GM ARCHITECTURE

POLONEUM PROPOSAL 2000

(*a translation to English from Polish original: "Architektura GM, Propozycja POLONEUM 2000"*)

EXECUTIVE SUMMARY

It is proposed that *POLONEUM INC.* (further referred to as *POLONEUM*) in long term cooperation with entities from a family of bio- and nanotechnologies, architecture, construction and affiliated industries, as well as relevant government agencies, develop a marketing program in order to support environmentally friendly expansion of a proprietary product and a service line consisting of Gene Modified (GM) organisms and products in architecture, construction and affiliated industries to the satisfaction of the general public as well as the criteria of the natural environment's protection.

***POLONEUM* is concerned that the global habitat continues its development with a cultivated natural environment in view. Chosen GM organisms and products are proposed to be developed and patented, following R&D with the application of cutting edge technologies inclusive of GM and NANO.**

Those environmentally neutral rejects of R&D in GM shall be used for display in hereby proposed bioos*, as a piloting part of the marketing program.

Also that this investigation should recommend a form of this entry, the opportunities that *POLONEUM* and its allies should target and raise awareness of importance of GM and NANO globally.

**The term "bioo" is a neologism made of "biological zoo" and is pronounced as 'beau' in 'beautiful' - see ATTACHMENT 3.*

About the business plan

In general this endeavour undertakes to prove positive the following equation:

genetics + architecture = mission indispensable

POLONEUM require funds in the course of 5 to 10 years in order to pursue its goal, as outlined in more detail in *ATTACHMENT 1*.

In particular, it shall carry out introductory market R&D and adopt the best forms of business cooperation in order to determine a harmonious entry of this range of unprecedented product lines into industry by means of adding Quality Control equipment and facilities, as well as secure a suitable level of working capital to take advantage of the anticipated demand for the GM products in both Australian and overseas markets.

The market for *POLONEUM*'s proposed products, as listed in *ATTACHMENT 2,* is international in scope and principally comprising government and commercial users who need state-of-the-art performance to meet their requirements. Conservative projections estimate that annual sales should exceed $100 million within ten years. Rapid growth and high profit margins are made possible by three factors:

1. The total world market for products such as those proposed for development by *POLONEUM* is very large, in fact it is as big as the construction and affiliated industries combined. Conservative estimates are that it exceeds one trillion (1,000 billion) dollars annually.

2. Products proposed for development by *POLONEUM* are filling chosen market niches, which are void of any current competition.
3. Customers recognise that products designed and proposed for development by *POLONEUM* incorporate unique and innovative proprietary technology, offering features and levels of performance unavailable from any other source than leaders in family of GM and NANO. As a result, customers are willing to pay higher than normal prices; content with the knowledge that they have acquired the latest and best that current technology has to offer.

Background

POLONEUM GM was formed in 2003 in South Australia, and is a non-member and non-for-profit association acting on behalf of and in agreement with its sister organisation *POLONEUM INC*., which in 2001 has organised a business delegation to Poland. It held there *world's first ever* seminar on practical implementation of GM organisms and products in architecture, construction and affiliated industries. The seminar was attended by representatives of architectural and numerous businesses, and renowned Polish luminary of GM, a geneticist of Łódź, presented His latest achievements in GM R&D. Following the success of the delegation, POLONEUM keeps developing programs specifically targeting implementation of GM and NANO in architecture, construction and affiliated industries.

Stan Kabacinski is a founder of the *POLONEUM* family of companies and holds permanent position on their boards, either as a president, managing director or proprietor. Since 1983, when he obtained his diploma in industrial architecture, he has extended his passion at work towards implementation of cutting edge technologies in architecture, at all times attempting to influence a change in trends presenting danger to the natural habitat on this planet.

Stan Kabacinski is also an author of his PhD thesis in architecture pending "GENETICS+ ARCHITECTURE= MISSION INDISPENSABLE", which shall be included in the end result of the hereby proposed marketing program.

In appreciation of the calibre of the issue of the sustainable and global protection of the natural environment, *POLONEUM* seeks close cooperation with those entities from the field of GM and NANO who share the concern and represent potential crucial for dynamic progress of GM R&D.

About the market

POLONEUM's current potential and production facilities are incapable of coping with the demand and requirements of the markets. Situation in Australia's relatively small market combined with a relatively clean natural environment is not an advantage against competitive GM production centres globally, however, it provides an excellent opportunity to test-market the company's GM products prior to selling them elsewhere. This is a genuine quality that *POLONEUM* offers to its business allies, once the technology has been developed in cooperation with them and when adequate manufacturing facilities become available.

POLONEUM has been structured in a manner intended to maximise profits and limit risks for investors by substantially reducing the uncertainties and expense associated with R&D of new products and technologies. It runs specific programs, which are focused on attainment of the above-described goal.

A five-year analysis indicates the level of revenues at billions of dollars, however, the issue of implementation of GM and NANO is so contentious and outreaches by far the financial domain. Much higher level of efficiency implies substantial structural changes in existing

industries, so the focus should be equal on maintaining stability of the general course of business while restructuring existing production lines, and achieving the set up goals in exploiting the international sales potential of the GM and NANO products and services.

ATTACHMENT 1

In order to investigate all the potential opportunities in starting the business, it is recommended that an Institute be established responsible for a harmonious entry of this unprecedentedly new industry in the global market. The Institute's role would be to organise and orchestrate the environment's potential for the task in the long run. This institution would secure a range of permanent positions such as program coordinator, project manager, marketing manager and scientific consultants of related fields, who would accept responsibility for carrying out suitable introductory market R&D and adopting the best forms of business cooperation. Primarily it would execute completion of the Feasibility Study on application of GM products in architecture, construction and affiliated industries over a period of 12 months as outlined below. The Feasibility Study shall deliver detailed information on sources and nature of the budget necessary to support attainment of those goals by *POLONEUM* and its associates in the course of next 10 to 15 years.

TIMETABLE

First through Third Months

1. Correspondence with chosen authorities and businesses in order to obtain feedback regarding the practicalities of setting up some forms of cooperation.
2. Start discussions on strategies to market pilot GM projects through running periodic theme functions (ie. conferences, symposia, seminars, club meetings, displays).
3. Launch of the Institute in Adelaide, SA.

Fourth through Sixth Months

4. Comprehensive collation and analysis by the caucus – consequent recommendations.
5. Launch of a Multimedia Production Unit in Adelaide responsible for the GM concept's visualisation.
6. Incorporation of the GM concept specific Housing Association under auspices of *POLONEUM* in order to attract scientists to the program.

Seventh through Ninth Months

7. Collection, collation and analysis of information for validation and modification of the business concept. Initiation of further R&D.
8. Organising the Seminars and Fairs Calendar for Interstate and Overseas Business Representatives.

Tenth through Twelfth Months

9. Multimedia Presentation in support of the *Feasibility Study*.

10. Preparation of the Final Report, its submission to the *POLONEUM* Development Council and the *Feasibility Study*'s completion.

RECOMMENDATIONS

POLONEUM provide an expertise of an agreed value and secure office support for the completion of the agreed Market Feasibility study within the Timetable.

POLONEUM business partners in this Proposal provide finance, the production means and support to patent, test and display the prototype GM products.

The Final Report and all R&D information will be a shared property of *POLONEUM* and its business partners in this Proposal.

General Outline of the building and affiliated industries today

The level of contemporary technology in building and affiliated industries has remained unchanged for a long time now with occasional introduction of new materials like aluminium or synthetics. Rapid development of science in the last few decades has created new opportunities for building industry hardly noticed by architects, builders and professionals of ancillary industries.

It is exactly the case with the progress in modern genetics and biology, especially with GM and NANO. While this field of science represents a great potential today for the global economics, it has been utilised by just a handful of business branches. *POLONEUM* believe, following statistic indications and economic trends, that they deserve full-scale introduction to a modern construction site, thus creating unprecedented results with potential to upgrade the quality of the global habitat to its new highs for the next millennium.

Adapting the GM and NANO to the global market

A bridging period, prior to *POLONEUM's* entry into the market, would be an advantage. During the time an appropriate organisation with profiles those of architecture, construction and the affiliated industries, GM and NANO family, like bionics, biomimicry, bio-molecular sciences etc., shall be sought for cooperation.

A Multimedia Marketing Unit should be launched in order to produce an overseas Marketing Coverage Program for GM and NANO. The Proposer has developed a concept for the Program, which would also service those businesses agreed to participate in *POLONEUM* line of business.

After a bridging period of adaptation in current economic circumstances, which should last no longer than 12 months, *POLONEUM* will be able to secure orders for a range of pilot products and services, listed further in this Proposal, and be well prepared for the R&D of the next stage, choose partners and forms of business cooperation.

Ways of doing business

POLONEUM has the following order of preference in ways of establishing relationship and doing business in overseas market:

- Association
- License
- Joint Venture

Since it is an economic reality that cost of comparably skilled labour are still lower in Asia and Eastern Europe than in Western countries, *POLONEUM* shall use strategies taking advantage of these regions' potential in the early stages of introduction of GM and NANO.

POLONEUM maintains excellent quality business liaisons with Poland and Australia, and wishes to extend them to those other American, Asian or European locations, attractive either for low cost of service and manufacture, or notable R&D results.

LAUNCH OF THE INSTITUTE - COSTING **price in AUD**

Location in Australia

ACCOMODATION COST (Adelaide):

• rent, sustainable energy supply	**35,000**
• cost of administration, office facilities and hall hire p/a	**75,000**
• company transport: hybrid fuel car and electrical chariots	**65,000**

PERMANENT POSITIONS:

• program coordinator salary p/a	**55,000**
• assistant program coordinator salary p/a	**35,000**

ANNUAL BUDGET OF A MULTIMEDIA MARKETING UNIT:

• contract position for a qualified computer manager p/a	**65,000**
• cost of computer equipment maintenance and hire p/a	**45,000**
• cost of production broadcast and Internet facility per annum	**35,000**
SUBTOTAL	**410,000**

Location overseas

ACCOMODATION COST (Poland):

• rent, energy supply and hall hire p/a	**25,000**
• cost of administration and office facilities p/a	**30,000**
• company transport: car	**15,000**

PERMANENT POSITIONS:

• program coordinator salary p/a	**35,000**
• assistant program coordinator salary p/a	**20,000**

ANNUAL BUDGET OF A MULTIMEDIA MARKETING UNIT:

• contract position for a qualified computer manager p/a	**25,000**

• cost of computer equipment maintenance and hire p/a	**25,000**
• cost of production broadcast and Internet facility p/a	**15,000**
SUBTOTAL	**190,000**

Overseas activities

BUSINESS TRIP TO EUROPE:	
• 4 return air tickets	**10,000**
• accommodation, rent-a-car, etc.	**6,000**
• additional expenses	**2,500**
BUSINESS TRIP TO AUSTRALIA FOR *POLONEUM* GUESTS:	
• 2 return air tickets	**5,000**
• accommodation, rent-a-car, etc.	**3,500**
• additional expenses	**3,000**
A SEMINAR IN POLAND FOR *POLONEUM* BUSINESS PARTNERS:	
• rent of office space	**500**
• invitations and transport	**2,000**
A SEMINAR IN POLAND FOR GENERAL PUBLIC:	
• advertisement	**1,000**
• hall hire and catering	**1,500**
SUBTOTAL	**35,000**
TOTAL	**635,000**

The above cost is subject to rescheduling and negotiations with the Proposer according to well based options.

ATTACHMENT 2

GENERAL PRODUCT OUTLINE

The market for *POLONEUM*'s proposed GM products is large and diverse, as is the nature of building industry itself. Only some of the GM items have capacity to instantly replace relevant building industry products after a relatively not intense period of PBR. The fact is that most of these products would only be introduced in remote future due to their level of complexity or performance parameters. In terms of business viability the products can be classified in the following categories:

A. Exemplary items available for introduction after a relatively short period of PBR:

- weeds and bushes for stabilising retaining walls and slopes along the roads and excavations
- decorative elements for exterior and interior office and residential needs garden and interior plants-lanterns, e.g. flowers with enhanced fluorescence and visual effects
- light sensitive plants for industrial use, e.g. fluorescent road poles with enhanced visual effects
- grown pergolas, archways and other garden structures
- construction segments, such as studs and beams
- bush shelters and park facilities for tourists
- park facilities for children's recreation
- cubby houses and tree shelters for outback explorers
- curiosities of the genetically modified plants for gardening, landscaping and theme parks (ie. giant ferns and other plant species for a ' Jurassic theme park')
- feeding racks for wild animals
- a power-plant (for generating, storing and transforming electricity and EM energy)
- other... (for comprehensive list of GM concepts and projects check www.tiitinstitute.com)

B. The GM products, to be developed and introduced in the course of up to 15 years. Following is a list of typical examples:

- natural, environmentally friendly housing for the aboriginal people
- sheds and greenhouses for residential housing
- plates, posts, beams, studs, joists, battens, fascia, rafters, struts, purlins, bearers, noggings, bracings and other timber structural elements

- living brush fencing, flower fencing
- race tracks railings and barriers
- scaffolding
- watch towers
- balustrades and rails
- poles, masts and towers (also for telecommunication and power industries)
- floor and wall framings
- timber roof framings and trusses
- roof and pavement tiling
- girders and arches
- corner and intersection framings
- weatherboarding
- cover and corner mouldings
- profiled planks and sculptures
- T-, Y-, C- and L-shaped profiles for timber works
- cross tree for cult purposes
- framed external doors and gates
- ladders
- street lamps (bio-luminescent GM devices)
- plants producing light for industrial use, ie. fluorescent road poles with nanotechnology visual effects (and other bio-fluorescent GM devices)
- garden and interior lanterns (bio-luminescent GM devices)
- plant - a weather station, media broadcaster/transceiver, computer memory storage, AI module
- shell outdoor and storm water tanks
- other... (for comprehensive list of GM concepts and projects check www.tiitinstitute.com)

C. *POLONEUM* forecast is that market demand in future would comprise the following examples:

- GM housing structures grown not erected
- commercial and entertainment buildings
- special purpose megastructures like dams and reservoirs

- greenhouse structures
- retaining walls
- bridges and jetties
- pieces of outdoor and indoor furniture
- spiral and regular stairs
- shell bricks and wall panels made of GM shells
- coral bathrooms
- shell bathtubs, basins, toilets and other bathroom accessories
- window and door structures
- fountains and pools
- garden shelter structures
- shell open air stages and amphitheatres made of GM shells
- intelligent GM plants and organisms in hybrid technologies special purpose
- other... (for comprehensive list of GM concepts and projects check www.tiitinstitute.com)

Note: The above listings are not comprehensive - for purpose of general information only and subject to a prioritisation at relevant stages of R&D and/or production.

The above listed GM products, which incorporate unique upgraded or non-existent features and levels of performance, are unavailable from any source at this point of time. It is up to the global community and its level of general self-awareness to set standards for GM product R&D in the future. The list never ends, as there is an infinite range of applications in architecture, construction and affiliated industries for the GM products and technologies, reaching far beyond our imagination today.

Even failed GM R&D products or by-products shall find application. Should these prove not good for the end purpose, yet environmentally benign and interesting enough for display, they would be placed in theme parks - "the bioos". The development and running of a 'bioo' would be similar to the way today's zoo functions, with a similarly great role in educating the general public on our ever changing and versatile environment.

The aim of this *Proposal* is to deliver a discerning feasibility study on issues arising from the fact that science and technology have achieved yet higher level of sophistication and now require popular attention.

ATTACHMENT 3

Examples of existing species of trees good for GM R&D:

Banyan tree (India)

Banyan tree (Sri Lanka)

Alee of baobab trees (Africa)

mutant gum tree (Adelaide)