

EASTERN PROMISE FOR LTI VEHICLES

LTI Vehicles celebrates 60 years of taxi manufacturing in Coventry this year and the latest news from the company is very positive. The company's exciting new venture in China is taking shape. The Chief Executive of Manganese Bronze, John Russell commented: "Shanghai LTI, our Chinese joint venture with Geely, will transform us from a UK producer of specialist motor vehicles,

selling mainly to a domestic market, to a global brand. Our aim is to expand our operation and take our iconic product to not just Asia, but the rest of the world." He was speaking to the taxi trade press at a meeting in London on the day Manganese Bronze released their Trading Update for the period ending 30th January. Sales volumes were maintained at similar levels to the equivalent period of 2006 even though sales were abnormally high that year due to the dual effects of the run out of the TXII model and the initial launch surge of the TX4. The driver appeal of the TX4 continued to create sales opportunities throughout the UK and in particular has resulted in an improvement in the Company's market share outside London.

John Russell was appointed as Chief Executive of Manganese Bronze, parent company of LTI Vehicles a year ago. Since then, the agreement with Geely to build the taxi in China has been fast moving. The factory, funded by Geely at its Shanghai site, where it has been producing the Maple family car, will soon be completed and the prototype production of the first Chinese built TX4 is scheduled for mid 2008. This will be followed by a series of quality maturation builds leading to production for sales in world markets outside the UK scheduled towards the end of 2008. "Geely is a very fast moving, highly entrepreneurial business with proven product development and low cost base management capabilities. We can both develop our businesses together," Mr Russell said. When asked about the possibility of any cost reductions for the UK market because of the agreement, Mr Russell continued by saying: "The cost of bought in components is a significant part of our current UK build costs and by sourcing appropriate items from China we will be able to secure continued manufacturing in Coventry, maintain our price competitiveness and generate profits to invest in the business."

MORE EXPANSION INTO INTERNATIONAL MARKETS

Over the coming months more expansion will be realised in other foreign markets. The market studies conducted in 2007 have identified that significant international market opportunities exist which support the overseas sales ambitions and in 2008 prospecting of markets and finalisation of sales and distribution agreements is the priority. John Russell continued: "It is our intention to conclude such agreements in advance of the commencement of production and it is the Board's intention to provide relevant updates to shareholders of our progress at appropriate times during 2008."



Li Shufu, Chairman of Geely, and John Russell, Chief Executive of Manganese Bronze with the taxi at the Shanghai Motor Show 2007

COVENTRY FACTORY CONTINUES TO BUILD ICONIC TAXIS

At the meeting Mr Russell was asked whether the taxi will continue to be built in the UK for the UK market place. He stressed that the factory in Coventry will continue to build the purpose built taxi.

As the largest British owned automotive manufacturer, LTI Vehicles, continues to strengthen its UK position by pouring significant investment into its Coventry based plant. A fully refurbished automotive panel press has been purchased from Fulltex Press Sales in West Bromwich to boost efficiency and re-affirm LTI's commitment to manufacturing in the UK. The new press will cost LTI in excess of £375,000 and is part of a complete reorganisation of the press facilities in Coventry.

Work has already begun at the 21,000 sq. m. site to make way for the 300 tonne piece of equipment. Arriving in sections under police transport escort, the press is expected to be



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fully installed and in working order by April 2008. The press will produce the large skin panels for the TX4.

Mike Brown, Operations Director for LTI Vehicles said: "As we look to celebrate 60 years of taxi manufacturing later this year, this investment provides us with a platform to expand our operation the world over. As the largest UK owned vehicle manufacturer, we are proud of our automotive heritage and this news helps us to secure continued manufacturing here in Coventry."

NEW SALES DIRECTOR AT LTI VEHICLES

At the meeting, Rob Laidler was introduced as LTI's new Sales Director. He joined the company late last year into a role which has been created as Matthew Cheyne moved from his Sales and Marketing role to International Market Development Director at LTI. Matthew will be concentrating on the expansion of the overseas markets.



Matthew Cheyne



Rob Laidler

Rob joins LTI with more than 18 years of motor trade experience. He is looking forward to working with LTI's nine dealers across the country and said: "I shall also be working closely with drivers and passengers alike to provide the safest, cleanest and most accessible taxi ever."