

Altair Nanotechnologies Claims That a Substantial Portion of Revenue from Government Grants and Contracts.

“A substantial portion of our current revenue is derived from government grants and contracts. The government grants and contracts we enter into are subject to termination or delay of funding at the election of the government. As a result, any termination of such agreements would significantly reduce revenue and the capital to sustain operations and research.” (Altair Technologies, “Form 10-k,” UNITED STATES SECURITIES AND EXCHANGE COMMISSION, 3/12/10)

Altair Nanotechnologies Announced It Would Pursue Obama’s Stimulus Money. “Altair Nanotechnologies Inc. (Altairnano) (NASDAQ: ALTI), a leading provider of energy storage systems for clean, efficient power and energy management, announced today the company is pursuing federal funds associated with the 2009 American Recovery and Reinvestment Act, which includes \$4.5 billion for the modernization of the nation's electricity grid. The American Recovery and Reinvestment Act includes an Electricity Delivery and Energy Reliability program designed to accelerate the modernization of the nation's electricity grid. The program will provide up to \$4.5 billion in funds to support the development, demonstration and deployment of energy reliability activities, including demand responsive equipment, enhance security and reliability of the energy infrastructure, and energy storage research. The legislation provides electric utility companies financial assistance for use in paying up to 50 percent of the cost for qualifying advanced grid technology investments, including demonstrations and equipment purchases of utility-scale energy storage. Altairnano is seeking to partner with utility companies and jointly pursue funding opportunities that may accelerate activities associated with the modernization of the electricity grid. ‘We believe this is important legislation for advancing the critical role clean energy storage solutions will have in helping create more efficient, resilient, and reliable electricity grids and for enabling the integration of grid-ready photo-voltaic generation,’ said Terry Copeland, president and CEO, Altairnano. ‘Altairnano is evaluating all appropriate fund opportunities that accelerate the adoption of energy storage systems for clean, efficient power and energy management.’ In the U.S. each year, an estimated one billion tons of coal and 6.9 trillion cubic feet of natural gas are consumed by traditional power generation operations. Of this amount, nearly 10 million tons of coal and 18 billion cubic feet of natural gas are used to effectively manage the stability of our nation's electricity grid -- a process that produces more than 39 million tons of carbon dioxide emissions. ‘The use of clean energy storage systems, such as Altairnano's, could reduce the traditional carbon-based generation required for managing grid stability and frequency regulation by 86 percent,’ added Copeland.” (“Altair Nanotechnologies Pursues Federal Grants Associated With 2009 American Recovery and Reinvestment Act; Economic Stimulus Package Appropriates \$4.5B for Modernization of Nation's Electricity Grid,” Market Wire, 3/10/09)

Altair Nanotechnologies’ Operating Strategy was Focused on Receiving Stimulus Money. “For the year ended December 31, 2008, the Company reported revenues of \$5.7 million, down from \$9.1 million for 2007. The net loss was \$29.1 million, or 34 cents per share, compared to a net loss of \$31.5 million, or 45 cents per share, for 2007. The basic and diluted weighted average shares outstanding for the year were 85.9 million compared to 71.0 million reported in 2007. Operating expenses of \$35.9 million for 2008 were \$6.3 million less than the operating expenses of \$42.2 million for 2007. The decrease in operating expenses was primarily a result of the lower cost of product sales in 2008 associated with the lower volume of business. The Company also disclosed that as a result of the Company not achieving its 2008 financial targets, no bonuses were paid to middle and senior level managers. Additionally due to the overall adverse economic environment no general or cost of living salary increases were given to employees for 2009. The Company's normal practice is to provide cost of living increases at the beginning of each year. ‘The markets for clean energy storage systems for power-dependent applications within smart-grid, renewable integration, military, and transportation are developing,’ said Dr. Terry Copeland, president and CEO of Altairnano. ‘However, there is no question that current economic conditions have delayed purchasing decisions. On a positive note, several sections of the 2009 American Recovery and Reinvestment Act are directed at those very markets and we anticipate those funds will help accelerate the adoption of advanced energy storage systems.’ The Company's cash and cash equivalents decreased by \$22.1 million, from \$50.2 million at December 31, 2007 to \$28.1 million at December 31, 2008. This is due primarily to net cash used in operations of approximately \$30.1 million, purchases of property and equipment of approximately \$3.0 million, and the payment of notes payable of \$0.8 million. This decrease was partially offset by the receipt of proceeds resulting from the issuance of common shares to a single investor, the exercise of stock options and warrants, and recovery of short swing profits of approximately \$11.8 million.” (“Altair Nanotechnologies Reports 2008 Financial Results,”

Marketwire, 3/11/09)

Altair CEO Announced His Investment Strategy was to Pursue Stimulus Funds. “Let me now speak to the American Recovery and Reinvestment Act, often referred to as the stimulus Bill, and its impact on our business. There are several sections which should be beneficial to us. First, from the DOE office of electricity, delivery and reliability is a \$4.5 billion electrical grid modernization program. The covered projects include demand/response of equipment, systems to enhance security and reliability of the energy infrastructure, energy storage research, development demonstration and deployment, and those projects that facilitate recovery from disruptions to the energy supply, and for implementation of programs authorized under Title 13 of The energy Independence and Security Act of 2007. This includes grants of up to 50% of qualifying grid investments and of qualifying advanced grid technology. These grants mainly will be utilities, and really speak directly to opportunities for both frequency regulation and renewables integration. Additionally, there is a \$6 billion innovative technology loan guarantee program directed at similar programs. As we announced yesterday, we will be pursuing these funds in concert with appropriate parties, like AES and others. Also out of the DOE office of Energy Efficiency and Renewable Energy is a \$2 billion program directed at against battery manufacturing grids. The purpose of this program is to create a cell manufacturing base in the US that will be able to compete with Asian companies. We are joining with a number of other companies in the consortium called the National Alliance for Advanced Transportation Batteries, or [NATBAT] for short. The intent is to build a single site where companies would be able to purchase line time to build their own cells while keeping safe their proprietary information.” (“Q4 2008 Altair Nanotechnologies Inc Earnings Conference Call – Final,” Fair Disclosure, 3/11/09)

Altair Nanotechnologies CEO: “The simple perspective has become ‘why not spend federal dollars first?’” “All of these stimulus programs offer great opportunities for us and for our customers. It’s a two-edged sword, however, as the potential availability of federal funds has caused anyone interested in purchasing our technology to delay their purchase decisions. The simple perspective has become “why not spend federal dollars first?” So while the stimulus package increases our potential sales, it also delays them until the government is capable of reviewing the stacks of applications and actually spending the money. The processes to support the programs aren’t in place at the DOE at this point. We are hopeful that Secretary Chu will keep his promises to begin spending these funds as quickly as possible, even as early as April. President Obama has referenced the desire for ‘shovel-ready projects’. I know for a fact that there are proposed projects using our technology that meet that criteria.” (“Q4 2008 Altair Nanotechnologies Inc Earnings Conference Call – Final,” Fair Disclosure, 3/11/09)

“2009 will surely be a challenging year with the economy and deepening recession. We believe that the best way to navigate is to stay focused on what we do best, and that’s to focus on our energy storage solutions. These solutions are right in the target zone for the American Recovery and Reinvestment Act that should enable our customers to move forward with significant projects even in this sluggish economy.” (“Q4 2008 Altair Nanotechnologies Inc Earnings Conference Call – Final,” Fair Disclosure, 3/11/09)

Altair Nanotech Received a \$100,000 Grant from the Energy Department. “Altair Nanotechnologies Inc, leading provider of energy storage systems for clean, efficient power and energy management, announced it received a grant award of \$100,000 from the Department of Energy under the Small Business Research and Small Business Technology Transfer programs. Research under the grant is expected to begin the week of June 20th and continue for a six month period. Under the grant, Altairnano will conduct research relating to the surface modification of electrode coatings in battery cells with the objective of increasing temperature and cycle life performance by decreasing reaction rates with the electrolyte. ‘This grant represents an important milestone in our work with the Department of Energy and demonstrates the agency’s commitment to advancing domestic energy storage solution technologies,’ said Terry M. Copeland, Ph.D., Altairnano’s chief executive officer. ‘Altairnano’s energy storage and battery systems already perform at some of the highest temperature ratings and life cycles.’” (“Awarded Department Of Energy Grant For Battery Research,” Market News Publishing, 6/7/10)

Altair Nanotech Received a \$3.8 Million Contract from the Office of Naval Research. “ALTI Altair Nanotechnologies announces \$3.8 mln contract award from Office of Naval Research.” (“Hourly In Play (R) - 15:00 ET,” Briefing.com, 5/29/09)

Altair Nanotech Received a \$100,000 Grant from the Federal Government. "ALTAIR NANOTECHNOLOGIES, INC. ("ALTI-ABHDPQX") - Receives Small Business Innovation Research Grant Altair Nanotechnologies, (Altairnano), a leading provider of energy storage systems for clean, efficient power and energy management, today announced the company has received a Small Business Innovation Research (SBIR) grant to support strategic initiatives for the Naval Sea Systems Command (NAVSEA). As a branch of the Department of Defense, NAVSEA engineers, builds, and supports America's fleet of ships and combat systems. The value of the contract is estimated at \$100,000. The SBIR grant will be used to further accelerate technological progression of Altairnano's advanced energy storage systems and batteries." ("Receives Small Business Innovation Research Grant," Market News Publishing, 7/30/09)

Towerstream Applied for \$121 Million in Stimulus Funding. "I would now like to move on to stimulus. I want to spend a few minutes on BTOP or Broadband Technology Opportunity Program or otherwise known as government stimulus grant money. Towerstream has filed 17 applications for 17 different markets across the US for approximately 121 million. This is a very time-intensive project and did add some costs to Q3 and probably Q4." ("Q3 2009 Towerstream Earnings Conference Call – Final," Fair Disclosure Wire, 11/4/09)

Towerstream Applied for an Additional \$8 Million in Stimulus Funds. "Jeff Thompson, president and chief executive officer of the Rhode Island company, said last week it was investing \$3 million to \$5 million into wireless cell sites in the Philadelphia region in the next two years. Towerstream also applied for an additional \$8 million in federal stimulus funds for Philadelphia, Thompson said. He expects to hear whether Towerstream has won the grant in the next two weeks or early next year." ("United States : Towerstream launches, T-Mobile adds to city wireless service," TendersInfo, 12/16/09)

ArcSight Looking to Increase International Sales with Obama's Stimulus Money. "Though Hardly a household name, ArcSight is the rising star of I.T. security. ArcSight sells devices for monitoring security threats across networks and data centers and touts its neutrality as one of its key strengths, enabling the firm to work with a variety of tech heavyweights. These include EMC (EMC:NYSE), Juniper(JNPR:NYSE), IBM(IBM:NYSE) and Cisco(CSCO:NASDAQ). As one of TheStreet's breakout stocks, ArcSight posted revenue of \$136.2 million in fiscal 2009, up from \$101.5 million in 2008 and just \$15.3 million in 2004. During its recent second-quarter results, the company also grew sales by almost 40% compared to the prior year's quarter. Last October ArcSight outlined plans to boost its operating margin during its first-ever analyst day and is expected to continue its growth trajectory in 2010. The Cupertino, Calif.-based company is looking to increase its international sales over the next few years, as well as tap into increased government spending on cyber security. ArcSight also expects a major revenue boost from U.S. government stimulus packages for smart energy grids and electronic medical records." (Rogers, James, "Top Security Stocks for 2010," The Street.com, 2/16/10)

Government Contracts Account for Over 30 Percent of ArcSight's Revenues. "After months of speculation, on Dec. 22 President Obama appointed the nation's first 'cybersecurity czar.' Former tech executive Howard Schmidt will coordinate efforts to prevent major attacks on America's digital networks. For Tom Reilly, chief executive of ArcSight, this just underscores the demand for his network-defending software and appliances. 'The fact that the White House appoints someone to be in charge of cybersecurity is very new and different from just a year ago or two years ago,' he said. 'It reflects the growing importance and concern about this threat.' Reilly recently spent six weeks in Washington, D.C., holding more than 60 meetings with public officials and potential partners and clients. It was a productive business move, since government normally provides 30% of ArcSight's revenue. In the most recent fiscal quarter, that portion reached almost half, as a burst of spending preceded the end of the government's fiscal year in September." (Reeves, Amy, "ARCSIGHT Cupertino, California Maker Of Cybersecurity Products Benefits From Obama Initiatives," Investor's Business Daily, 12/29/09)

ArcSight CEO Said the Company Stands to Gain from the 'Growing Business' of Government. "Earlier this year, a host of high-profile Web organizations in the U.S. and South Korea, for example, were targeted in an audacious cyber attack. The denial-of-service attack attempted to bring down the likes of the New York Stock Exchange, Treasury and White House Web sites by bombarding them with requests from more than 100,000 infected computers dotted around the globe. 'Government itself is a growing business, not just here [in the U.S.] but

internationally,' added Reilly. 'We also think that working with the Government will drive a lot of the private sector [sales] as well.' In addition, ArcSight expects a major revenue boost from U.S. government stimulus packages for 'smart' energy grids and electronic medical records. 'We're going to see major changes when it comes to electronic records,' explained Reed Henry, ArcSight's vice president of marketing, during a presentation. 'Think about the privacy risks -- you have everything coming together all in one place and the security ramifications of that.'" (Rogers, James, "How ArcSight Plans to Stay Ahead of the Curve," The Street.com, 10/13/09)

Telkonet Blamed Its Third Quarter Earnings on the Delay in Receiving Obama's Stimulus Funds. "For the third quarter, Telkonet reported revenue of \$2.4 million, which represents a decrease of 37%, compared to \$4.7 million in the 2008 third quarter. This correlates to a decrease of 23% compared to the second quarter 2009, which was \$3.1 million. During this past quarter, as for the entire year, the current economic conditions have continued to impact new business generation. In addition, our fundamental picture this quarter also consisted in a reduced volume of ordering from our top four, Telkonet, SmartEnergy, TSE customers, and reduction of HSIA smaller installation revenues. TSE revenue in the third quarter amounted to \$900,000. Compared to the high speed Internet access, HSIA revenue of \$1.3 million. Our primary focus is on the hospitality sector for TSE and HSIA sales, and the challenges faced by the hospitality industry have impacted the Company considerably. To elaborate, Company experience short-term impact to revenue due to numerous factors including continued weak performance in the hospitality market segment, affecting capital budgeting decisions. A delay in the utility funding of energy efficiency programs, due to weak economic conditions. Issues created for customers from financing sources, due to the state of the financial markets. And delays associated with the American American Recovery and Reinvestment, ARRA stimulus funds. During this quarter, average revenue per employee were approximately \$27,000, \$109,000 annualized. Based on our headcount of 88 employees as of September 30th, 2009. The revenue per employee is down by approximately \$6,000 or 18% from the previous quarter. Our staffing levels are at a baseline for the organization to operate effectively, and we do anticipate accretive employee count in future quarters, in line with anticipated revenue growth. In the meantime, we will use our contractor base where necessary to assist in one-time project based revenue." (Leimbach, Rick, "Q3 2009 Telkonet, Inc. Earnings Conference Call – Final," Fair Disclosure Wire, 11/16/09)