

Global Business Opportunity Converting Large Combustion Vehicles

Right Time for Companies to Enter Conversion Market

- Large percent of 900+ million combustion vehicles can be converted
- Existing fleets will continue to purchase traditional ICE vehicles for several decades
- Conversion costs lower than purchasing new vehicle; immediate reduction in operating costs
- Forward-thinking customers anticipating higher fuel prices and GHG compliance requirements
- Any major oil price spikes or intermittent shortages will drive demand for conversions
- Only conversions can be ramped up quickly enough to take advantage of battery supply coming in 2-3 years
- Consumer/fleet interest and awareness are growing

Benefits of Entering Conversion Market

- Open market, no entrenched leaders, growing number of specialized suppliers
- Profitable from today to beyond the widespread adoption of PHEV and BEV
- National and local tax incentives increase profitability
- Creates new, local jobs for skilled and unskilled labor

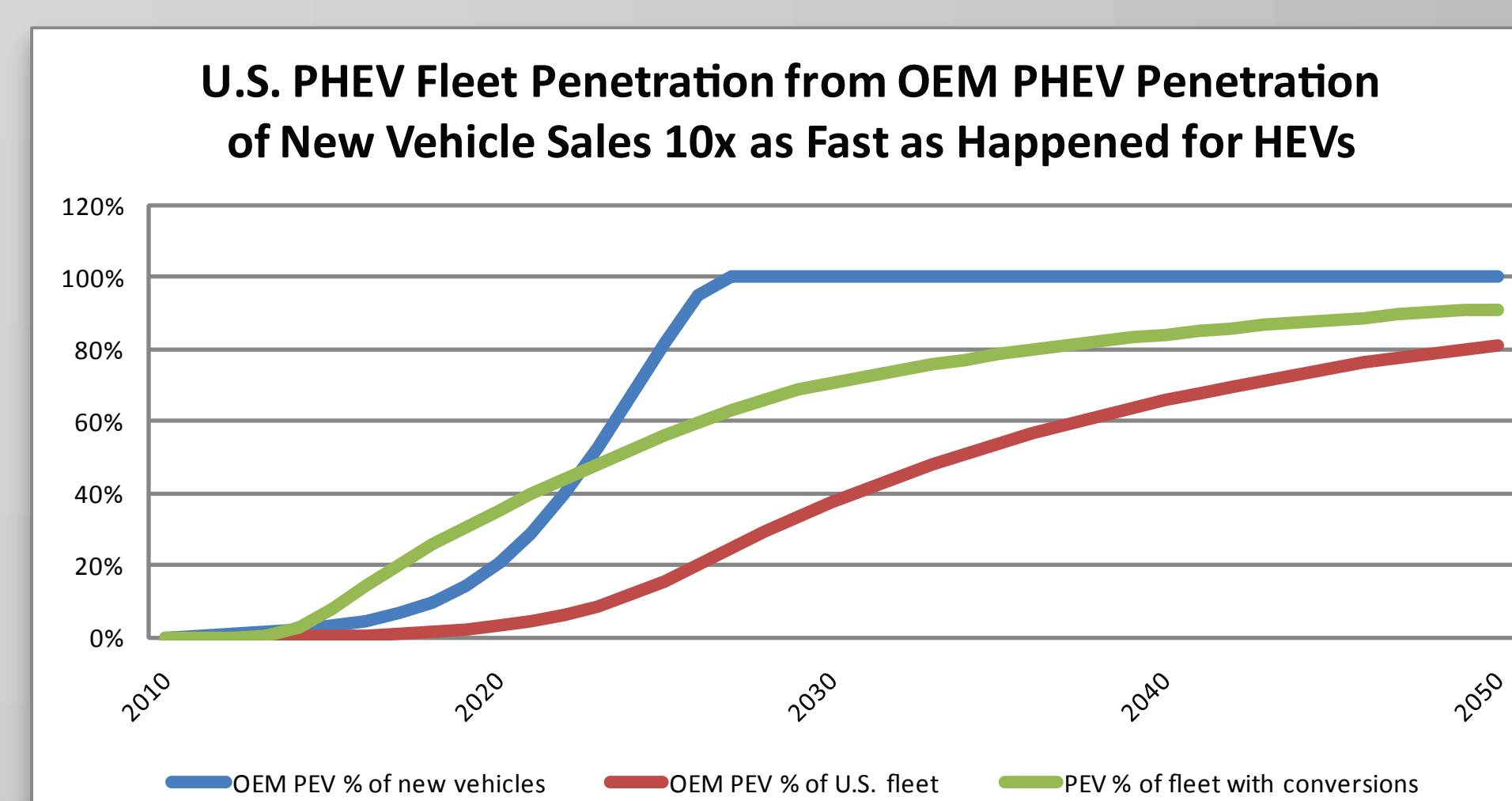
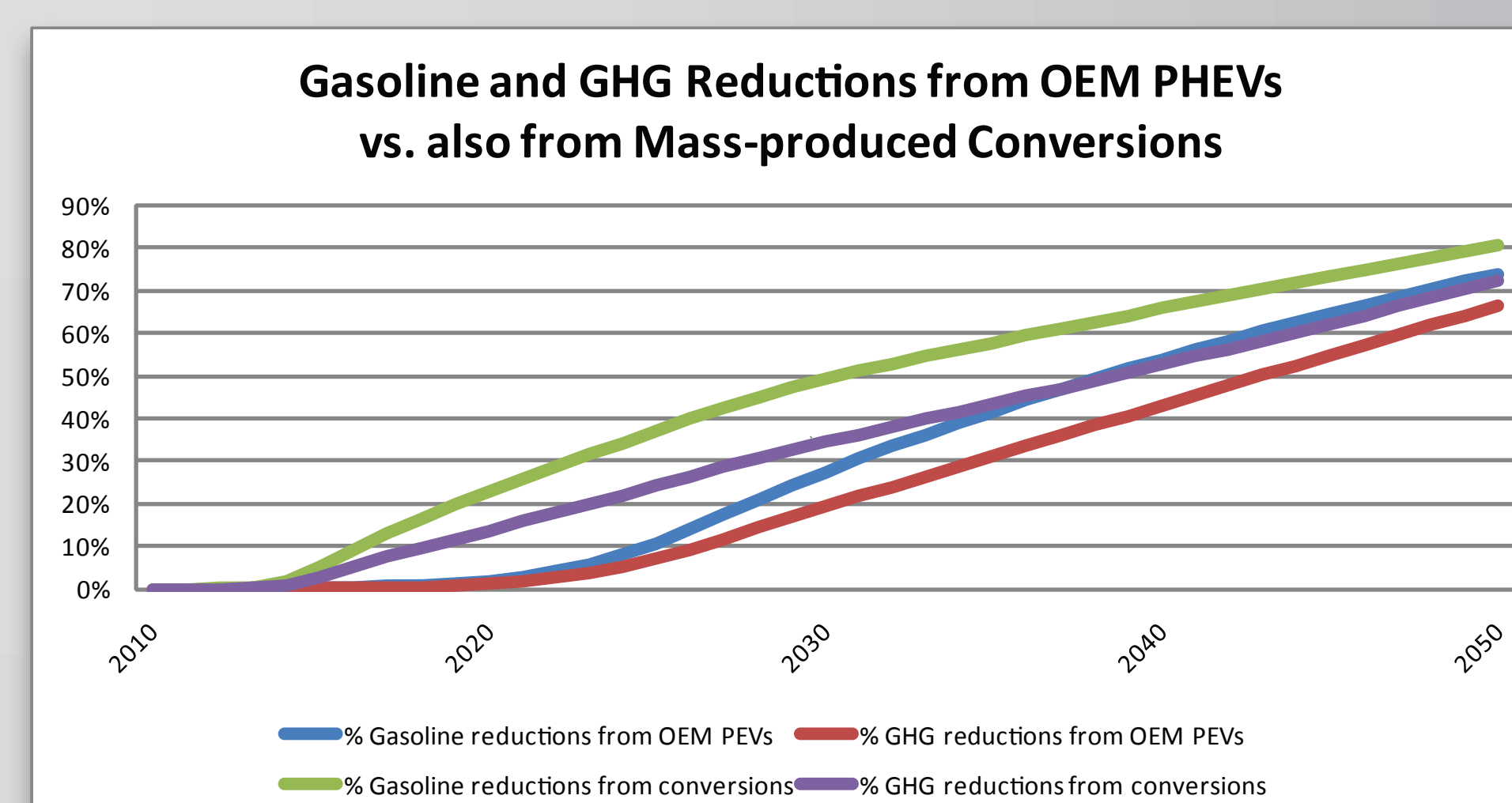
Battery Economics

- Battery financing could create a secondary market, increasing jobs
- Battery costs figured as pre-payment against future fuel savings
- Battery ROI in 5 years or less, also improved by increasing fuel economy in hybrid mode beyond EV range

2010 Volume Conversion Cost Estimates

- Add PHEV components to existing drivetrain: ~\$5K USD + batteries
- Replace drivetrain with PHEV components: ~\$10K USD + batteries
- Replace drivetrain with BEV/EREV components: ~\$5K USD + batteries

***For further information on conversions
visit www.calcars.org/ice-conversions.html***



The California Cars Initiative
PO Box 61045 • Palo Alto, CA 94306
www.calcars.org • info@calcars.org



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