



**SKYE INTERNATIONAL, INC.**



**OTCBB: SKYI**



## COMPANY FACT SHEET

COMPANY:	SKYE International, Inc.
STATE OF INCORPORATION:	Nevada
LOCATION:	7701 E. Gray Rd., Suite 104 Scottsdale, AZ 85260
CONTACT:	Gregg C. Johnson, Executive VP Ted F. Marek, CFO & Secretary/Treasurer
PHONE:	(480) 993-2300
FAX:	(480) 951-6809
INDUSTRY:	SIC 3600 – Industry Group 363 Household Appliances
SYMBOL:	SKYI
TRADED:	OTCBB
CURRENT PRICE:	\$0.20
SHARES OUTSTANDING:	13,927,915 (as at 01-26-09)
ESTIMATED PUBLIC FLOAT:	4,201,983
NUMBER OF SHAREHOLDERS:	534
PUBLIC SINCE:	November 23, 1993
BANKERS:	Comerica Bank, NA
AUDITORS:	Moore & Associates, Chtd. Las Vegas, NV
CORP. & SECURITIES COUNSEL:	Dill, Dill, Carr, Stonbraker & Hutchings, PC, Denver, CO
IP COUNSEL:	Parsons & Goultry PLLC
WEBSITE:	<a href="http://www.tankless.com">www.tankless.com</a>

## DIRECTORS & OFFICERS

Steven D. Mihaylo	Chairman	(480) 993-2300
Perry D. Logan	President, CEO & Director	(702) 277-2421
Ted F. Marek	CFO, Sec/Tres. & Director	(602) 290-7373
Wesley D. Sprunk	Director	(602) 549-9593
Gregg C. Johnson	Exec V.P. & C.O.O.	(602) 478-2929
Ernie W. Martin	SVP Sales & Marketing	(602) 339-0557
Coy A. Clark	National Sales Manager	(972) 854-2815

## LARGEST INDIVIDUAL SKYE SHAREHOLDERS

The list below represents the largest known shareholders in Skye.

<u>Name:</u>	<u># of Shares Owned:</u>	<u>Position with Skye:</u>
Ted F. Marek:	2,822,906	Secretary Treasurer and Director
Perry D. Logan:	2,356,416	President, CEO and Director
D. Scott Hemingway:	1,010,067	Former IP Legal Counsel
Steven G. Mihaylo:	1,000,000	Chairman
Gregg C. Johnson	686,514	Exec V.P. & C.O.O.

## KEY FACTS

- ✓ SKYE's lead product is the *FORTIS™* line of patented electric tankless water heaters
- ✓ SKYE's products are covered by 5 issued US patents and numerous other patents pending.
- ✓ Over 10 million water heaters are *replaced* in homes across the United States each year! Another 2.6 million water heaters were installed in new U.S. homes during 2007. When commercial and industrial installations are included, water heaters are a **multi-billion dollar industry!**
- ✓ Tankless water heaters are used around the world as the primary method of heating water in virtually every country except the United States and Canada. In North America, where water and energy has historically been cheap and abundant, we developed an inefficient tank-based hot water storage device to provide centralized heated water for our homes. With increasing focus on energy and water conservation many **consumers are switching to tankless water heaters** in an effort to save money and the environment.
- ✓ The market for tankless sales grew an astounding 44% in 2004; 70% in 2005 (*Source: Frost & Sullivan – Water Heater Report*) and is estimated to now be growing at a rate in excess of 100% per year **Tankless is replacing inefficient and outdated tank water heaters.**
- ✓ Tank-based water heaters are inefficient because they use energy 24/7 to keep stored water hot, even though the average family only uses heated water for less than one hour per day! Additionally, the stored water is kept much hotter than it is needed and thus it must be cooled with cold-water!!
- ✓ With a tankless water heater your family NEVER RUNS OUT OF HOT WATER. Tankless water heaters provide *ENDLESS HOT WATER* and only use energy when you want hot water, and it heats the water to the exact temperature you actually use – what could be simpler and more efficient!
- ✓ Tankless is safer for your family. Conventional tank water heaters are breeding grounds for bacteria.
- ✓ Tankless is space saving – about one cubic foot of space on a wall or in a closet is all it needs.
- ✓ *FORTIS™* electric tankless water heaters are over 98% efficient and **will pay for itself in savings** (as compared to a conventional gas-fueled water heater) in the first 5-7 years of service!
- ✓ SKYE's patented heating technologies have broad application across a variety of industries and applications, and thus the potential for technology licensing revenue could be substantial.

SKYE recently introduced its patented *FORTIS™* tankless water heater to strong residential and commercial acceptance and now SKYE is able to supply demand as it has commenced full *FORTIS™* production. SKYE benefits from a broad based consumer shift to tankless technology, and the market is waiting for the first real electric tankless alternative to a tank-based system. Housed in stainless steel, this sleek and compact 12"x22"x5" this tankless water heater provides a new level of functionality to consumers. Endless hot water, cleaner, safer and money saving – *the FORTIS™ is simply a better choice*. Imagine a product that everyone must have in their home and SKYE does it better.

This is just the beginning. SKYE has also developed its patented *Paradigm™* thick-film on steel product line and *HeatWave™* thin-film on quartz product line for point-of-use water heating that will revolutionize the way the world heats water. Able to heat water by more than 100 degrees in just three seconds, these products are compact and yet capable of supplying enough heated water for an average shower. As a standalone device, *Paradigm™* and *HeatWave™* provide *virtually instant* hot water. Combined with the *FORTIS™* the two products provide a nearly 100% efficient heating system capable of supplying both endless and instant hot water! No more waiting for hot water – and no more wasting water while you wait for hot water to arrive. At an anticipated MSRP offering price of less than \$250 (*HeatWave™*) and \$400 (*Paradigm™*) per unit there is simply no other competitively priced alternative in the market to SKYE's revolutionary point-of-use heating systems.

The market potential for SKYE's products is staggering. Recent trends suggest that American consumers are quickly adopting tankless technology to replace inefficient tanks in their homes. With natural gas available to less than 50% of North American homes it is easy to understand why the market is looking for an electric alternative to the available gas tankless units. SKYE's products benefit from LEEDS and other eco initiatives that provide cash incentives to install "green" devices in home and commercial applications. Many municipalities across the Southern US states provide up to \$300 per household as an incentive to install a water conserving point of use technologies.

## **SALES STRATEGY**

Because tankless water heaters are still relatively new in the U.S., Skye uses the wholesale distribution channel through appointed manufacturer's representatives. As consumer knowledge of tankless is still quite low, Skye believes that a "push" style distribution through wholesale distribution is needed. Utilizing the resources of wholesalers to make sales calls and stock inventory locally will help to reduce initial capital needs and expedite a broader distribution network. To date, Skye has appointed manufacturer's representatives across much of the demand areas of the Southern US and expects that it will continue to appoint more representatives over the balance of 2009, including manufacturer's representatives in Canada and Mexico.

The wholesale distribution model is favored by Skye because, among other reasons, according to the *2004 Frost & Sullivan report*, over 60% of plumbing sales are made by wholesale distributors. Many of the wholesale distributors add value to Skye's distribution because, in addition to providing the local sales and installation force, they also are able to inventory both units and parts. As awareness of tankless grows, a local presence is essential to convert home building, architects and other key decision makers to adopt tankless technology.

## **THE TEAM**

### **Steven G. Mihaylo, Chairman of the Board**

Mr. Mihaylo was the founder, Chairman and CEO of Inter-Tel, Incorporated and served in such capacity from inception in 1969 through February 2006, and then as a director of Inter-Tel Incorporated until its sale to a private equity group in 2007. Mr. Mihaylo holds a Bachelor of Business Administration from Cal State Fullerton 1969. Mr. Mihaylo spent three years in the U.S. Army, where he took on tailoring jobs for additional cash. He attended Cal State Fullerton on the GI Bill, and he supported himself by working the 11 p.m. to 7 a.m. shift at McDonnell Douglas. Mr. Mihaylo moved out of Orange County to Phoenix and founded Inter-Tel in 1969 as a division of Panoramic Audio — a company he had worked for while attending college. By 1975, the company had sales revenue of \$1 million. Mihaylo served as CEO until February 2006, the year annual revenues topped more than \$458 million; the company was sold in 2007. In January 2008 Mr. Mihaylo donated \$30 million to his alma mater Cal-State Fullerton and later that month California State's largest business school adopted the name "Steven G. Mihaylo School of Business and Economics".

**Perry D. Logan, President, CEO, Director and Member of Corporate Governance Committee**

Perry Logan has been a director of the Company since January 2007 and became an officer of the Company in May 2007. His business career is centered predominantly in the automotive industry as an owner of several major dealerships in the greater Phoenix area, as well as interests in dealerships in other regions since 1965.

**Ted F. Marek, Director, Member of Audit and Corporate Governance Committee, CFO and Corporate Secretary Treasurer**

Ted Marek has been a director of the Company since January 2007 and became an officer of the Company in October 2007. He is the currently the Principal and Designated Broker of Ted Marek Real Estate Co., Inc. in Scottsdale, Arizona. Mr. Marek has been active in the Phoenix commercial real estate market for over 30 years. He has been very instrumental in the movement and placement of automotive dealerships, site selection, sales and acquisition in the Phoenix Metro area.

**Wesley G. Sprunk, Director and Member of Audit Committee**

Wes Sprunk has been a director of the Company since May 2006. He has been the President of Tire Service Equipment Mfg., Inc. and Saf-Tee Siping & Grooving, Inc. since September 1998. The main office for these companies is in Phoenix, Arizona with manufacturing plants in Alamogordo, New Mexico and Monticello, Minnesota. Tire Service Equipment Mfg., Inc./Saf-Tee Siping & Grooving, Inc. manufactures automotive wheel service equipment and recycling equipment. It markets these products in the U.S. and foreign countries and presently has 300+ distributors. Wes Sprunk is also a Board member with Amerityre Corporation, a NASDAQ public company (NASDAQ: AMTY) located in Boulder City, Nevada. Amerityre specializes in urethane polycomposites and the company's mission is to replace rubber in most applications, including tires.

**Gregg C. Johnson, Executive Vice President & C.O.O.**

Gregg Johnson has been with Skye since late 2004 and has been responsible for many functions, including the development of the Fortis™ and Paradigm™ products and technologies. Mr. Johnson is also a lawyer (not admitted in AZ) with extensive experience in management of entrepreneurial companies. He received his law degree in 1988 from Osgoode Hall Law School in Toronto, Canada and was admitted as a lawyer in Alberta in 1989. His extensive legal career has included private practice in Tokyo, Japan with Aoki, Christensen & Nomoto (now Baker & McKenzie), where his practice focused on Japanese securities regulation and international debt instruments, and in Jeddah, Saudi Arabia, with the Law Offices of Dr. Mujahid M. Al-Sawwaf, where he acted as Outside Middle East Counsel to many fortune 500 companies. His career has included experience in corporate finance and venture capital for emerging growth companies across Canada and the United States. He was instrumental in building and growing many successful companies and he has been an officer and director of numerous Canadian and U.S. public companies over his career. Additionally Mr. Johnson was elected as a Councilor and later Mayor of Red Deer County, AB from October 1998 to October 2004. In October 2004 Mr. Johnson was appointed as an Appeals Commissioner (Administrative Law Judge) with the Alberta Appeals Commission where he served part-time until April 2007.

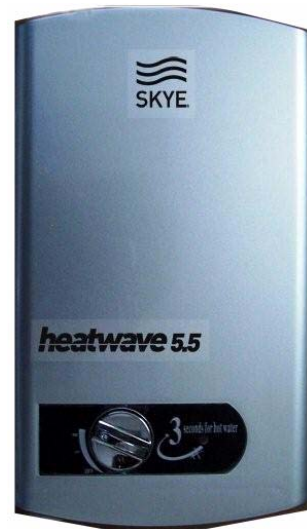
**Coy A. Clark, National Sales Manager**

Coy Clark is a sales & marketing professional with 14 years in technical product sales. Mr. Clark's first sales position at Future Electronics included sales of semiconductors, passive electronics, electro-mechanical components, optoelectronics and interconnect items. He started with an account base producing zero dollars, to holding several sales records for the Dallas location and having a reputation for sound business practices. He eventually became an independent representative selling the top brands of electronics production supplies, tools, and capital equipment. He entered the tankless water heater industry over three years ago, selling Bosch ProTankless gas-fired tankless water heaters, electric tankless water heaters, point-of-use water heaters and mini-tank water heaters. He covered the southern half of the United States and made great strides in creating relationships, creating demand and creating sales.

# SKYE's Product Lines



*FORTIS™* Whole House Electric



*HeatWave™* 5.5 KW point-of-use Water Heater



*Paradigm™* point-of-use Water Heater



*HeatWave™* 8.7 KW point-of-use Water Heater



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*Disclaimer: This fact sheet is for informational purposes only and is current as of February 2, 2009.*

*This Fact Sheet includes forward-looking statements that can generally be identified by phrases such as SKYE or its management "believes," "expects," "anticipates," "foresees," "forecasts," "estimates" or other words or phrases of similar import. Similarly, statements in this release that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those in forward-looking statements. Other risks and uncertainties include, but are not limited to: general economic conditions and conditions in the markets we address; the substantial losses the company has incurred to date; demand for and market acceptance of new products; successful development of new products; the timing of new product introductions and product quality; the company's ability to anticipate trends and develop products for which there will be market demand; the availability of manufacturing capacity; pricing pressures and other competitive factors; changes in product mix; product obsolescence; the ability of our customers to manage inventory; the ability to develop and implement new technologies and to obtain protection for the related intellectual property; the uncertainties of litigation and the demands it may place on the time and attention of company management; as well as other risks and uncertainties, including those detailed from time to time in our Securities and Exchange Commission filings. The forward-looking statements are made only as of the date hereof. We undertake no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.*

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