PROJECT KENNEDY

Private and Confidential

Performance Update

- Market conditions for the luxury sports car sector continue to remain extremely challenging for all manufacturers

- Kennedy continues to perform below budget, on both a wholesale and retail basis

- Wholesales to date total 1,215 units versus a budget of 1,825 units, prompting Management to reduce 2010 wholesale budget from 6,000 sales to 5,053. Management are preparing the business for a potential further reduction to 4,800 units

- Kennedy continues to underperform not only against budget but also the market

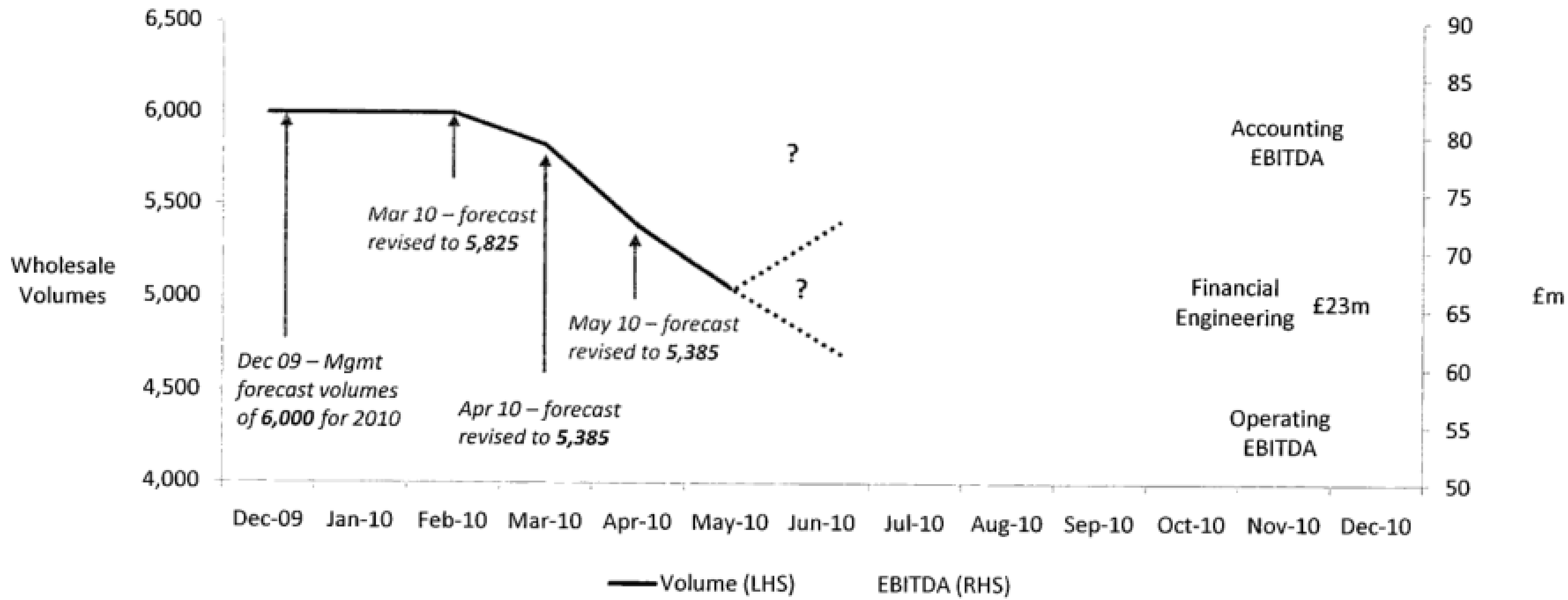
Units	Kennedy	Bentley	Ferrari	Lamborghini	Maserati
May-10	202	165	223	43	172
May-09	228	179	200	37	137
Variance	*-11.4%*	*-7.8%*	*11.5%*	*16.2%*	*25.5%*

- Poor preparation for the launch of the Rapide has significantly impacted sales

Units	Rapide	Flying Spur	Panamera	Quattroporte
May-10	21	57	907	73

Financial Pressure

- As the deterioration of Kennedy's performance continues, additional pressure continues to build on the financial position of the Company
- The risk remains that Kennedy fails to comply with its financial covenants or struggles to refinance its debt upon maturity



What Kennedy needs:

1. Stable and secure shareholders

2. Revamp of Management team to take advantage of the strengths within the existing team. Critically needs a strong, experienced CEO and to upgrade the sales and marketing

3. Empowering the Management team to make the necessary changes to develop new markets

4. Rationalisation of product ranges, through the elimination of the "low" priced entry models, to once again position the Company as aspirational and more up-market

5. Agree a coherent and dynamic fuel economy programme built around the core stable of products

Capital Requirement

- Total committed capital of up to £500 million, over 3 years, could be required to fully implement the strategy. This would include:
  - £200 million to acquire the Company's debt
  - £300 million to develop the business through capital expenditure
- The new capital would allow Kennedy to:
  - Design and develop new models, re-positioning the Company as the most exclusive sports car provider
  - Repatriation of production of the new Rapide model from Graz in Austria, to the Kennedy production facility in Gaydon
  - Bring the Lagonda model into production, allowing the Company to access new markets, both sectorally and geographically
  - Focus on developing environmental options, especially hybrid
  - Expand the dealership network into new, faster growth, emerging markets

Scenario Analysis

Post-acquisition of the debt, the following scenarios could play out...

Leverage Covenant (difficulty envisaged Q3/Q4 2010)	PASS ↓	FAIL →	▪ **Company enters Administration**
Liquidity Covenant (difficulty envisaged Q2/Q3 2011)	PASS ↓	FAIL →	▪ **Pre-pack sale to Consortium**
Refinance of Debt (May 2012)	Refinance ↓	Unable to fully Refinance →	

Debt holders repaid in full plus coupon

- Should Kennedy pass all covenants and be able to refinance the Debt facility, then Debt holders will be repaid in full plus the annual coupon (375bps above LIBOR)
- If not the Company will enter Administration and a pre-pack sale will allow the Consortium the opportunity to take full ownership

Next Steps

The key steps to execution are:

1. Agree Consortium and the capital commitment
2. Mandate Jon Moulton to represent Consortium, to buy Kennedy's debt from banking syndicate, seeking to achieve the purchase of 66.7% of the facility
3. The possible breach of Kennedy's covenants could be in Q4 2010 for leverage covenants and Q2 2011 for cash flow covenants
4. Upon breach of covenants, accelerate repayment of the debt facility under terms of the loan agreement
5. Appoint Administrator upon inability of Company to re-pay debt facility to Consortium
6. Administrator to conduct pre-pack sale of Kennedy to the Consortium