



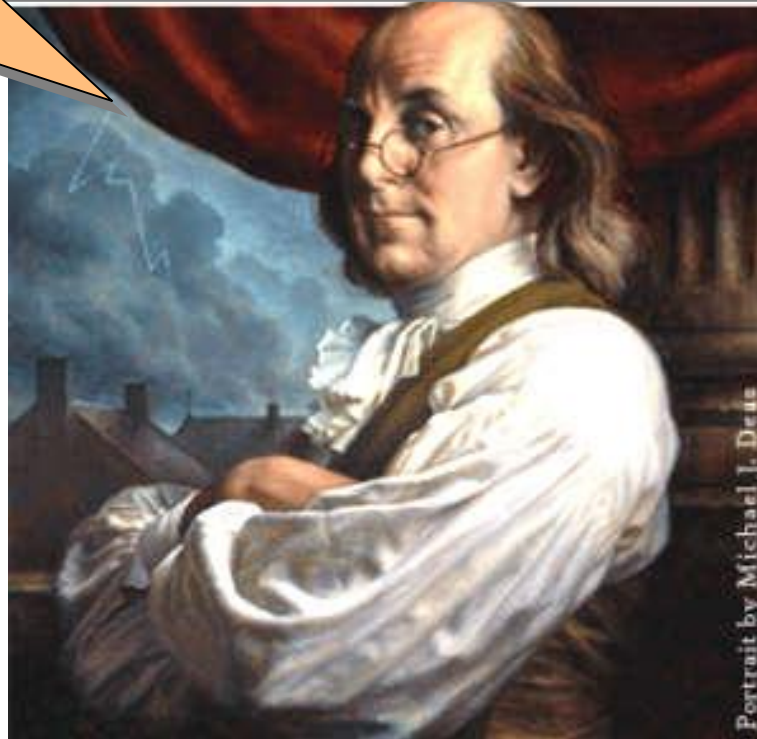
Intelligent Water Management



**Pat McIntyre**  
**Mark Coopersmith**

**“When the well's dry, we  
know the worth of water.”**

***Benjamin Franklin  
Poor Richard's Almanac  
1746***



## A Few Current Facts About Water



**In CA 19% of electricity and 32% of natural gas consumption are water-related <sup>1</sup>.**

**Low-flow plumbing fixtures have reduced CA urban water use by up to 25% <sup>2</sup>.**



**50+% of urban water use in the US is for landscapes <sup>3</sup>.**

1. CS Energy Policy Report, 2005

2. LA Metropolitan Water District

3. AWWA "End Uses of Water" (58% savings)

## ETwater – the Leader in Smart Irrigation Control

- Integrated solution:
  - Web software
  - Digital irrigation controllers
  - Wireless communications
- Deliver 20-50% reduction in landscape water use
- Payback in less than 2 years
- Strong IP/patent position

# ETwater Track Record of Innovation & Leadership

2005: ETwater is first to attain “SWAT” certification  
- “Smart Water Application Technology” std



2006: Qualifies customers for public agency rebates

2006: Awarded WSJ “Best Environmental Tech Innovation”



2007: Adds flow-monitoring, leak detection, real-time alerts

2008: Introduces “Smart Works” Replacement Panels



2009: Attains patent protection for system

2010: Launches Mobile Applications & Professional Suite

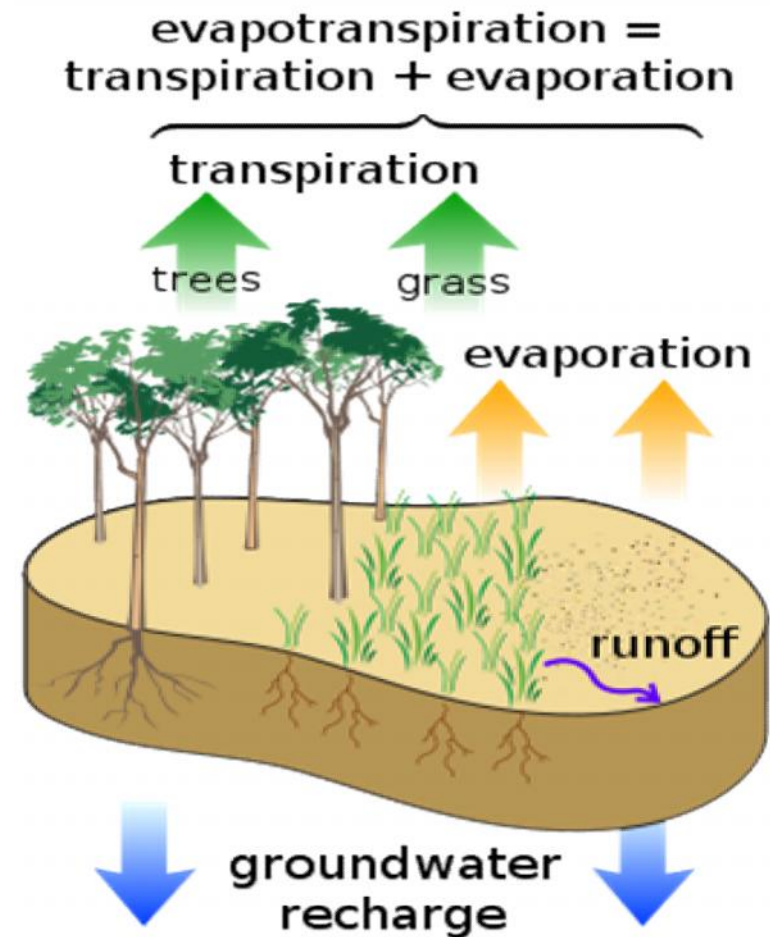
2010: Red Herring 100 Award



# EvapoTranspiration (the ET in ETwater)

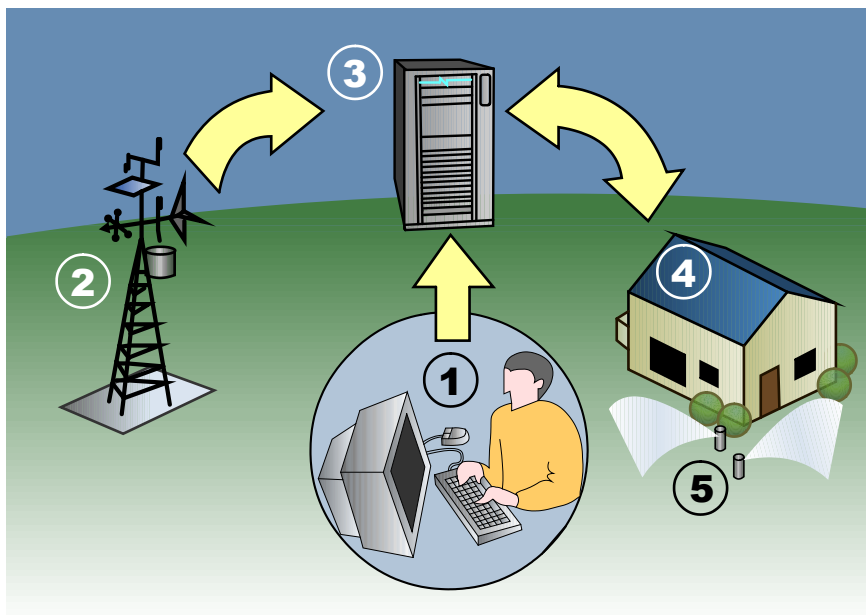
- ET is the loss of water from the earth & plants to the atmosphere
  - Evaporation from ground
  - Transpiration from plants
- ET changes as weather changes
- Different plants have different ET

$$ET_o = \frac{\Delta R_n + \rho_a c_p (\delta q) g_a}{(\Delta + \gamma (1 + g_a / g_s)) \lambda_v}$$



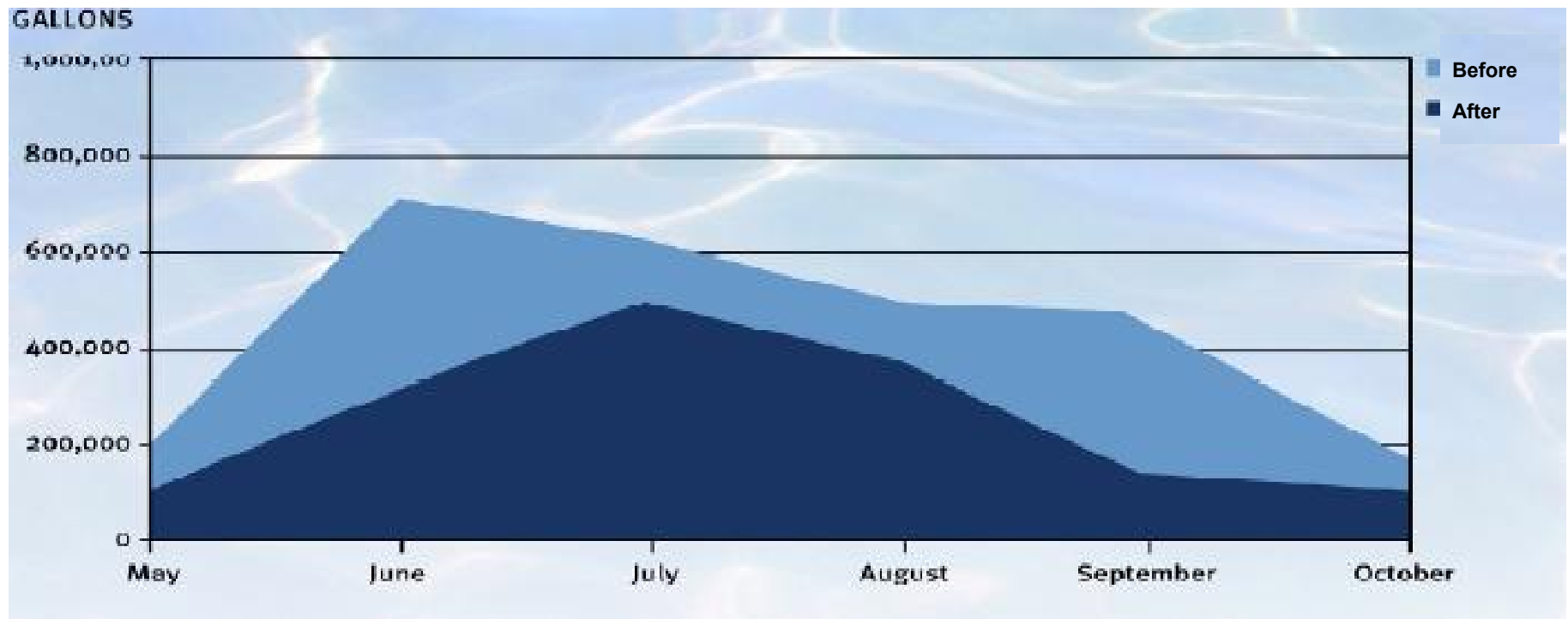


# How the ETwater System works



1. Customer enters landscape profile online
2. Local weather stations capture weather & rainfall data
3. ETwater servers compute ET and develop daily irrigation schedules
4. Servers connect wirelessly with field controllers to exchange schedules & data
5. Controllers execute daily irrigation schedules

## Case Study: 40% savings and 1 year payback



- 2 acre commercial landscape in Aurora Colorado
- Annual water consumption: 2.8mm gal → 1.6mm gal
- First year savings: 1.2mm gal and \$6,000

## Current Markets



### COMMERCIAL

- Office
- Retail
- Industrial



### MUNICIPAL, PUBLIC

- Public Facilities
- Parks & Gardens
- Roadside landscape
- Education



### MULTI-FAMILY

- Apartments/Condos
- Home Owner Assoc.
- Retirement Comm.

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## Future Markets

### SINGLE FAMILY HOMES

- 80mm in US alone



&

**INTERNATIONAL  
EXPANSION**

We save water for...



## This Market is Ripe for Transformation

- Technology foundation already in place; sector lagging
- Incumbents are tradition-bound
- Conservation regulation is accelerating → adoption
- Multiple markets converging
- \$1B market today → \$4B within 10 years <sup>1.</sup>

1. Internet Securities, 2010 Research Report

## Growth Opportunities for ETwater

- New products and services
  - Mobile applications: Quick Draw
  - Web Services
  - Good/Better/Best line expansion
- Customer expansion (proven model)
- Public-private partnerships
- Integration with building automation
- International expansion



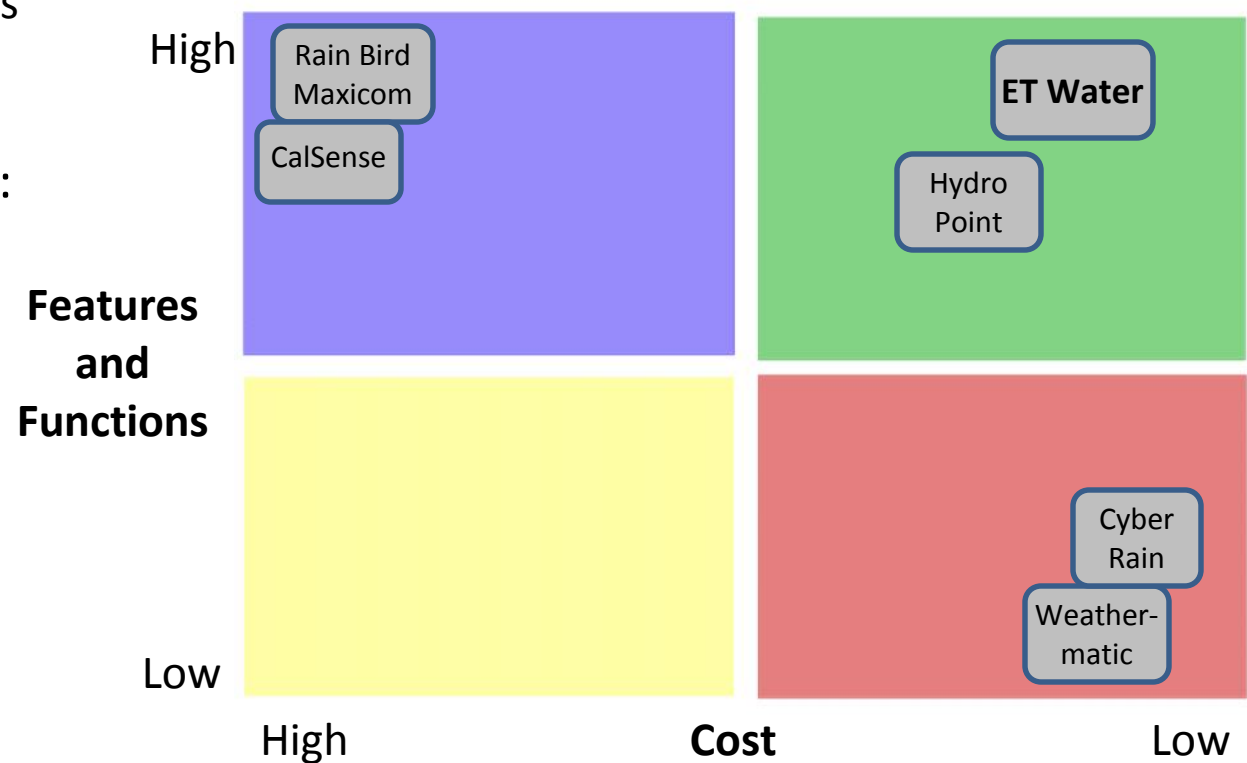
*ETwater controls a technology, data and communications platform extensible to many applications beyond irrigation.*

# Competition – ET Water versus...

1. Conventional controllers
2. Alternative types of smart controllers
  - Soil moisture sensors
  - Onsite weather stations
3. ET-based systems

Plus ET Water benefits:

- Ease-of-use
- Multiple price pts
- Automation
- Cloud-based



## Financial Highlights

- 5 consecutive years of revenue growth
- Multiple revenue streams from each customer:
  - Hardware sales
  - Recurring subscription revenues
    - 93% renew
  - Value-added services
- New funding raised July 2010

# Team

## Experienced and Accomplished Team:

- J Patrick McIntyre (CEO) – BoD Globalstar; CEO Bell Sports; multiple turnarounds; multiple exits; 20+ M&A's
- Mark Coopersmith – Sony EVP; GM \$300mm NWL Tech Group; E&Y Consulting; multiple start-ups/BoDs; Haas Prof entrepreneurship
- Technology and Sales Team: deep expertise in electronics, web services and horticulture; irrigation incl Rain Bird and HydroPoint

## A-list Board and Investors:

- Peter Dalton – CEO Globalstar, CEO KLM Electronics
- Bill Hasler – Chairman Solectron; Vice Chair KPMG; Dean at Haas
- Ken Jones – Chairman Globe Wireless; CEO Ditech Communications
- Ed Kashian – Investor; developer of 10,000,000 sq ft of real estate

**“Our economy cannot grow without water. Now is exactly the time to invest in it...”**



*Gov. Arnold Schwarzenegger  
CA State-of-the-State Address  
January 2010*



**Thank you**

**Mark Coopersmith**

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