FINAL TRANSCRIPT

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PRESENTATION

Operator

Greetings, and welcome to the 2009 fourth-quarter year-end earnings call. At this time all participants are in a listen-only mode. A brief question-and-answer session will follow the formal presentation. (Operator Instructions). As a reminder, this conference is being recorded. It is now my pleasure to introduce your host, Cathy Yudzevich, Manager of Investor Relations for Plug Power. Thank you. Miss Yudzevich, you may begin.

Cathy Yudzevich - *Plug Power Inc. - IR*

Good morning, thank you for joining Plug Power to discuss our 2009 fourth-quarter and year-end results. Andy Marsh, CEO, and Gerry Anderson, CFO, will be on this call today. This call will also be archived on our website at PlugPower.com in the investor section under presentations.

This conference call will contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 including, but not limited to, expectations regarding revenues, product orders and product shipments for 2010. These statements are based on current expectations that are subject to certain -- or subject to certain assumptions, risks and uncertainties, any of which are difficult to predict, are beyond our control, and that may cause our actual results to differ materially from the expectations in our forward-looking statements.

These risks include, without limitation -- the timing and quantity of orders, shipments and installations for our products; our ability to develop commercially viable energy products; the cost and timing of developing our products; market acceptance of our products; and our ability to lower the cost of our products and demonstrate their reliability; and other risks and uncertainties discussed under Item 1A Risk Factors in Plug Power's annual report on Form 10-K for the fiscal year ended on December 31, 2008, as filed with the SEC and in other reports we file from time to time with the SEC.

Plug Power does not intend to, and undertakes no duty to, update any forward-looking statements as a result of new information or future events. At this time it is my pleasure to turn the call over to Andy Marsh.

Andy Marsh - *Plug Power Inc. - President, CEO*

Thank you, Cathy. Good morning, everyone, and thank you for joining our call. Last October Plug Power announced a detailed plan and timeline to profitability. It is more than just an objective, more than just a plan, it's really this team's commitment to build a profitable enterprise.

With this sentiment I'll start today's call with a discussion of our 2009 accomplishments. After highlighting these accomplishments I'd like to reinforce the strengths and successes of our material handling and prime power business. Finally, I will discuss our milestones for 2010. When I finish Gerry Anderson will lead the discussion of our 2009 fourth-quarter and full-year financial results. We'll then open up today's calls to questions.

On our path to profitability Plug Power's 2009 accomplishments marked some of the most significant achievements in the Company's history. Last year Plug Power received 784 orders for GenDrive and GenSys systems, a 116% increase from 2008, these orders represent an invoiceable value of $21.3 million. The order count will always be a market success for our sales organization.

The orders Plug Power received last year are not nearly as noteworthy as the premier customers who were placing them. At the end of last year our customer base had grown to include Wal-Mart, Sysco, Wegmans, Whole Food, Coca-Cola, Federal Express, Genco, Central Grocers, Nestle Waters, Bridgestone, United Natural Foods and WTTIL, the tower arm of Tata Teleservices.

A true accomplishment the strength of our customer base reinforces that Plug Power develops the right technology solutions, targets the right fuel cell markets and builds the right commercial relationship. In 2009 Plug Power broadened the GenDrive product portfolio with the launch of our Class 2 stand-up reach product, a critical accomplishment to promote full fleet conversions.

In turn, last year or Sysco, Federal Express and Wal-Mart joined Central Grocers as customers engaging in full fleet conversion at greenfield sites. In doing so these customers will be eliminating battery infrastructure altogether foregoing incumbent technologies in favor of an integrated hydrogen fuel-cell solution. Our expanding GenDrive portfolio and customers continue to set Plug Power apart as the leader in the fuel cell industry.

2009 also marked the incorporation of our affiliate company, Plug Power Energy India Private Limited. Leveraging our core strength in product development and sales, Plug Power India supports all in-country sales and service activities. Working closely with contract manufacturer expert, SFO Technology, and fueling partner HPCL, Plug Power weaved a tight knit collaboration to eliminate the trans-Atlantic shipment of GenSys fuel cell systems, streamlined manufacturing service processes and reduced material cost by more than 50%.

Maximizing each partner's strengths, this collaboration's commitments to qualities is evident. In six months times we completed our GenSys product for the commercial India market and established a direct sales force reaching all major telecom service providers. This endeavor evidences our commitment to penetrate the Indian telecom market as a leader of cost effective sustainable clean energy solutions.

Simply said, these 2009 accomplishments have positioned Plug Power's material handling and prime power businesses for breakout successes in 2010. With our path of profitability resting firmly on the foundation of our material handling and prime power businesses, I'd like to take a minute to remind people why we are so excited about these market opportunities.

The North American material handling market currently represents a total available market of over $4 billion annually. Globally this market presents a $10 billion opportunity. With expectations to enter the European market via large international customers, material handling markets represent a considerable long-term opportunity for GenDrive solutions.

Moreover, our continual commitment to fulfill customer product requirements also leaves open near-term possibilities for GenDrive portfolio expansion. For instance, the market for refrigerated trucks at distribution centers represents another $2 billion opportunity in North America and can be addressed by leveraging our present product platforms.

All said and done, Plug Power envisions the GenDrive market opportunity expanding to incorporate power and other devices at distribution centers and other off-road vehicles. Further market opportunities aside, Plug Power's material handling business offers value proposition that make sense today.

With a payback time of less than two years GenDrive customers increased productivity by 15% to 30%. Operators move more pallets during a shift, trucks run longer at maximal speed and operators refuel units in as little as 60 seconds at compact fueling stations. Without a doubt Plug Power's GenDrive systems represent the lion's share of fuel-cell units in the material handling industry, and with good reasons.

The quality of our expanded portfolio trumps alternative material handling fuel-cell technologies. Paired with our strong sales channels and OEM partnerships, Plug Power's material handling business is poised for success in 2010. On our path to profitability Plug Power cut GenDrive material costs by over 50% in the past 18 months.

Moreover, with more than 650 systems in backlog, material handling business closed 2009 with a significant win at Wal-Mart Calgary. Showcased at the Wal-Mart green summit, this success represents our first deployment at a Wal-Mart distribution center exclusively using hydrogen fuel cell technologies. Having tested and improved our most recent addition to the GenDrive product portfolio, Wal-Mart Calgary's initial order for 71 units includes our Class 2 stand-up reach product.

A major automotive dealer and manufacture followed suit this quarter by arranging a competitive bidding process that completely cut a facility to fuel-cell technology. Plug Power's competitors included battery suppliers and two material handling fuel-cell companies.

With competitive pricing, superior run time performance and 60 seconds refueling this automotive dealer named Plug Power victor awarding an initial order for 105 units. With an expected long-term conversion of over 300 units, this 105 units actually represented more than $3 million in product and service revenue for Plug Power.

Representative of a typical commercial bidding process, this success confirms GenDrive's fuel cell systems for gaining mainstream recognition as a mature commercial energy solution. With this recognition Plug Power continues to forge critical commercial partnerships to bring our energy solution to an expanding customer base.

For instance, Plug Power Raymond Corp. recently executed an agreement to jointly sell and market GenDrive fuel cells in Raymond Forklift trucks. As a precursor to this agreement, the two companies worked together in the fourth quarter with United Natural Grocers, the Raymond plug and Abel Womack's team -- Abel Womack's is a Raymond dealer -- convinced United Natural Foods to purchase 65 GenDrive systems. United Natural Foods also purchased 65 Raymond Forklift trucks from Abel Womack's.

As the fuel cell industry continues to mature, Plug Power's ability to seek and execute these critical business relationships will continue to drive purchase orders to sustain Plug Power's leadership position in the material handling market.

Replacing diesel generators at telecom locations with little or no grid connectivity, our prime power business represents a $4 billion product and service opportunity. In February 2008 India reported 250 million wireless subscribers, one month later India replaced the United States as the second largest wireless market with over 300 million wireless subscribers. By 2010 India's

government and telecommunication industry suggested as many as 500 million subscribers will join India's growing wireless industry.

As a result, over 250,000 additional new cell towers will be likely erected over the next three to four years. This growth is particularly evident in smaller cities, towns and villages where power is very unreliable or nonexistent and where our prime power product works best.

India's explosive telecom growth and its corresponding diesel consumption establishes the Indian telecom market as a significant business opportunity ripe for cost effective and sustainable clean energy solutions. Plug Power's GenSys system satisfies the needs by offering a fuel cell solution engineered to meet the challenges of a remote environment.

Having reduced material cost by 50% in the last year the GenSys system is the only demonstrated product in the prime power fuel cell market operating with a reformate stack that [titrates] hydrogen levels below 50%. Special chemicals and material components in our reformate stack permit the GenSys system to operate on a wide variety of hydrocarbon fuels offering greater fuel flexibility compared with other fuel cell alternatives.

Moreover, our GenSys system includes superior reformer uniquely capable of eliminating nearly all poisonous carbon monoxide from liquefied petroleum gas to produce the highest quality hydrogen with the fewest fuel impurities. A combination of these technical accomplishments set GenSys systems apart as a prime power solution designed specifically for the remote telecom application.

On our path to profitability Plug Power started deploying GenSys systems to Tata last year and we expect to fulfill our 200 unit order by the end of May. Simultaneously Plug Power is currently negotiating with every major telecom tower company in India. Last week alone I had an executive level sales meeting with Indus representing over 130,000 towers, Reliance representing 50,000 towers and Bharti representing 30,000 towers.

With the monthly cost of operating diesel generators often exceeding the cost of renting space on the tower, service providers are putting tremendous pressure on tower companies to reduce operating expense. With a potential payback time of less than 18 months the GenSys system can reduce operating expenses by over $500 per month at each site. As our in-country sales, manufacturing and service collaboration continues to successfully engage the Indian telecom market, Plug Power expects our prime power business to dramatically expand in the next four months.

In line with our path to profitability I would now like to reiterate Plug Power's 2010 milestone. First, Plug Power will dramatically increase unit shipments for the year, shipping between 2,100 and 2,300 systems consisting of at least 1,100 GenDrive and 1,000 GenSys fuel cells.

Second, consistent with these shipments Plug Power will generate between mid $40 million and low $50 million in revenue.

Third, Plug Power will achieve a gross margin percentage in the mid teens.

Fourth, Plug Power will set its earnings before interest, taxes, depreciation, amortization and non-cash stock or equity compensation targeted at mid $20 million loss for the year.

Fifth, Plug Power will contain net cash used for operating expenses to the range $25 million to $25 million (sic -- see press release) for the full year.

I will now turn the call over to Gerry Anderson for a discussion of our 2009 fourth-quarter and year-end financial results.

Gerry Anderson - *Plug Power Inc. - CFO*

Thank you, Andy, and good morning, everyone. Following up on some of Andy's comments, 2009 was an exceptional year for Plug Power in terms of building momentum in the markets we are focused on. We ended the year with a total backlog of 863 units based on the strength of 786 new unit orders for the full year. Although slightly short of our full-year goal of 1,000 units, this represents an increase of 67% over the prior-year order total.

The orders were comprised of 584 GenDrives, 200 GenSys systems and two GenCore units. During the fourth quarter we accepted 204 new GenDrive unit orders, and also canceled 100 GenCore units from our backlog. The canceled units were associated with a reseller with whom our distributor agreement had expired by year end. While we continue to accept orders from this distributor, we believe it was most appropriate to cancel the associated distributor agreement backlog and reflect in the backlog only units where we have accepted purchase orders.

At year end the total backlog had an estimated invoiceable value of $22.5 million. More importantly, approximately 80% of the units in our year-end backlog are scheduled to be shipped in 2010 and we continue to work to close deals to fill out our deliverable backlog in expectation of meeting our shipment target minimum of 2,100 units for the year.

Total shipments for 2009 were 303 units, a 7% improvement over the prior year. Shipment activity did begin to ramp up in the fourth quarter as 86 units with invoiced value of about $2 million were delivered to customers and we continue to see a steady increase in shipment activity thus far in 2010.

Turning to our operating results for the fourth quarter and full year 2009, total revenue for the quarter was $3.9 million comprised of $1.2 million for products and services, and $2.7 million for research and development contracts. For the full year revenue totaled $12.3 million of which $4.8 million was derived from product and services and $7.5 million from R&D contracts.

Product and service revenue showed a slight increase of $165,000 or 4% over the prior year total. Our reported product and service revenue is largely driven by the amount of deferred revenue that gets realized each quarter. As we have noted in prior calls we spread product and service revenue over the service period of each sold system on a straight line basis.

In past years the majority of our shipments were GenCore units which typically had a two-year service period over which we spread the revenue recognition. The majority of our shipments in 2009, 271 of the 303 units shipped, were GenDrive units which typically have longer contract terms, stretching out our revenue recognition over longer periods. Additionally, revenue for 140 units shipped to Central Grocers is being accounted for under a five-year operating lease to the customer.

Our deferred product revenue was $4.6 million at December 31, 2009 compared to $5.4 million at 2008 year end. As the shorter duration GenCore contracts run off, our longer duration GenDrive contracts now account for 80% of the deferred revenue balances. We do expect to recognize the remaining deferred balances over future periods as the service contracts on the associated shipments are fulfilled.

Our revenue recognition policies, as well as other accounting policies, are more fully detailed in our filings with the SEC. We encourage you to review these documents for further explanations of our policies.

We would also note that as the Company enters the commercial adoption phase of our GenDrive and GenSys products, as evidenced by our growing backlog of orders from commercial customers, and with our associated commitment of resources to selling, marketing and service activities, we expect to cease being considered a development stage enterprise in 2010.

R&D contract revenue at $7.5 million is a decline of $5.8 million or 44% from the prior year total, but is in line with revised guidance that we provided. It is also consistent with our refocusing of the Company on efforts to drive commercial sales rather than R&D contract work.

Our total cost of revenue for the fourth quarter of 2009 was $8.4 million and was comprised of $3.7 million from product and service cost of revenue and $4.7 million from cost of R&D contract revenue. For the full year, cost of revenue was $19.7 million, $7.3 million from product and services, and $12.4 million from R&D contracts.

Product and service cost of revenue declined year over year by $4.2 million. The decline is attributed primarily to three factors. First, [140] of the units shipped this year were accounted for under a lease arrangement with our customer, Central Grocers. Accordingly, the assets or on our balance sheet and are being depreciated over their estimated lives rather than charged to cost of goods sold upon shipment.

Second, in 2008, as part of our restructuring we took a charge to cost of goods sold in the amount of $2.3 million associated with excess GenCore inventory.

And third, higher service costs for our growing installed base were offset by substantial progress in decreasing material costs and related cost of goods sold for new units entering the installed base in 2009.

Our cost of revenue for R&D contracts declined year over year by $9.1 million or 42%. This relates to and is consistent with the 44% decline in year-over-year R&D contract revenue we noted earlier in our comments.

In our operating expense categories, research and development expenses, costs incurred for internally funded R&D programs were $3.5 million for the fourth quarter of 2009 and $16.3 million for the full year. This represents a decrease of $18.7 million or 53% from the prior year total and is our lowest total annual spend on R&D since 1998. This reduction is largely due to the rationalization of our business model and the restructurings that took place in 2008.

Our selling, general and administrative expenses for the fourth quarter of 2009 were $3.8 million and $15.4 million for the full year. Year-over-year SG&A expenses declined $12.9 million or 46%. Again initiatives to rationalize our business model and commit resources according to our opportunities contributed to the dramatic decline in SG&A expenses, as well as our total operating expenses which were under $35 million, our lowest total since 1999.

Our net loss for the quarter ended December 31, 2009 was $12.1 million or $0.09 per share on a basic and diluted basis. And for the full year our net loss was $40.7 million or $0.32 per share on both a basic and diluted basis. Weighted average shares outstanding for the full year were 129.1 million.

Net cash used in operating activities for the quarter was $8.4 million and $38.2 million for the full year coming in at the low end of our stated target of $38 million to $42 million. Our efforts to reduce cost in our operating structure proved successful in 2009 and we continue to focus on ways to be more efficient going forward.

As Andy has already noted, we have established a lower cash burn target for 2010. It is likely that our greater challenge this year will revolve more around working capital management issues as we stage inventory for shipments and safety stock for installed base service activities. On December 31, 2009 the Company had $62.5 million in cash, cash equivalents and available for sale securities which equates to $0.48 for every common share outstanding and $60 million in working capital.

In concluding my comments, Plug Power achieved a great deal of success in 2009 in terms of order flow, cash use containment, new product introductions and momentum in our chosen markets, but we realize there is much work left to do to deliver on our 2010 goals. As we continue to drive the business forward in 2010 we also remain focused on the challenges and risks we and the industry must address to achieve long-term success and profitability.

As we noted in our path to profitability presentation last year -- we must execute in the early adoption commercial markets we have chosen to focus our resources on; we need to drive the readiness of the hydrogen infrastructure to support our growth; we must continue to shorten lead times on new product introductions; we must monitor and evaluate competitive threats to our business; and we must continue to drive down the cost to build and service our products.

With that said, we remain committed to deliver on the targets and goals we have set out for 2010. At this time we would now like to open the call to any questions.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions). Stephen Sanders, Stephens Incorporated.

Stephen Sanders - *Stephens, Inc. - Analyst*

Andy, of the $4 billion market opportunity you noted in your comments, what piece of that do you think is addressable with Plug's current offering?

Andy Marsh - *Plug Power Inc. - President, CEO*

Actually, Steve, that is the number that we work through that's addressable with Plug's current offering. So probably a better terminology is servable, addressable market.

Stephen Sanders - *Stephens, Inc. - Analyst*

Okay. And then on the 2010 guidance, I think the 2,100 to 2,300 units shipped is obviously a huge pickup versus 2009. How should we be thinking about the timing of those orders as the year progresses? Is it spread fairly even, back-end loaded? Anything you can provide there would be helpful.

Andy Marsh - *Plug Power Inc. - President, CEO*

Sure. In material handling markets, Steve, I already have half the units in backlog for shipments. So, I would expect that by August -- July/August timeframe the units will be in house that will allow us to meet the deliveries for 2010.

For our prime power business, Steve, I expect that the results you'll see by the end of the second quarter. As I mentioned in the call, we have negotiations ongoing with three of the largest tower companies in India. One of those three, coupled with an additional order from Tata, we feel comfortable will allow us to meet this year's goals.

And I have to say, the India telecom market, for each of these customers they are -- there is a strong emphasis on reducing operating cost. When you look at a typical tower situation with Indus, when they are renting space to Bharti, the cost of diesel at sites actually exceeds -- for sites which do not have the electrical grid, actually exceeds the cost of renting the tower space. So obviously Indus is under tremendous pressure from their main partners -- Bharti, IDEA -- to reduce that operating cost.

And just to give you a feel, Indus is actually the third largest user of diesel fuel in India. So, our message, and our proposition, is receiving great interest at the highest level of these companies. And that's why next week I'm actually, after being in India last week, I'm actually after this call having a few meetings with customers in material handling and then heading back to India to talk to some of the largest service providers and tower operators there. It's a great opportunity and by the end of June we'll have those orders in our backlog.

Stephen Sanders - *Stephens, Inc. - Analyst*

Great, thanks for that, that was very helpful. And then for Gerry, given the revenue guidance to kind of help us with our modeling, when should we expect the transition away from developmental stage accounting to occur?

Gerry Anderson - *Plug Power Inc. - CFO*

Well, we are working to finalize that with our external accountants right now. And we want to do it concurrent with some additional guidance that has come out on revenue recognition for multiple element revenue arrangements. So, my expectation is it is probably second quarter. But we would have it retroactive to January 1 of this year.

Stephen Sanders - *Stephens, Inc. - Analyst*

Okay. And then last question and I'll hop back in the queue. What was stock comp for the quarter?

Gerry Anderson - *Plug Power Inc. - CFO*

Stock compensation for the quarter was about $100,000 and for the full year $1.9 million.

Stephen Sanders - *Stephens, Inc. - Analyst*

Okay, great. Thanks, guys.

Gerry Anderson - *Plug Power Inc. - CFO*

You're welcome.

Operator

Stuart Bush, RBC Capital Markets.

Stuart Bush - *RBC Capital Markets - Analyst*

Yes, good morning, guys. I wanted to talk a little bit about what happened in the fourth quarter versus your expectations heading into that quarter. When we were on the Q3 call in early November you had reiterated your 1,000 order guidance or goal. We got about halfway there. You said that several of these potential contracts were pushed into being signed earlier this year. I think we saw one recently. Can you just talk a little bit about what's happened there? I mean has -- versus your expectations at the beginning of the quarter and what customers actually did?

Andy Marsh - *Plug Power Inc. - President, CEO*

Stuart, the biggest challenge is always the last step in closing deals. And I can tell you that on Christmas Eve if you would have asked me if we were going to reach the 1,000 unit order I would have told you absolutely, Stuart. But customers being customers and always making sure that every issue they have is addressed appropriately, no, actually we're looking at other angles and continuing the discussion. And I would say that the speed of buying wasn't as quick as we expected.

Now -- and I can say that the major challenge wasn't in material handling and material handling came in as we expected. The surprise was India and the negotiation with one tower company, which continues today, actually was pushed out. And a good deal of that had to do with an acquisition that they made at the end of the quarter which changed their capital position. And that was a disappointment for us, but fundamentally it did not change our views on the strength and potential of this business as well as for 2010.

As you probably know, Stuart, I come from -- I ran a venture backed company in my previous existence where we had great success. And one of the challenges in any business like this that's starting off the ground is this quarter-by-quarter ability to predict. We've had -- we're much better when we take a longer 12 to 18 months view of the world. Our customers are not on the same quarterly clock we're on. And when you have that issue in front of you it is a challenge.

But what I think is most important is I look at India where I went at the end of the fourth quarter I was focusing on one deal; now I'm focusing on three or four major deals. When I look at material handling, to achieve those 500 unit orders I probably have about 2,500, 3,000 units in negotiations. So I'm feeling good about the business. I appreciate your question and it's a legitimate criticism of our performance in the fourth quarter.

Stuart Bush - *RBC Capital Markets - Analyst*

Well, I guess I -- what I really would like to know is, have any of these customers that you thought -- have they all delayed or have some actually fallen off of the pipeline list? I mean you guys pre-announced in January that a lot of these customers you would expect to have signed early in the year I think was the language you used. So is that still on track or have some actually decided against?

Andy Marsh - *Plug Power Inc. - President, CEO*

I would say, Stuart, I cannot think of one significant -- one customer -- one customer who is off the list. And more customers actually have been added to the list.

Stuart Bush - *RBC Capital Markets - Analyst*

Okay. And so, are we still expecting that the 200 GenSys systems will ship by March 31 like you said?

Andy Marsh - *Plug Power Inc. - President, CEO*

No, as I said in the presentation, the end of May.

Stuart Bush - *RBC Capital Markets - Analyst*

End of May. So that's been pushed back by a couple of months from your original expectations.

Andy Marsh - *Plug Power Inc. - President, CEO*

It was. And that was not a customer issue, it was really our ability to transfer the product technology to our contract manufacturer. And we had a few issues with the supply chain -- actually the North American supply chain, not the Indian supply chain. And one supplier, in particular, that we had put a great deal of emphasis on to fill the pipeline.

Stuart Bush - *RBC Capital Markets - Analyst*

Well, so then can you just give us some comfort -- I mean, you've got to go from 200 that you've got in hand to your goal of shipping 1,000 by the end of the year. So that's quite a scale up, especially the supply chain issues will still there. So what gives you comfort that that goal, which is what I would hope is a conservative number, is achievable?

Andy Marsh - *Plug Power Inc. - President, CEO*

Well, the one supplier, Stuart, who is the bottleneck, that supplier will have the capability by the end of April to ship an equivalent of 40 systems a week. So, you do the mathematics, by the end of May we're at 200. There are by that time 30 weeks left in the year, they'll have the capacity by mid April, which can expand throughout the year delivering 1,200 units. I think that that supplier will no longer be an issue.

Our contract manufacturer has the capacity to manufacture 2,500 units a year, the second half of the year. To ship 700 units, the contract manufacturer would not have an issue with that. We've certainly through this Tata order have become much closer to our supply-chain. If you think about it, there's a big difference between putting orders on customers -- suppliers and not putting orders. And real orders sometimes expose the strength and weaknesses of the supply chain.

But you look at some of the critical components, the stack from 3M, we have no issue in receiving membranes from 3M, we have no issues in receiving plates from Dana. We have the electronic pipeline filled with SFO. Do I think we'll have issues back and forth every time you start shipping production? You have some challenges, but I certainly think that we're going through some of the normal ramp-up problems but we'll overcome them and I think the supply chain is in shape to do that today.

Stuart Bush - *RBC Capital Markets - Analyst*

Okay. And last question is, can you give us an update on where the contract or where your relationship with Ballard stands when that current contract ends and what your discussions there are like?

Andy Marsh - *Plug Power Inc. - President, CEO*

Ballard remains a strong partner in our GenDrive business unit, we use their stacks for GenDrive. We are continuing to use their stacks for GenDrive. I spent a good deal of time with the CEO of Ballard and last week or a few weeks ago we placed an order for 500 stacks on them. And that business relationship is I think important to both companies.

Stuart Bush - *RBC Capital Markets - Analyst*

Okay, thanks.

Andy Marsh - *Plug Power Inc. - President, CEO*

Okay.

Operator

Jeff Osborne, Thomas Weisel Partners.

Jeff Osborne - *Thomas Weisel - Analyst*

Great, good morning. Just wanted to follow-up on the development stage question. Trying to get a sense of what the revenue would be this year in the event that that doesn't go as planned? Would it be $30 million-ish? Just trying to get a sense of an apples-to-apples comparison of 2010 in terms of your unit guidance and potential revenue guidance versus the reported results in 2009.

Gerry Anderson - *Plug Power Inc. - CFO*

Yes, Jeff, we actually haven't tried to go back and look at what the revenue would be in a development stage process because we are very confident that we will get that resolved this year and be able to report revenue on more of a commercial basis. And keep in mind that when we do report that revenue, when we quote the invoiceable value, that typically is made up of both product sales and extended service contracts. So there would be some portion of the invoice that would get deferred over the life of the service contract good and we'll get more guidance on that as we get further into the year and have a bigger book of business that we can talk about.

Jeff Osborne - *Thomas Weisel - Analyst*

Okay, makes sense. And then the last question is, you threw out a lot of information on the Indian telecom market and clearly I think the economics support itself. But can you just perhaps give what the revenue potential per cell site is? And then as you look at Tata and an expansion contract, it sounds like that will be rolling over pretty soon with the original contract. What are the types of negotiations or sticking points that you would have with an expansion?

Andy Marsh - *Plug Power Inc. - President, CEO*

Sure. Jeff, let me answer the first question that when you look at per site, once you think in terms of $18,000-$22,000 per site in product revenue and approximately $10 million in service revenue spread over five years. And so each site represents an opportunity somewhere around $30 million. When in negotiations certainly anyone who's ever done business in India, you know product price is always a sticking point. And convincing the customer that -- to pay more and their desire is to pay less and reduce their capital spend is always a challenge in the negotiations. I would say in general our service revenue is less of an issue.

Jeff Osborne - *Thomas Weisel - Analyst*

And just so I'm clear, it's $18,000 to $20,000, not million, right, product revenue per site?

Andy Marsh - *Plug Power Inc. - President, CEO*

I wish it was million, Jeff.

Jeff Osborne - *Thomas Weisel - Analyst*

Okay. And then $10,000 (multiple speakers).

Andy Marsh - *Plug Power Inc. - President, CEO*

I'd be sitting pretty good on this call today if it was $18 million or $22 million per site.

Jeff Osborne - *Thomas Weisel - Analyst*

Exactly, I just wanted to double check.

Andy Marsh - *Plug Power Inc. - President, CEO*

Okay.

Jeff Osborne - *Thomas Weisel - Analyst*

Thanks, much.

Operator

(Operator Instructions). Brian Gamble, Simmons & Co.

Brian Gamble - *Simmons & Co. - Analyst*

Good morning, guys. Appreciate all the color on the Indian market, that's helpful. And the guidance from a growth standpoint looks great. My question is, unfortunately, a little bit on the other side of the equation. From a delisting standpoint where do you guys stand? Can you kind of walk through your alternatives? I would hate to see something happen to the listing status to jeopardize your growth prospects going forward.

Gerry Anderson - *Plug Power Inc. - CFO*

Sure, Brian. And again, on June 7, 2010, NASDAQ could potentially notify the Company that its shares may be delisted from NASDAQ Global Markets. We're aware of that deadline and we're assessing what our options are available to respect to the NASDAQ listing. Some of our options are including but not limited to requesting additional time for compliance. Voluntarily delisting from NASDAQ Global Markets and requesting a listing on an alternative NASDAQ exchange.

Additionally, the Company is assessing the possibility of seeking shareholder approval of a reverse stock split at the next annual shareholder meeting. And one of the potential effects obviously of a reverse stock split, if approved by the shareholders and implemented by the Company, is that it would typically raise the trading price of the stock to a level that would bring the Company into compliance with the NASDAQ minimum bid listing requirement.

So, the Company will -- and we'll advise investors and shareholders of material developments on this issue. And we continue to monitor and address our best course of action.

Brian Gamble - *Simmons & Co. - Analyst*

What sort of vote from the shareholders is required for a reverse split? And is it different depending on what sort of metrics you put on it, what ratio you decide to use?

Gerry Anderson - *Plug Power Inc. - CFO*

Yes, it would be a majority vote needed by the shareholders to approve the use of a reverse stock split.

Brian Gamble - *Simmons & Co. - Analyst*

And then at that meeting that you would potentially have with NASDAQ, is that a meeting that essentially involves you just laying out your business case and then deciding what they think your plan for the future entails? Or is there some other just cursory metric that they look at and say well, did you meet these three things and we will move on?

Gerry Anderson - *Plug Power Inc. - CFO*

I think it's more the latter of sitting down with them going through what our plans and objectives are to garner compliance and dealing with it that way.

Brian Gamble - *Simmons & Co. - Analyst*

Okay, I appreciate it. And good luck on all the growth prospects for this year.

Gerry Anderson - *Plug Power Inc. - CFO*

Thank you.

Andy Marsh - *Plug Power Inc. - President, CEO*

Thanks, Brian.

Operator

[Harold Weather], Morgan Stanley.

Harold Weather - *Morgan Stanley - Analyst*

Hi, Andy. This is Harold with Morgan Stanley. A couple of questions; first, could you also speak something about the GenCore home-power unit and what the progress is with that?

Andy Marsh - *Plug Power Inc. - President, CEO*

Sure. Howard, as -- approximately 18 months ago I spent a good deal of time visiting end customers for both our material handling, our opportunities in India, and backup power for telecom applications. At that time the Company made a determination that investment -- continued investment in the backup power market for telecom applications for North America and Europe was not a good use of shareholders' money for the next three to four years.

And the main point was how that -- what we determined was that the market size was relatively small compared to material handling and prime power and the value proposition was relatively weak. And it was relatively weak because when we judged the marketplace the cost of batteries were a better solution in our opinion for companies looking at four hours of backup in the developed world.

And for companies looking at between four to 12 hours of backup, it's the Company's views today that with the present price required for fuel-cell technologies, that diesel generators are a better offering. That being said, I can say our costs continue to

go down, the hydrogen infrastructure for supporting local distribution at fuel cell sites improving over the next four to five years, the Company has the technologies and products to still compete in the marketplace, but we elect not to put our development and sales resources there today.

Harold Weather - *Morgan Stanley - Analyst*

That's fine. I've been a shareholder in the Company for almost -- about 10 years plus. So I've seen all of this and I'm glad to see that we're finally commercializing some of our good stuff.

I'd also like to say with regard to this concept about the stock price that I am absolutely against you doing a reverse. If you take a look you could see everybody else who's done that who looked like us has done nothing but create continued shareholder destruction. You guys have plenty of money and it shouldn't that big a deal if you deliver on even two-thirds of what you say is happening this year to get the stock price back over $1 should be a lay-up. And I can absolutely (inaudible) making that happen and absolutely against doing any type of reverse.

And with that in mind, that's going to hold back your stock price. And you've been doing a great job in pushing the proponent of our technologies and now is the time to tell people that we're going to keep pushing this through. Because if everybody -- you just take a look out there, take a look at our competitors that have done a reverse split. What's happened to them?

Who wants to buy this to lose more money? If you say we're going to make this happen and we're going to make it happen, your stock is going to be $1 in six months, what's -- it's not a big deal. It was over $1 in this fall when we had a lot less going on. You deliver some of these orders and we'll be there. Your guys -- the idea is to build shareholder value, not the opposite. I'm sure you will agree with that. Yes?

Andy Marsh - *Plug Power Inc. - President, CEO*

Hal, I appreciate your comment, it's certainly a subject that the Board of Directors is giving serious consideration to. And the points you're making certainly are thoughts that are being shared to our Board by investment bankers and others. And I'm sure that our Board of Directors will make the decision that they believe, after the right advice, that is in the best interest of all shareholders. And one thing that I really appreciate is to hear shareholders views. And I hope you have an opportunity to come down to our annual shareholders meeting.

Harold Weather - *Morgan Stanley - Analyst*

Okay, I'll do that. I've owned a lot of stock for a long time and I have a lot of customers -- at Smith Barney we used to recommend the stock and I had a lot of people in this thing suffering a great deal. And now we've been sitting around being loyal customers -- loyal shareholders waiting for this thing to become real. Now that it's going to become real don't squash it.

People will not invest in the stock if they believe you're going to do a reverse split. Take a look at what happened to the last couple of guys who have done this, your competitors, in the last 60 days. Take a look what's happened to their stock. It's gone down 50%, 75%, just on this alone. Why do you want to go down that road? I'm telling you, nobody cares if you're trading on the pink sheets if you deliver on your results that you promised. Who cares? The issue is (multiple speakers).

Andy Marsh - *Plug Power Inc. - President, CEO*

Hey, Hal, this is great, why do you call me personally, I'd love to talk to. Let me give you my cell phone number, it's 214-450-5424. Give me a call, I'd love to talk to you in more detail about it.

Operator

There are no further questions at this time. I would like to turn the floor back over to Mr. Marsh for closing comments.

Andy Marsh - *Plug Power Inc. - President, CEO*

Thank you. Before concluding this call I'd like to announce that Plug Power's 2010 annual meeting will be held at the office at Goodwin Procter LLP, the New York Times building, 620 8th Ave in New York City on May 19 at 10 a.m.

Finally, I'd like to say, Plug Power's material handling prime power business represents significant near-term and long-term market opportunities. I have to say that this team believes we have the right technologies, the right markets and we're committed to making 2010 a breakout year for the Company. So thank you, everyone, for your time today.

Operator

This concludes today's teleconference; you may disconnect your lines at this time. Thank you for your participation.