

EUROPEAN ENERGY VENTURE FAIR 2005

Cambridge Ltd.

Magnetic Refrigeration

A clean technology for a multi-billion € market

**The European Energy
Venture Fair 2005**

**September 27th 2005
Zurich, Switzerland**

Business Opportunity

The refrigeration equipment market is worth \$40-45 billion p.a.

Commercial refrigeration equipment industry is worth \$18 billion

The associated services, maintenance and installation market is worth over \$140 billion p.a.

Mobile Air Conditioning	30%
Unitary Air Conditioning	29%
Domestic Refrigerators	22%
Commercial Refrigeration	13%
Chillers	3%
Refrigerated Transport	2%
Cold Storage	1%

Relative Market Segment Size

US	33%
Japan	33%
Europe	10%
China	9%
Korea	5%
Brazil	4%
Taiwan	2%
Other	4%

Regional breakdown of refrigeration equipment

Japan, Europe and North America have low growth

Environmental legislation is creating a large replacement market in developed countries

Natural growth is found in Asia, Latin America and Eastern Europe

Selling Points of Magnetic Refrigeration

When certain metallic materials enter a magnetic field they efficiently change temperature

A refrigeration product with a low total cost of ownership

Reduced electricity consumption
(up to 40%)

Elimination of refrigerant
leakage

Ease of recycling by avoiding
gas refrigerants



Low operating cost

Lower maintenance costs

Reduced disposal costs

Industrial capital cost should converge towards existing technologies



This is a clean technology – commercial benefits have equivalent positive environmental impacts

Who we are: Cambridge founders

Founding Team

Dr. Neil Wilson

9 years in technology business; founder of two companies (Nimaya Inc. and Voliades Ltd.). Delivered technology projects for companies such as EDF Energy & Philip Morris. MBA and PhD in magnetism.

Dr. Alessandro Pastore

10 years in marketing and business development in blue chip companies (Telecom Italia, Siemens) and venture capital industry (Cir Ventures). MBA.

Dr. Karl Sandeman

Magnetic materials research, Dept. Materials Science. PhD from Cavendish Laboratory in magnetism and magnetic materials. Royal Society Fellow.

Prof. Derek Fray

Professor (and Head of Department) of Materials Science, University of Cambridge. 35 years of academic research, 6 spin-out companies created (British Titanium plc, EMC Ltd, Metalysis Ltd, Inotec AMD Ltd).

Cambridge is a spin-out from the University of Cambridge

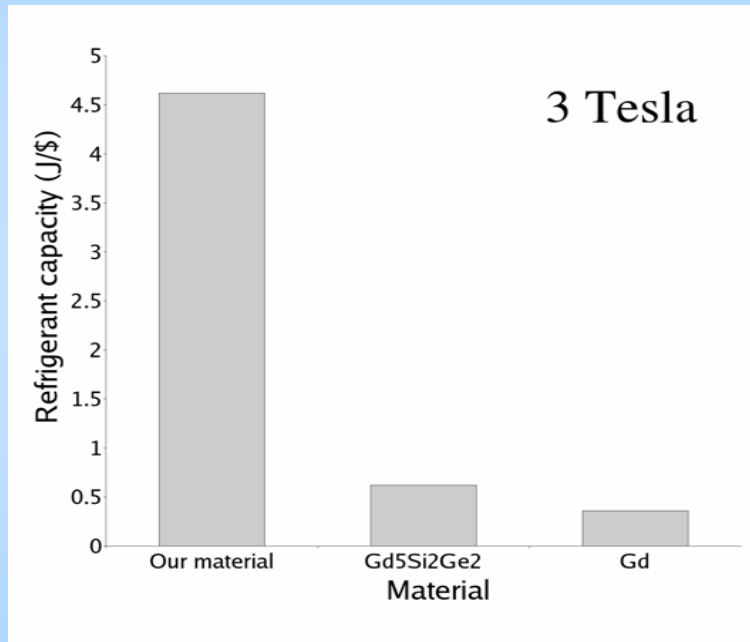
Year started: 2004

Institutional investors: Challenge Fund, Carbon Trust (R&D)

R&D: Commercial Approach

Our R&D is focused on achieving commercial success:

- Unique low cost refrigerant
- Simple designs
- Cost-focus key to commercial success



Camfridge's refrigerant is an order of magnitude better per \$ than alternatives.

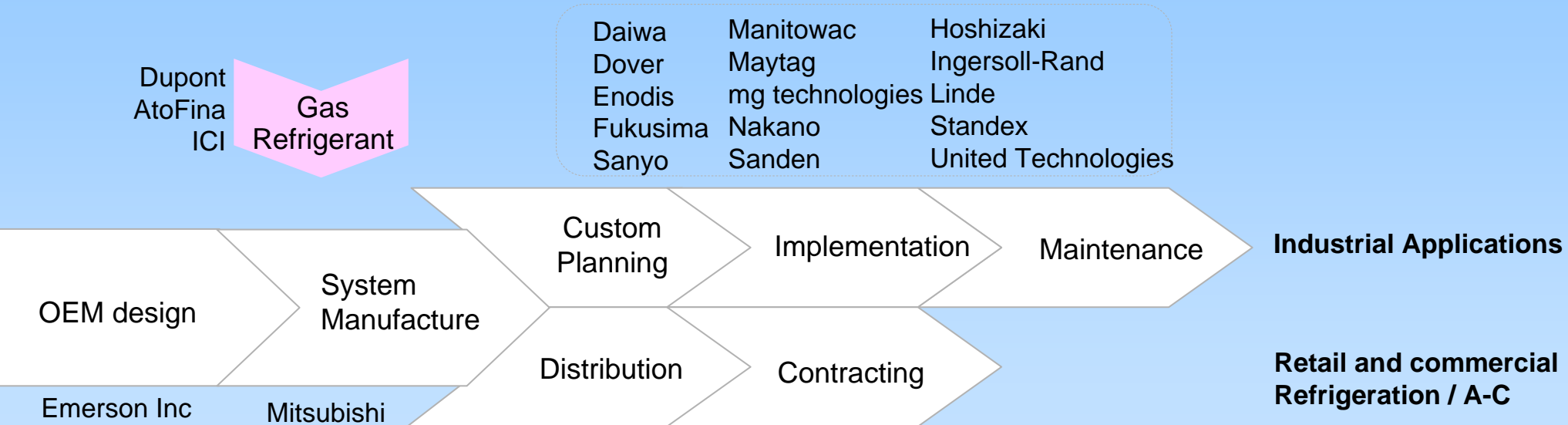
Refrigerant research is being undertaken within the University and patents are exclusively licensed to Camfridge.

First refrigerant patent filed.

Magnetic Refrigeration is technically feasible; promising attempts include:

- Iowa Ames National Laboratory in USA
- Chubu Labs in Japan

Refrigeration Value Chain



Emerson Inc
Fracold
Danfoss

Mitsubishi
Daikin
Toshiba
Carrier
Trane
Sharp
WC Wood
Indesit / Hotpoint
Siemens-Bosch
Electrolux

At the retail end, stores and commercial centres

Over 70 contractors in the UK alone supplying to offices, supermarkets, warehouses etc.



Almost no innovation in 50 years

R&D limited to incremental improvements

Manufacturers focus on design only; buy components

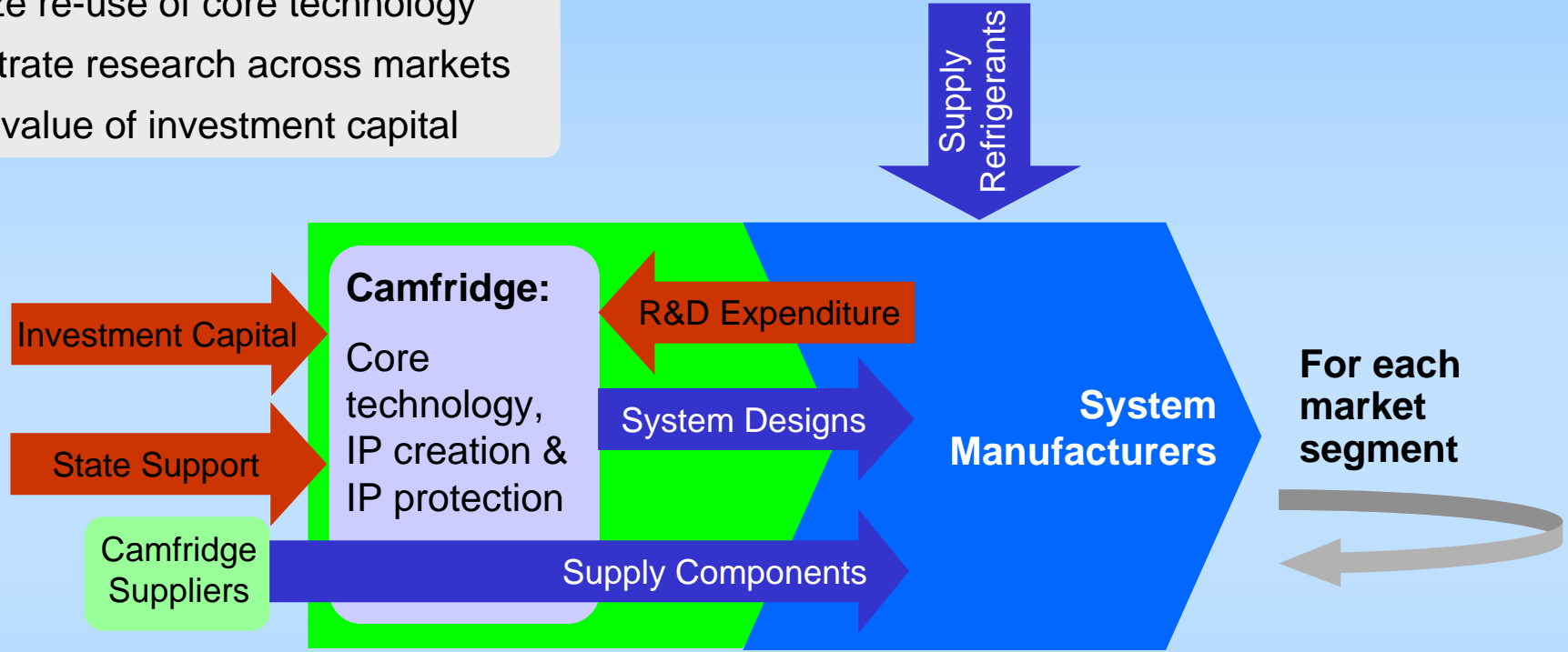
Manufacturers are under price pressures but cannot differentiate their offering

Environmental legislation forcing refrigeration industry to produce higher-efficiency devices

Cambridge offers new technology that is distinctive, innovative and environmental

Cambridge Business Model: Develop Market Co-operation

- R&D Model**
- Maximize re-use of core technology
 - Concentrate research across markets
 - Amplify value of investment capital



Partnership programme & Ecosystem development is fundamental to Cambridge's business model

- Revenue Model**
- Refrigerant Supply
 - Component Supply
 - IP licensing

Funding Need

Seed Funding Round: Completion of Prototype

Refrigerant work began September 2003 - £200K UK research grant

Prototype work started January 2005 - £87K from University Challenge Fund and £200K Carbon Trust R&D grant

Additional £150K newly raised through seed investors on convertible loan terms

First prototype end Q1 2006; refinement Q2 2006

Partnership programme initiated with industrial partners

Series A: Product Development and Manufacturing Scalability

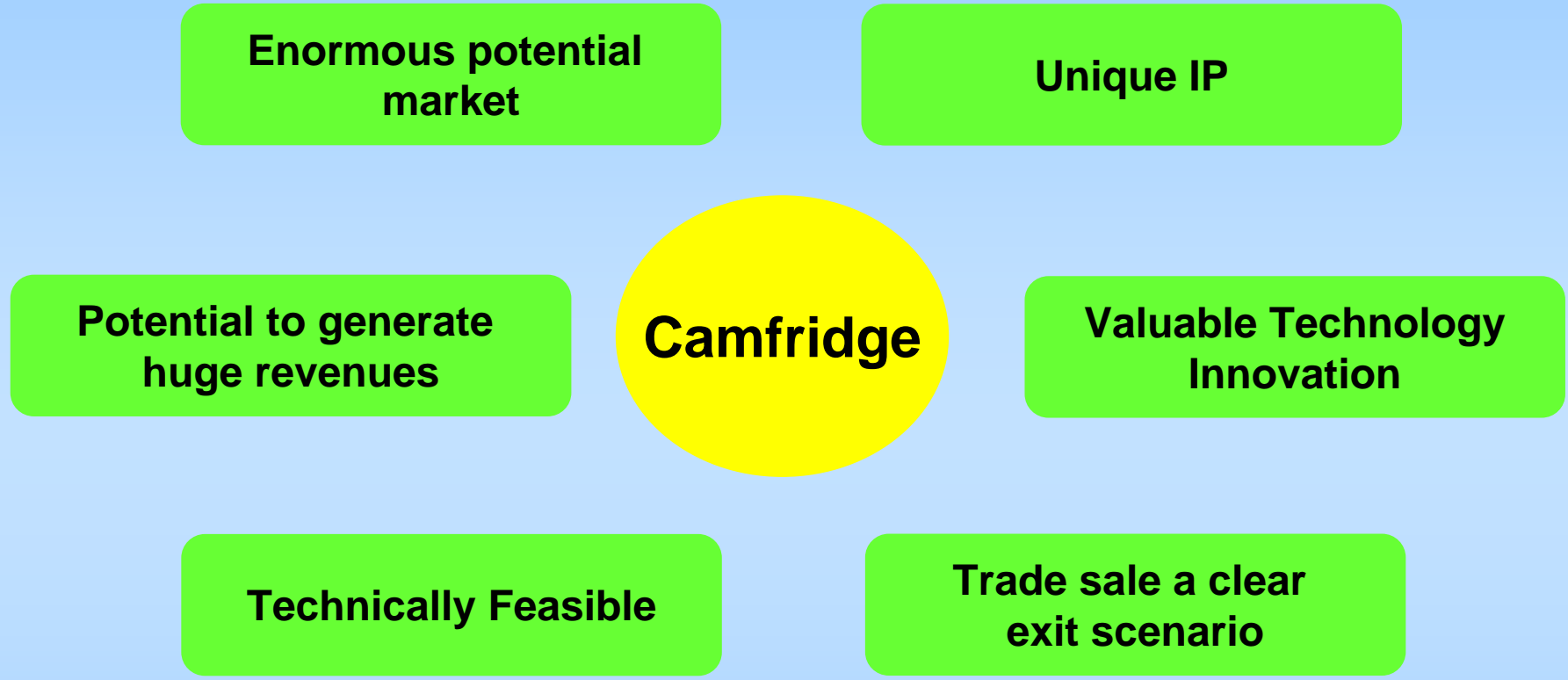
£1,500,000 to fund 4 joint-product developments in 4 market segments with a leading manufacturer in each. Can be leveraged to £4,000,000 of R&D through matching government funding.

£750,000 to fund scaling of refrigerant manufacturing process

£350,000 to fund business / ecosystem development activities

~£2.5 million financing needed Q2 2006 for subsequent 24 months

Conclusion



Thank you for you attention

Further information e-mail: nwilson@camfridge.com