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Interviews & News!

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ECotality Is Focused On Profitability And What Is Going To Be The Most And Powerful Part Of The Renewable Energy Paradigm – Electricity

ecotality™

A renewable energy development company

Utilities
Electric Utilities
Batteries/Hydrogen
Fuel Cells/Solar
(OTCBB: ETLY)

ECotality, Inc.

6821 East Thomas Road
Scottsdale, AZ 85251
Phone: 480-219-5005



Jonathan Read
President and CEO

BIO:

Jonathan Read, President and CEO, is an entrepreneur, experienced brand manager, international developer and licensor with a passion for the discovery and realization of clean technology solutions. Over the last 30 years, Read has grown corporations in various markets through global licensing agreements, strategic partnerships and creative management guidance.

At ECotality, he brings his executive management experience to the team. He is instrumental in shaping the direction of the company with a vision to transform nascent clean technologies for global commercial adoption through commercialization and licensing agreements.

Prior to founding ECotality, Read was the founder, former Chairman and CEO of Park Plaza International (Park Inn International/Park Plaza Worldwide). Read grew the hotel chain from just four hotels to a leading global hotel group focused on licensing and joint ventures with operations in 32 countries. In 2003, he sold the companies to Carlson Hospitality and Golden Wall Investments in 2003.

Read also served as Chairman and CEO of Shakey's International from 1984 to 1989. After further expanding the business into a worldwide franchise and licensing group with operations in the United States, Southeast Asia, Japan, South America, Mexico, Europe and the Caribbean, Read sold the global corporation in 1989.

Read attended Claremont McKenna College in Claremont, California.

Company Profile:

ECotality, Inc. (OTCBB: ETLY), headquartered in Scottsdale, Ariz., is a renewable energy company that acquires and commercially advances clean electric technologies and applications. ECotality aggressively accelerates the development of companies and technologies that address today's global energy challenges. Through strategic acquisitions, partnerships and technology innovations, ECotality strives to advance the market appli-

cability of clean electric technologies to become accepted alternatives to carbon-based fuel technologies.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Read, what was your vision when you founded ECotality and where are you today?

Mr. Read: "Our vision was to create a public company that was focused on developing, commercializing and acquiring renewable energy technologies and assets and focusing them on the needs and requirements of the energy world as we saw it evolving over the upcoming years. We have smoothly transitioned from a single technology development company to a revenue-generating and diversified renewable energy corporation."

CEOCFO: When you acquire a company, what do you look for?

Mr. Read: "There are a number of mid-stage companies or venture capital orphan companies that have outstanding technologies, and core revenues and earnings that are somewhat weakened by being a single technology company. They can be acquired at attractive prices versus their revenues and earnings and would mesh technologically with our companies and with our vision. What we are trying to do is achieve growth by meshing technologies and keeping acquired companies as stand alone, fully owned subsidiaries of ECotality. We are looking to typically buy in the range of five to six times earnings."

CEOCFO: Please tell us about Fuel Cell Store and Innergy Power; I believe those are your recent acquisitions.

Mr. Read: “Fuel Cell Store was a strategic buy; it was a private company that was started by Kay Larson, who was very committed to education and fuel cells. It was a strategic acquisition for us because of several reasons. First, it got us in the fuel cell business from two angles, the customer side with 35,000 customers, most of which are major national/international research institutes. We found out about them through Jet Propulsion Labs (JPL), one of our partners in developing our Hydrality technology, as JPL, and almost every major college and university and around the world, actually purchase their fuel cell equipment from Fuel Cell Store. The customer base is the cutting-edge of research labs and education institutes studying fuel cell technology. The other side is that every major fuel cell provider was offering their product to fuel cell store to handle as a consolidated package. It gives us the research side as well as keeps us abreast to what is happening in the fuel cell business. One further thing is that I am happy to be one of the few people with a company that is profitable in the fuel cell sector.

Innergy Power Corporation was quite a different type of acquisition; Innergy was a venture capital orphan. The company was acquired after venture capital groups put approximately \$20 million into the company. It had plateaued. It is a great platform for solar applications and has a core business of thin cell battery production through a maquiladora Mexican manufacturing facility. It gives us entry into a variety of aspects of solar and energy storage. This is a company we acquired for \$3 million that had almost \$20 million put into it. We acquired it at less than five times earnings, and for a little more than one times revenue. It is the type of company that doesn't make sense for venture capital firms to maintain but would be given great strength by being part of our group.”

CEOCFO: Please tell us about your recent partnership with Arizona Public Service (APS).

Mr. Read: “We were approached by them and offered to participate in a coal hydrogasification program that was headed by the Department of Energy (DOE), and led by Arizona Public Service. Part of coal hydrogasification requires a need for stored hydrogen. It allowed us to test one of our cornerstone technologies, Hydrality, a joint venture between ECotality and NASA Jet Propulsion Labs. It gave us the opportunity to test the technology and expose it to utilities in large-scale, multi-megawatt power storage applications. While Hydrality was originally intended for small-scale applications ranging from transportation to resident and office use, our involvement in the coal hydrogasification project expands the opportunity for the technology to be implemented in large-scale utility operations. It is an exciting

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project for us as the DOE provided \$8.9 million in funding for the APS project and our involvement validates that Hydrality is a technology that will be extremely conducive to a broad range of applications.”

CEOCFO: Is there a trend towards consolidating in the industry or are you ahead of the curve in grouping your various technologies together?

Mr. Read: “We see a trend in one area and that is the biofuel. We are seeing some consolidation with ethanol and biodiesel plants because that really is a commodity. We are seeing a move on the commodity side of renewable energies with solar, as there is some consolidation in the production of PVs. ECotality is the first company that is really consolidating in what I would call the application side of renewable energy. We are focused on what I would call an electrocentric template, which is centered on solutions for

storage, portability and production of electricity versus combustible fuels. We are really the first company in the clean technology bandwidth to be consolidating emerging technologies and creating accretive transactions through synergies of technologies.”

CEOCFO: Why do you believe people are ready to embrace energy alternatives now; there have been many false starts in that direction in the past?

Mr. Read: “It is an interesting and enormous dichotomy. I go to functions with friends who drive there in their Prius’, but the following morning they are getting on their G4 to go on vacation. While I applaud the use of the Prius, the conspicuous consumption of energy is still so deeply ingrained in America that I do not see it being an immediate shift.

The growing awareness is positive. We are catching up with the European awareness, but I think it is going to take a few good swift kicks to the wallet before people understand that we do have an energy crisis that extends beyond just the greenhouse effect and global warming. It also puts us in an endangered position geopolitically and economically. Oil is at \$92 today. That has got to send out some warning shots to

Wall Street. Once it starts firmly impacting peoples’ wallets, then I think they will take it more seriously than just the eye wash that I see quite frequently now.”

CEOCFO: What is the financial picture of the company?

Mr. Read: “We are very excited about our financial picture. We are acquiring accretive companies in terms of technology and earnings. We expect to be profitable in 2008, moving from the role of being a development company to being a revenue and earnings positive company.”

CEOCFO: Is your team in place?

Mr. Read: “My background is one where I have built all my companies in the past from a small base and built it through acquisitions, mergers and partnerships around the world. I have a great team in place and have recently added some back of the house financial strength to the

company. All of the management teams that we are acquiring will be carefully culled and vetted in terms of their applicability to ECOTality, but bear in mind we are buying not just technologies but companies that are already profitable with existing managements in place that are making them profitable. Through acquisitions, ECOTality provides them the tools needed to move forward and increase their profitability. The matrix that I worked with before in terms of management structures and binding them together through common technologies or synergies, is one that I think will be equally applicable in this industry. We

are very confident of the management team on a going forward basis.”

CEOCFO: Why should potential investors be interested and what might they miss that should be brought to the forefront?

Mr. Read: “What should be brought to the forefront is that we are focused on the delivery of electricity. I think people have to step back and recognize that everything that they do in this world is driven by electricity, with the exception of motor vehicles. Ultimately, motor vehicles will be driven by electrical means, as even hydrogen is a way to store and produce

electricity on demand. Our focus on electrocentric technologies and our emphasis on green puts us into a different space, and the fact that we are not, what I would call, a single-product science project, and are focused on driving shareholder value is something that should be equally noted. I think between being strongly focused on what is going to be the most prevalent and powerful part of renewable energy paradigm, and our absolute insistence on profitability on an ongoing basis, makes us quite different than everyone else in the fold.”



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