

**Driving force**

## AeroVironment stands to gain with Nissan deal

By Kevin Smith Staff Writer

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AeroVironment Inc.'s fortunes are looking up.

Known primarily as a maker of unmanned surveillance planes, the Monrovia-based company also makes quick-charge systems for electric vehicles and wind turbines.

But AV's recent contract to provide and install home-charging systems for Nissan North America's new LEAF electric vehicle positions the company for increased earnings.

"This (Efficient Energy Systems) part of their business provides them with a terrific opportunity in the sense that it has all the bells and whistles you'd want," said Alex Hamilton, an equity analyst with C.K. Cooper. "They are an R&D-focused tech company that hits the sweet spot of trends."

And there appears to be demand for that sweet spot. On Monday, Nissan announced that more than 15,000 people in the U.S. have formalized their interest in driving a LEAF by signing up for more information on [NissanUSA.com](http://NissanUSA.com).

The automaker will begin taking reservations

today for the vehicle. A reservation is the first step in securing a place on the list to buy or lease one of the vehicles. The four-door electric hatchback is due to hit select showrooms in December and will be widely available in 2011. The car is priced at \$32,780. But it will come with a \$7,500 electric vehicle tax credit from the federal government, lowering the cost to \$25,280.

The five-passenger car will be powered by an advanced, lithium-ion battery pack, providing users with a drive range of 100 miles on a full charge. And getting the charger will be easy.

"When a customer goes to Nissan they will be able to schedule a home assessment with a licensed electrical contractor that will be part of our nationwide network," said Steven Gitlin, AV's vice president of marketing strategy. "We're busy getting ready for this - from the processes to the technology to the supply chain ... we're very excited."

Earlier this year, Nissan spokeswoman Katherine Zachary said the automaker plans to initially produce 50,000 LEAF vehicles per year to serve the U.S., Japan and European markets.

Additional state and local incentives may further defray the costs and increase the benefits for owning and charging a Nissan LEAF.

A \$5,000 statewide tax rebate is offered in California, a \$5,000 tax credit in Georgia, a \$1,500 tax credit in Oregon and carpool-lane

access will also be permitted in some states, including California.

Gitlin said the average combined cost for a charger and installation will be \$2,200. But a federal tax credit would cover 50 percent of that, up to \$2,000.

That would reduce the \$2,200 cost to \$1,100.

The lease price for the LEAF will begin at \$349 a month.

Hamilton said AeroVironment's line of unmanned surveillance aircraft systems - used heavily by the military - also hits a sweet spot.

"These unmanned aircraft are the perfect bipartisan tool," he said. "Whether you're Democratic or Republican, you won't vote against it. Everyone gets it and everyone understands why you would have it."

AV shares closed up 95 cents Monday to \$26.06. Over the past 52 weeks, the stock has ranged from a high of \$35.38 to a low of \$21.64.

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