

LIGHT YEARS IP

2010 Annual Report



Light Years IP Annual Report: January, 2010-December 2010

Mission Statement

Light Years IP exists to help large numbers of low-income farmers and producers in LDCs (Least Developed Countries) improve income and alleviate poverty. We focus on intellectual property business strategies to capture substantially higher income and to improve the security of that income for the creators and owners – the farmers, producers and artisans. Our method, called IP Value Capture, is implemented by stakeholders with widespread training and education to reach the largest number of farmers and ensure the stability of income for future generations. Light Years works in East Africa (Ethiopia, Kenya, Tanzania, Uganda, S. Sudan), Southern Africa, West Africa and the Caribbean.

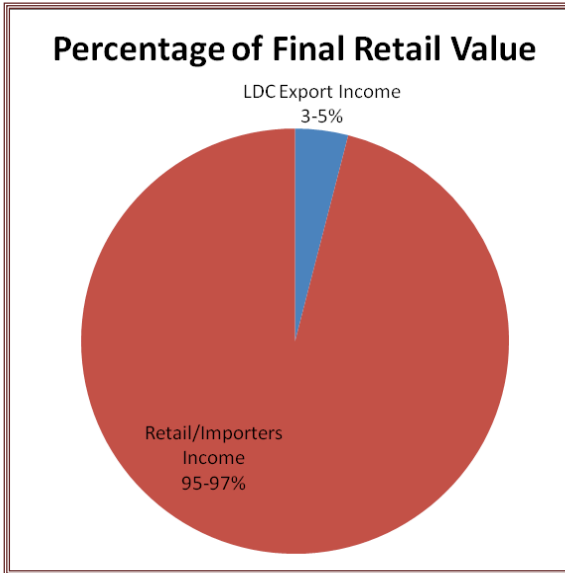


Light Years IP Vision and Core Objectives:

The vision of Light Years IP was formulated by Ron Layton, who drew on 20 years of working in development and 15 years in IP business to design IP Value Capture. Many development solutions fail if increasing production leads to over-supply and falling prices. In Africa, the challenge of oversupply is even more difficult for land-locked countries with high internal transport costs.

Light Years IP focuses on increasing income to LDC farmers and producers based on the retail value of the distinctiveness already present in their products. We develop intellectual property business strategies using IP tools long used by Western corporations, such as trademarks and licensing to control distribution and secure positioning.

The pie chart on the next page highlights the findings of our 20 feasibility studies: African and other LDC farmers currently receive a tiny fraction of the retail value of their distinctive product exports because most of the value is taken by importers and retailers in foreign markets.



Light Years' ongoing vision is that these low returns to producers are not only wrong but do not need to be this way. A pathway out of poverty is for LDC farmers, producers, exporters and artisans to learn the IP business strategies of corporations and to affect the power balance long used to exploit them, turning IP into a realized asset.

Further, Light Years IP believes that the suffering of human poverty is mainly caused by low and uncertain income, so that income stability is vitally important. This is because income stability enables low-income groups to make better decisions concerning their futures. For example, knowing the level of next year's income might enable a family to make potentially poverty-relieving investments in

their longer term interests, such as sending a child to school for the first time.

Light Years IP Core Values:

Our organization exists to serve very low-income stakeholders and to improve the lives of those stakeholders, advancing them out of poverty towards world class incomes and into a more secure future. The stakeholders' interests are core to everything that we do.

Light Years IP offices in DC and our newly planted office in London exist to serve the stakeholders. With this core focus we:

1. We respect and value the human right and God-given right of farmers, producers, artisans and those holding cultural brands to benefit from their own assets.
2. We treat individuals as equal irrespective of income-levels and believe that large numbers of Africans should now be earning world-class incomes from their world-class exports.
3. We value the hard work of women farmers, producers and artisans and endeavor to promote their work, entrepreneurial efforts, and struggle to own and utilize Intellectual Property.
4. We strive to change public opinion, attitudes and entrenched belief systems that sustain colonial and globalization beliefs of exploitation and inequity of poor farmers.
5. Our organization is flat, virtual, lean, and open. We encourage good ideas from any corner.
6. We value transparency, honesty, integrity, hard work, and are intolerant of dishonesty or fraud.

Highlights of 2010:



- Funding was secured for the Maasai Intellectual Property Initiative in 2010
 - The Maasai IP Initiative involves a complex strategy to help the Maasai people of Kenya and Tanzania recover their IP and be trained to manage the IP to benefit the community, who have been affected by declining land and water resources
 - Developed 7-point plan for recovery of Maasai IP and trained Maasai team in this plan
 - Developed Point of View for the Maasai cultural brand.
- Funding secure for the formation of The African IP Trust (AIPT).
 - African IP Trust training conference held in Addis Ababa, Ethiopia
 - The AIPT is a collaboration of prominent people willing to assist low-income stakeholders who own IP to negotiate with powerful corporations and industry groups for improved terms and conditions of future use.
- Training and education workshops held in Nairobi, Kenya; Arusha, Tanzania; Zanzibar; and Dar es Salaam, Tanzania to audiences of several hundred stakeholders in IP Value Capture.
 - Distance courses for the Maasai constructed and implemented in Nairobi and Arusha, Tanzania
- Funding secured for the IP Value Capture Large Scale Education and Training in Tanzania and one other African LDC.
 - UN-funded scoping studies on three distinctive export products and IP Value Capture workshops held in Tanzania.
 - This “Big Bang” program will deliver deep and wide training in IP Value Capture for farmers and other export stakeholders in multiple sectors and the government agencies that support export trade.
 - Six-module IP Value Capture education package developed and tested in 2 countries.
- Ethiopian Fine Coffee Initiative component of training and registration of two additional fine coffee brands as trademarks in over 30 countries, completed during 2010 with World Bank funding.

Financial Summary, FY to December 31, 2010

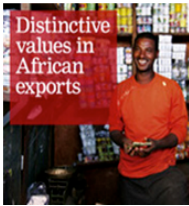
Gross Income was \$751,000, up from \$423,000 in 2009, due to increased grants.

Net Result showed a gain of \$199,000, up from a deficit of \$113,000 in 2009

Assets rose to \$155,000. Liabilities exceed this figure, but the only substantial liability is a non interest loan from the Founder and CEO, which is being written down and was reduced by \$26,000 during FY 2010.

Note: The 2010 accounts will be audited by June 2011

Publications:



Distinctive Values in African Exports: Ron Layton and Pauline Tiffen, Published by Light Years IP and DFID, 2008. 30,000 copies printed and distributed.



IP Value Capture: Caribbean opportunities for higher income: Ron Layton and Meg Brindle, Published by The Organization of American States, 2010

Light Years Board of Directors and Senior Staff:

Ron Layton, Chief Executive Officer

Richard Wilder

Dr. John Kilama

Mohammed Garad

Pauline Tiffen

Dr. Meg Brindle, Director of Education