

Vaxess Technologies, Inc.

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5-YEAR STRATEGIC PLAN

- 30% growth rate
- \$300 million annual sales
- 1,000+ employees

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TROJAN TECHNOLOGIES STRATEGY

- Accelerate the development of next-generation technologies
- Launch comprehensive cost engineering program

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"Light in a Pipe"

World leader in ultraviolet water disinfection technology & the world's largest supplier of ultraviolet disinfection systems in municipal waste water applications.

Two Major Applications of UV Technology

- Disinfect the waste water discharged into receiving waters
- Disinfect incoming clean water

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TROJAN TECHNOLOGIES 1977-1998

- Staff of three in 1977, about 400 employees in 1998
- TSE 100 company
- Annual sales \$70 million
- Over 2,000 UV systems in operation around the world treating an excess of six billion gallons of water per day

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INTERNAL ENVIRONMENT

STRENGTHS

- Low production & maintenance costs
- Proven UV technology
- Over 2000 UV systems in operation
- 100% customer loyalty of water treatment plants

WEAKNESSES

- Limited market penetration in emerging markets
- Limited R&D budget
- Limited marketing budget

EXTERNAL ENVIRONMENT

OPPORTUNITIES

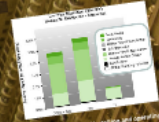
- Increasing demand for water treatment
- Growing awareness of water quality

THREATS

- Increasing competition
- Changing regulatory requirements

WASTE WATER & CLEAN WATER SEGMENTS

- Low UV in water treatment
- China, California and UV
- Chlorine accounts for 80% of the market
- Rapidly disappearing that saved after treatment plant
- Steady growth of algae and slime
- Create new on-site organic compounds



PEST ANALYSIS

- POLITICAL:** Government support for water treatment
- ECONOMICAL:** High cost of UV technology
- SOCIAL:** Increasing awareness of water quality
- TECHNOLOGICAL:** Rapidly changing technology

DECISION: PARTNERSHIP

- Potential for growth
- Intellectual property
- Lack of knowledge of Chinese environmental procedure and business practices.

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INTERNAL ENVIRONMENT

STRENGTHS

- Low generation & maintenance costs
- Proven UV technology
- Over 90% UV systems in operation
- 100 patents in UV technology

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WEAKNESSES

- High energy consumption
- High maintenance costs
- High UV system failure rate

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EXTERNAL ENVIRONMENT

OPPORTUNITIES

- Growing demand for UV technology
- Increasing awareness of UV technology

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THREATS

- High energy consumption
- High maintenance costs
- High UV system failure rate

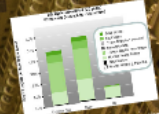
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WASTE WATER & CLEAN WATER SEGMENTS

Market Growth Potential - Income

- Low step in water treatment
- Clean, Chlorine and UV
- Chlorine accounts for 80% of the market
- Minimal disinfection that occurs after treatment point
- Steady growth of algae and water
- Create new large-scale corporations

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PEST ANALYSIS

- **POLITICAL**: Government policies
- **ECONOMICAL**: Economic conditions
- **SOCIAL**: Social trends
- **TECHNOLOGICAL**: Technological advancements

DECISION: PARTNERSHIP

- Potential for growth
- Intellectual property
- Lack of knowledge of Chinese environmental procedures and business practices.

An aerial photograph of a city with several birds flying over the buildings. The image has a warm, golden-brown color palette. A semi-transparent white box is overlaid on the image, containing text.

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Two Major Applications of UV Technology

- Disinfect the waste water discharged into receiving waters**
- Disinfect incoming clean water**

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1977-1998

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WASTE WATER & CLEAN WATER SEGMENTS

Municipal | Industrial | Commercial | Residential

- Last step in water treatment
- Ozone, Chlorine and UV
- Chlorine accounts for 80% of the market
 - Residual disinfection that lasted after treatment point
 - Prevent growth of algae and slime
 - Create new carcinogenic compounds

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INTERNAL ENVIRONMENT

STRENGTHS

- Low operations & maintenance costs
- More efficient
- Limited space for installation
- Does NOT change chemistry of water
- Customization
- Hold patents on innovative technologies

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WEAKNESSES

- 95% waste water market
- System is easily replicated
- No personnel experienced with the Chinese water disinfection market and Chinese business practices

STRENGTHS

- **Low operations & maintenance costs**
- **More efficient**
- **Limited space for installation**
- **Does NOT change chemistry of water**
- **Customization**
- **Hold patents on innovative technologies**

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