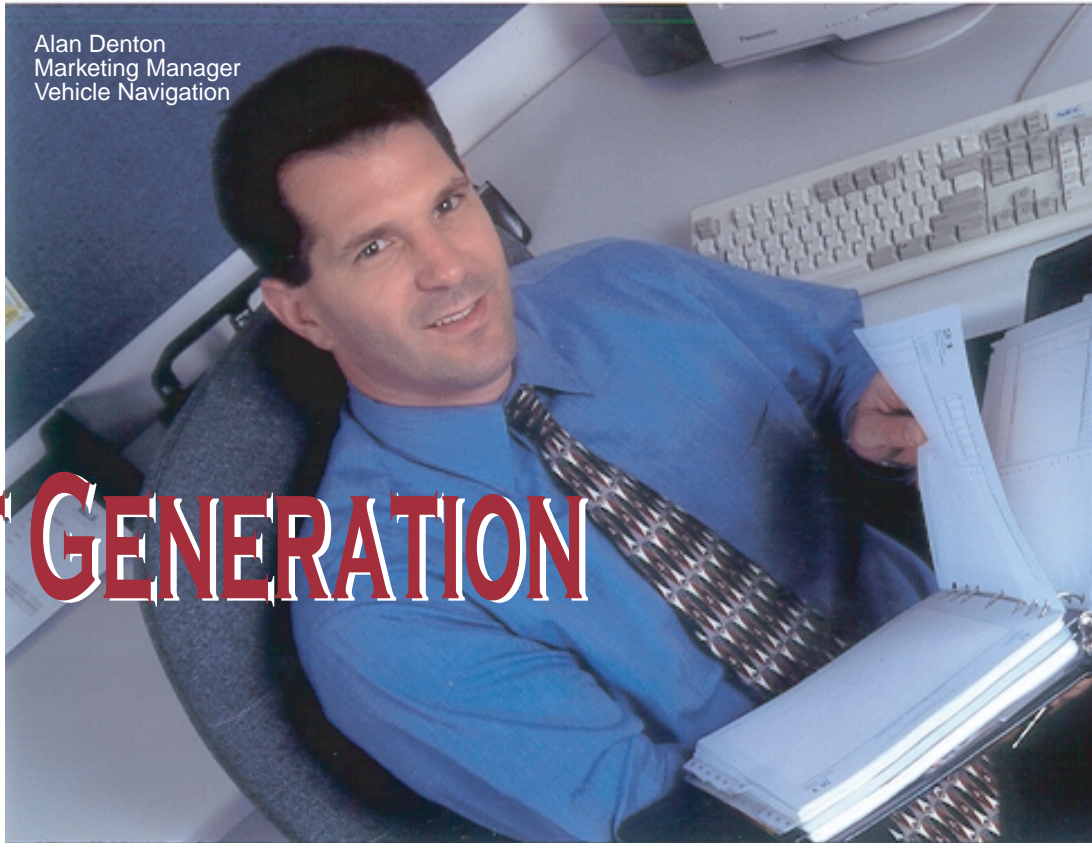


Alan Denton
Marketing Manager
Vehicle Navigation



THE NEXT GENERATION

Q: Magellan was one of the first companies to introduce a navigation system in the North American market with the Pathmaster. What have you learned in the years since then and how is it reflected in your newest generation product, the 750 NAV?

Denton: The Pathmaster was launched at a time when navigation, as a category, didn't have the consumer awareness to put these systems in the same league as, say, CD players, VCRs and Walkmen. In the years since, however, consumers have grown increasingly sophisticated about navigation and can now articulate what functions they're looking for. We've invested that knowledge into the 750 NAV. It provides true navigation and points of interest assistance by taking full advantage of Navigation Technologies' map database and is extremely user friendly.

Q: It's estimated that the North American market is about 18 to 24 months behind that of the market in Europe. Can you provide a quick comparison of the markets?

Denton: Europe benefited from a head start of government-sponsored programs that spurred earlier product introductions and market penetration. North America is catching up quickly now and rental car companies like Hertz are leading the way and making consumers more aware of the value and benefits of navigation. In fact, Hertz, a long-time customer of ours, just ordered 50,000 cars with the 750 NAV. Ten thousand of these will be based in Europe, where the rental car market is not nearly as significant as in the States but is growing steadily.

Q: What makes the 750 NAV unique?

Denton: We store the entire NAVTECH map database for North America on a single hard drive, which frees the driver to drive instead of worrying about changing CDs when he comes to the end of a coverage area. This is particularly nice for fleet organisations like Hertz where cars are criss-crossing the country all the time. The 750 NAV system is easily transportable from one vehicle to another, which gives users added flexibility. It is also worth mentioning that we use Navigation Technologies' SDAL Format, which allowed us to appreciably reduce both the time and costs of delivering the 750 NAV to market.

Q: What comes next?

Denton: For Magellan or for the industry?

Q: Both.

Denton: The push is to integrate real-time traffic and enriched third-party data. Consumers particularly want that real-time traffic component so they can decide whether they should sit on a highway or take the next exit. Once that integration begins, and the first step is happening now with TMC (Traffic Messaging Channel), then we'll see greatly accelerated market penetration of navigation in the U.S. and elsewhere. As for what's next for Magellan, well, you'll see.