



CERAMIC FUEL CELLS LIMITED

Clean power for your home



Quarterly Update

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Product development

- **Developing micro combined heat and power (mCHP) units with leading utilities and appliance partners in five large markets**
 - Germany
 - France
 - Holland
 - UK
 - Japan
- **Nine NetGenPlus units running today – the most ever**
 - 6 with our European partners
 - 2 in Melbourne
 - 1 in Japan
- **Integrated mCHP units for European partners, early 2009**



Blue Chip Partners



Among the largest German utilities: innovative energy products incorporating electricity, gas and telecommunications. Sales of €4.7bn across 4,700 staff. Leader in DG and fuel cells. www.ewe.de



Specialist German boiler and thermal store manufacturer with over 44 years experience. Flexible manufacturing facilities, various brands. www.bruns-heiztechnik.de



Global energy group formed between Gaz de France and Suez: energy supply in gas and electricity. Global sales of €74.3b across 196,500 staff. www.gdfsuez.com



De Dietrich Thermique is a leading French boiler manufacturer. Extensive sales & distribution network supported by significant R&D resources. Part of the De Dietrich Remeha group. www.dedietrich-heating.com



Large, innovative Benelux utility with operations in Germany: energy supply in gas and electricity. Sales of €5.6bn across 9,900 staff. Focus on DG and microgeneration. www.nuon.com



Remeha is a leading Dutch boiler manufacturer. Streamlined manufacturing know-how and a strong distribution network. Part of the De Dietrich Remeha group. www.remeha.com



One of the UK's largest integrated electricity and gas companies: second largest generator in the UK. Sales of €12bn across 15,000 staff. Experience with deploying CHP units. www.eon-uk.com



UK based boiler and thermal store manufacturer. Innovative tank designs for maximalising thermal efficiency from CHP technologies. www.gledhill.net



Leading global gas appliance company. Based in Japan, operations in Asia, Oceania, Americas. Largest water heater manufacturer in the USA. Sales of US\$2.5bn, 15,000 staff. www.palomaglobal.com



Japan

- **Partnership with Paloma Group**
- **NetGenPlus™ unit shipped to Japan late August 2008**
- **Installed at Paloma's product development facility in Nagoya**
- **CFCL commissioned the unit in early October 2008**
- **Unit running very well, Paloma is now operating the unit to test:**
 - Power and heat output
 - Efficiency
 - Modulation – increasing and decreasing the power output





FY09 Q1 Financial Review

Quarter to 30 September 2008

- **Net operating cash outflow A\$2.1M (£0.8M)**
 - A\$2.2M (£0.9M) lower than June 2008 quarter
- **Capital spending A\$2.6M (£1.0M)**
 - A\$1.3M (£0.5M) higher due to German fuel cell plant
- **At 30 September 2008:**
 - Cash of A\$8.4M (£3.3M)
 - Investments valued at A\$22.1M (£8.8M), after deducting an impairment charge of A\$13M (£5.2M) announced 17 October



Durable Value Drivers

- **Strong macro forces for clean energy continue**
 - Power and heat are essential services for all homes
 - Global demand for power is increasing
 - Very strong momentum for lower emissions and cleaner (and more secure) power, supported by binding emissions reductions policies
- **CFCL sells to appliance partners and utilities, not homeowners**
- **CFCL product can make money for utilities**
 - CFCL has highest electrical efficiency
 - Generates more power from the same input = higher returns, lower emissions
 - Strong business case, does not rely on 'green' motivations
- **Very large markets**
 - >10M home heating systems sold in Western Europe and Japan per year