- Product: Inflatable, electric fuel cell vehicle with hot swappable fuel cartridges capable of at-home recharging
- Benefits: Safest, longest range, most durable vehicle ever built, and lowest cost of operation
- Competitive advantage: >33% fewer parts, low capital requirement to manufacture

World Market for Hybrid Vehicles

2007 to 2105F



Hybrid Vehicles Growth > 22% CAGR 2008-2015

Market Drivers

- Soaring price of oil
- Tougher environmental regulations and the public's concern for the environment
- Fuel efficiency measures for conventional gasoline and diesel engines near their limit
- Emergence of new materials and construction techniques enabling new solutions

Hybrid Payback

Payback period (4 cylinder)

Payback period	Price difference of \$4,000	Price difference of \$2,000	Price difference of \$1,000
\$4.0/gallon	5.8	2.9	1.4
\$3.5/gallon	6.6	3.3	1.7
\$3.0/gallon	7.7	3.9	1.9
\$2.5/gallon	9.2	4.6	2.3
\$2.0/gallon	11.6	5.8	2.9

Payback period (V6)



Payback period	Price difference of \$4,000	Price difference of \$2,000	Price difference of \$1,000
\$4.0/gallon	4.5	2.2	1.1
\$3.5/gallon	5.1	2.6	1.3
\$3.0/gallon	6.0	3.0	1.5
\$2.5/gallon	7.2	3.6	1.8
\$2.0/gallon	9.0	4.5	2.2

Note: We assume annual mileage of 10,000 miles at standard mpg.

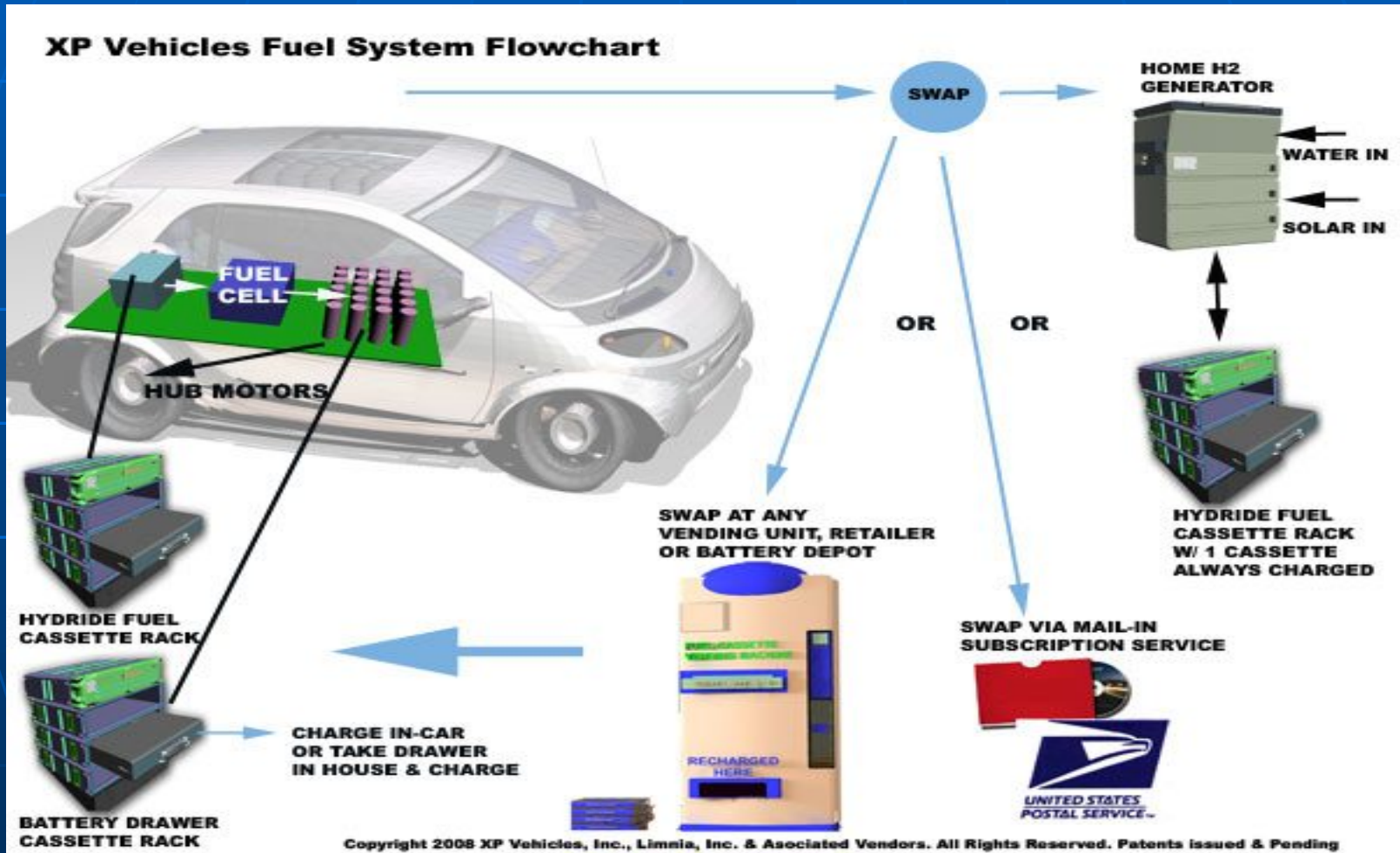
Source: Company data, Goldman Sachs Research calculations.

Payback < 1 year for Vehicle Priced up to \$1K as Gas Engine

XP Competitive Advantage

	Toyota Prius	XP 4 Seat MUV	Benefit
			
Body Construction	Shaped metal	Inflatable Membrane	Safety
Material	Steel	Fabric/Polymer Membrane	Durability
Hybrid Engine	Gas Engine Electric Motor	Hydride Fuel Cell Electric Motor	Long Range
Curb Weight	2932 lbs	< 1200 lbs	Fuel Economy
Part Count	15,000	< 10,000	Reliability/Lower Capital Costs

XP Vehicle Fuel System



Goals For the Seed Round

- Complete Attribute Prototypes (up to 5)
- Define and Test Power Array
- Complete CAD Concept Model
- Develop Design Verification Plan
- Complete Phase I / II Sourcing Agreements
- Complete Manufacturing Flow Layout
- Raise Series A Venture Financing

Financial Numbers

(\$Millions)	Year 1	Year 2	Year 3	Year 4	Year 5
Vehicle Revenues	0.0	0.0	397.6	1,472.9	1,536.9
Vehicle COGS	0.0	0.0	282.8	997.1	1,012.1
Gross Margin	0.0	0.0	114.8	475.8	524.8
Sales & Marketing	0.1	8.5	71.4	120.4	122.4
Engineering	2.0	5.3	6.3	6.2	6.6
G&A	0.9	4.2	12.7	12.3	14.0
Total Operating Expenses	3.0	18.1	90.4	138.9	142.9
EBITDA	(3.0)	(18.1)	24.4	336.9	381.9
NPAT	(3.1)	(19.4)	(3.4)	193.7	223.4
Cum. Cash Used/Generated	(3.7)	(40.6)	(68.7)	28.5	241.4
Units Sold	0	0	25,196	96,577	100,776
Headcount	51	197	697	709	710

THANK YOU

XP Vehicles

XPVEHICLES.COM

contact@myxpcar.com

Questions

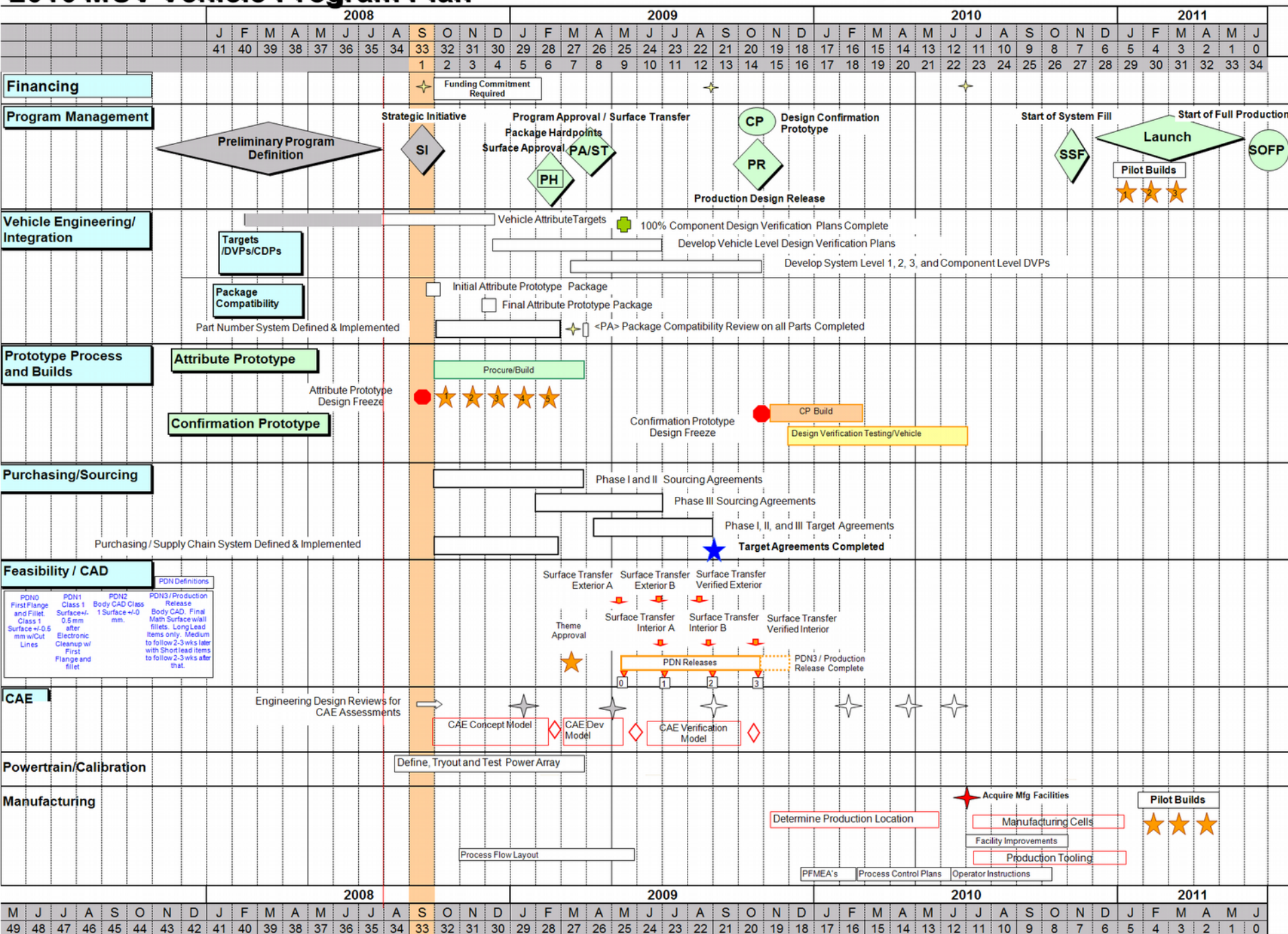




XP Vehicles, inc.

2010 MUV Vehicle Program Plan

Revision 3



Assembly Sequence

Preliminary

Sub Assembly		Assembly					Support	
Event	People	Station	Event	People	Distance (12' Vehicle)	Distance (15' Vehicle)	People	
Front Frame	4							
Middle Frame	4							
Rear Frame	4							
		1	Outer Rails	2	15	18	1	
		2	A Pillar Lower	2	30	36	0	
		3	B Pillar Lower	2	45	54	1	
		4	C Pillar Lower	2	60	72	0	
		5	A Pillar Upper (?)	2	75	90	1	
		6	B Pillar Upper (?)	2	90	108	0	
		7	C Pillar Upper (?)	2	105	126	1	
A Pillar Upper Cross Car Beam Asm	1	8	A Pillar Upper Cross Car Beam Asm	2	120	144	0	
		9	OPEN	0	135	162	0	
		10	OPEN	0	150	180	0	
		11	OPEN	0	165	198	0	
Front Structure Asm	6	12	Front Structure Asm	2	180	216	1	
Rear Axle Asm	6	13	Rear Axle (?) / Support Asm	2	195	234	0	
Steering Rack Asm	4	14	Steering Rack Asm	2	210	252	1	
		15	OPEN	0	225	270	0	
Floor Asm	6	16	Floor Asm	2	240	288	1	
Front End Support Asm	6	17	Front End Asm	2	255	306	0	
Central Structure Asm	6	18	Central Structure Asm (?)	2	270	324	1	
Front of Dash Structural Asm	6	19	Front of Dash Structural Asm	2	285	342	0	
Power Array Asm	4	20	Power Array Asm	2	300	360	1	
		21	OPEN (HVAC)	1	315	378	0	
		22	Seat Belts	2	330	396	1	
		23	OPEN	0	345	414	0	
		24	Rear Quarter Asm	2	360	432	1	
		25	Front Quarter Asm	2	375	450	0	
Front Lamp / Grill Asm	4	26	Front Lamp / Grill Asm	2	390	468	1	
		27	Rear Lamps	2	405	486	0	
Instrument Panel Asm	8	28	Instrument Panel Asm	2	420	504	1	
		29	TEST	1	435	522	0	
Steering Wheel Asm	2	30	Steering Wheel Asm	1	450	540	1	
		31	OPEN	0	465	558	0	
		32	Roof	2	480	576	1	
		33	Carpet	2	495	594	0	
		34	OPEN	0	510	612	0	
		35	A Pillar Inners	1	525	630	1	
		36	B Pillar Inners	1	540	648	0	
		37	C Pillar Inners	1	555	666	1	
		38	OPEN	0	570	684	0	
Headliner Asm	2	39	Headliner Asm	2	585	702	1	
		40	OPEN	0	600	720	0	
		41	Glass Supports	2	615	738	1	
		42	Console	1	630	756	0	
		43	OPEN	0	645	774	0	
Rear Seat Asm	6	44	Rear Seat Asm	2	660	792	1	
Front Seat Asm	10	45	Front Seat Asm	2	675	810	1	
		46	OPEN	0	690	828	0	
		47	OPEN	0	705	846	0	
Front Door Asm	10	48	Front Door Asm	2	720	864	2	
Rear Door Asm	10	49	Rear Door Asm	2	735	882	2	
Hood Asm	4	50	Hood Asm	2	750	900	2	
Liftgate Asm	8	51	Liftgate Asm	2	765	918	2	
Front Corners Asm	4	52	Front Corners Asm	2	780	936	2	
Rear Corners Asm	4	53	Rear Corners Asm	2	795	954	2	
		54	Rear Quarter Glass	2	810	972	2	
		55	Windshield	2	825	990	1	
Wheel Asm	8	56	Wheels	2	840	1008	2	
		57	TEST	1	855	1026	1	
Accessory Pack	1	58	Accessories	1	870	1044	0	
		59	OPEN	0	885	1062	0	
		60	OPEN	0	900	1080	0	
	138			83			39	
		14	OPEN Stations					
				260			27	
							3,485,000	
							1,805,000	
							Capital 5,290,000	

Assembly Layout Diagram

Preliminary

