# Heating Newsletter
## May 2011

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## International Market Strategy

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International strategic market research and consultancy on building product and related markets
DE DIETRICH REMEHA GMBH introduced their new gas condensing boiler, the REMEHA EVITA last year. By producing electricity and at the same time using the generated heat, this micro CHP product lowers the CO2 emission considerably and increases primary energy output. DE DIETRICH and energy supplier E.ON combine forces to take this technology to market. For this purpose, Rolf Watermann, CEO of DE DIETRICH REMEHA GMBH, and Dr. Uwe Kolks, member of the executive of E.ON VERTRIEB DEUTSCHLAND GMBH, signed a cooperation agreement at the ISH 2011.

Micro CHP will be supported by an E.ON payment of €1,000 per product unit from 1 June 2011. Private households that use EVITA for electricity and heat generation, receive the extra payment if they place a contract with E.ON for electricity or gas supply. The stirling power plant has an output of 5kWth (thermal) and 1kWel (electric) and is supported by an additional jet burner for an added 21kWth if necessary. It is currently available and suited to modern one or two family dwellings. Further more, DE DIETRICH REMEHA hands out an extra payment of €600 to the first 200 buyers of a EVITA Micro CHP package for the end-user.

Source: Haustechnik Dialog
New Solar Thermal Association

29th March 2011

The Hungarian solar thermal industry is joining forces: In October 2010, it initiated the founding of the Hungarian solar association MAGYAR SZOLÁR SZÖVETSÉG), which will be authorised by the Hungarian administration most probably by the end of March. President of the new association is European Parliament member Bela Glattfelder. In addition to intense national lobbying, the association has joined forces with the European Solar Thermal Industry Federation (ESTIF).

After all incentive programmes were suspended for one year because of the financial situation, the new Hungarian roadmap - the Széchenyi Plan – focuses on renewable energies and promotes, among others, the installation of solar thermal systems. The corresponding incentive programmes are financed by EU funds and the Hungarian government. The Széchenyi Plan came into force on 1 March 2011. According to Balázs Szendr from TISUN's sales company in Hungary, there is a large demand for solar thermal installations in facilities, hotels, hospitals, municipal and public buildings. The support schemes are area-dependent, but all with relatively high subsidies. Industrial installations can expect support of up to 50-60% of the investment costs, for solar thermal systems in public and municipal buildings even 85% is possible.

The European Solar Thermal Industry Federation (ESTIF) has already been collaborating with its new Hungarian member. As a result, two events will take place in Budapest in early May: the ESTIF General Assembly in spring and the annual conference of the European RHC-Platform, which is held under the auspices of the Hungarian presidency of the European Union. Furthermore, the Solar Thermal Action Plan for Europe, published by ESTIF in January 2007, will now be translated into Hungarian.

Hungary has foreseen the use of solar thermal energy in its NREAP, with a 4.4% share in renewable heating and cooling by 2020.

Source: Solar Thermal World

IBC SOLAR Sets Up Subsidiary In Austria

31st March 2011

IBC SOLAR set up a new subsidiary in Austria through a co-operation with with STA SOLARTECH GMBH, of which IBC SOLAR AG owns 51% of shares since 30th March 2011. The subsidiary will continue operating under its CEO Christian Bairhuber in Eisenstadt. IBC SOLAR began co-operating with STA SOLARTECH in 2007, and both companies can now focus on supporting their Austrian client base in their core competencies, such as the distribution of solar systems, components.
and service offerings to photovoltaic installers. IBC SOLAR AUSTRIA aims at increasing their share of the Austrian photovoltaic market. According to Mr Beinhuber, CEO of IBC SOLAR AUSTRIA, the Austrian photovoltaic market has a large potential; whereas last year 50MW/peak PV output were installed, this could increase to 500MW in about five years. IBC SOLAR AUSTRIA is the group's eleventh subsidiary following the establishment of subsidiaries in the UK, China and Turkey.

Source: TGA

4 WALTER MEIER GROUP Acquires JS HUMIDIFIERS

7th April 2011

The Swiss climate and manufacturing technology group WALTER MEIER is expanding its market presence in air humidification into Denmark and the UK. It acquired its distribution partner of many decades, ANDERBERG FUGTSTYRING A/S in February 2011 and humidification specialist JS HUMIDIFIERS in April 2011. In 2010, ANDERBERG achieved annual sales of over CHF 2 million (€1.5 million) and employed eight staff. JS HUMIDIFIERS achieved sales of £8 million (€9.3 million) in 2010 and employed just under 60 employees. All members of staff will keep their positions.

Source: HVN

5 NIBE Acquires SCHULTHESS Shares

11th April 2011

NIBE INDUSTRIER AB of Sweden, one of the leading heat pump manufacturers in Europe, has signed individual share purchase agreements with several large shareholders in the Swiss heating, cooling and washing technology company SCHULTHESS GROUP AG to acquire in aggregate 31.13% of the shares in SCHULTHESS. NIBE also announces a recommended voluntary public tender offer to the remaining shareholders in SCHULTHESS to acquire their shares at the same price as in the Share Purchases Offer. The shares in SCHULTHESS are listed on the SIX Swiss Exchange. The Offer corresponds to a total equity value of CHF 638 million (€485 million). The full annual effect is anticipated to be realised in the financial year 2013. SCHULTHESS will be operated as a separate unit and be part of NIBE's business area NIBE ENERGY SYSTEMS. SCHULTHESS develops, manufactures and distributes heatpumps for households and industrial/commercial customers, ventilation equipment for households, solar panels, cooling equipment and energy efficient washing machines and dryers for industrial, commercial and household use.

Source: NIBE
Construction group GENTOO has bought a manufacturer of bulletproof glass and solar panels after it went into administration in the wake of cashflow and accounting woes. ROMAG HOLDINGS, which is based in County Durham, was sold to ASK THE GENIE, a subsidiary of property group GENTOO. The company identified cashflow problems and suspended its shares after an investigation into a £4 million payment ex-chairman John Kennair made to one of its divisions without informing the board. When Mr Kennair stepped down as chairman in February, ROMAG said it was experiencing significant demand for its products, particularly solar panels, and had a strong forward order book. But it was unable to secure further funding from its bank - LLOYDS - and its trade and assets, including 160 staff, have been transferred to ASK THE GENIE. ROMAG supplies transparent material - glass and plastic - to security, renewable energy, architectural and specialist transport markets. It is one of only two solar panel manufacturers in the UK.

Sunderland-based GENTOO is a construction company, housing developer and the main registered social landlord in Sunderland, managing and maintaining around 30,000 properties.

ROMAG appointed KPMG to investigate the payment Mr Kennair made to the company and decided the previous year’s results would have to be restated. Mr Kennair, who owns around 12% of ROMAG, is understood to have told the board he made the £4 million payment in the second half of 2010 to cover bad debts but acted in the “interests of the company”.

Source: HVN

NIBE INDUSTRIER AB has, in accordance with previous plans, acquired the remaining 25% of shares in the Russian company, CJSC EVAN, located in Nizhny Novgorod, 400 kilometres east of Moscow. As a result of this transaction, EVAN is now a wholly owned subsidiary of NIBE and forms part of the NIBE ENERGY SYSTEMS business area. NIBE acquired an initial 25% stake in EVAN in 2007, followed by further tranches of 26% and 24% in 2008 and 2009 respectively. EVAN has 150 employees. Annual sales are equivalent to approximately SEK 120 million (€13.3 million), with an operating margin of just over 20%. The company was established in 1996. EVAN is a market leader in Russia for electric boilers and large electric water heaters. Thanks to a well-established network of more than 100 distributors with close links to the company, EVAN reaches the entire Russian market.
Feed-In Tariff Cuts Spark HVAC Outcry

6th April 2011

Local authorities, schools and community projects are likely to be hit by the government’s planned reduction of feed-in tariffs, after climate change minister Greg Barker revealed plans to reduce incentives paid to medium-scale solar schemes. In a move Mr Barker said was designed to protect payments to “homes, communities and small businesses”, he proposed to cut feed-in tariff rates for new schemes with generating capacities greater than 50 kW.

However, local groups and developers reacted angrily, arguing that by setting the capacity level for schemes affected so low, the government will harm projects it claims it is trying to protect. Developer LOW CARBON SOLAR is seeking legal advice, and the firm’s chief executive Martin Shorrock said schools and local co-operatives would be most likely to suffer. “The proposals are nothing short of disastrous,” said Mr Shorrock. “If adopted, they would mean a large rooftop installation on a school or office with 100 kW capacity would see available incentives cut 42%, while solar farms with up to 5 MW will see incentives slashed by 72%. The result is that hundreds of solar energy community schemes are in jeopardy.” Cornwall Council was hoping to use income from selling green energy from its solar parks to the national grid to help offset £170 million of government funding cuts over the next four years.

Source: HVN Plus

ERNST SCHWEIZER AG Financial Results for 2010

18th April 2011

The ERNST SCHWEIZER AG had a very positive year, which has been the most successful year so far in the company’s history. 60% of the turnover is derived from products that contribute to energy efficiency and solar energy use.

The ERNST SCHWEIZER AG, METALLBAU reported its financial figures on 31 March 2011. The total turnover came to CHF 160 million (€116 million). The export share has grown to 27%. The company could therefore increase its profit (EBIT) by CHF 2 million compared with 2009 to CHF 8 million (€6 million).

The biggest growth can be seen in the wood/metal and solar energy systems. Together these divisions already account for 60% of the total turnover and are proof of SCHWEIZER’s successful strategy that energy savings, energy efficiency and solar energy usage lead to economic rewards. In order to expand its market position, the company made investments of a total of CHF 6.5 million (€4.7 million) in 2010 and introduced 14 new products. This also led to the creation of new jobs and the number of employees increased by 34 to 586 in total.

The company’s headquarters are located in Hedingen. Apart from wood/metal and
solar energy, the company is also active in the fields of building fassades, windows and post boxes.

**Source:** ERNST SCHWEIZER AG

### European Pellet Market Expected To Double By 2015

**18th April 2011**

According to latest market estimates, presented by PROPELLETS AUSTRIA at the European Biomass Trading Conference in Amsterdam at the beginning of April, the use of pellets as an energy source will rise in Europe from 10 million tonnes in 2010 to 23 million tonnes in 2015. Half of this increase is contributed to the usage of pellets for eco electricity generation, and the other half as fuel for heating. Forecasts for pellet production show that this will increase in line with consumption. The share of pellets imported to the EU will increase too from around 20% to 45%. North America is likely to become the main exporter where huge forests are underused after the decline of the paper industry. Imported pellets from North America are predominantly used in power plants in countries with little forestry, such as England, Holland and Denmark.

**Source:** EE News