

Heating December 2008



International Market Strategy

Topics

Czech Republic	CEZ Group's Consolidated Net Profits in Q1-3
France	SOFATH Aquired by DE DIETRICH REMEHA
Italy	MTS Rebrands in 2009
Japan	DAIKIN Looks for Acquisitions
Romania	Incentives for Solar Thermal
Romania	DIY Sector Growing
Slovakia	Government Plans to Increase Renewable Energy Production
Slovenia	GORENJE Reports 14% Net Profit Increase
Sweden	IMETECH Targets Further Growth in Scandinavia
United Kingdom	HRP Announces Redundancies

Monthly Special

Europe	BRG CONSULT Publishes ECO Developments Study
--------	--



Czech Republic: CEZ Group's Consolidated Net Profits in Q1-3

The CEZ group generated CZK 41.47 billion in consolidated net profits in the first three quarters of the year; representing a year on year increase of 40%. Its revenues increased by 6.7% to CZK 131.8 billion and its operating profits increased by 37% to CZK 53.2 billion. In the third quarter alone the group saw its net profits increase by 44% to CZK 12.51 billion, operating profits increase by 33% to CZK 15.45 billion, and revenues increase by 2.6 % to CZK 41.4 billion.

Source: www.cez.cz

France: SOFATH Aquired by DE DIETRICH REMEHA

DE DIETRICH REMEHA GROUP has bought the DFM GROUP, including the heat pump specialist SOFATH.

SOFATH is a leader in the French geothermal heat pump market and DFM has a turnover of €32 million with a workforce of 110.

DE DIETRICH REMEHA is adamant that the deal will strengthen its expertise in heat pumps (especially ground source) and enrich its product offer on the European markets.

DRM GROUP has a network of 40 dealerships in France plus distribution partners across Europe.

Source: DE DIETRICH

Italy: MTS Rebrands in 2009

The MTS Group, incorporating ARISTON, will change its name to ARISTON THERMO GROUP from 2009. The new brand will launch at the ISH Exhibition in Frankfurt, Germany, in March 2009.

MTS Group owns a number of heating and hot water brands including ARISTON, CHAFFOTEAUX ET MAURY and ELCO.

The group is making the move in a bid to boost product recognition and support its key brand, ARISTON.

In 2007, the MTS Group recorded sales totalling about €1.2 billion, employing 7,200 people in 24 countries.

Source: www.mtsgroup.com



Japan: DAIKIN Looks for Acquisitions

A sharp decline in demand has forced air conditioning giant DAIKIN to lower its forecast for global operating profit from 135 billion yen (£885million) to 105 billion yen (£689million) for the financial year ending March 2009.

The company stated that it was a response to the sudden change in foreign exchange rates, the decrease in the sale of air conditioners world-wide and a loss caused by the re-evaluation of its investment securities.

DAIKIN is looking at various possible targets for mergers and acquisitions including heating businesses in Europe and duct pipe companies in the United States.

Despite the decline in demand for domestic air conditioning, DAIKIN's heat pump products were performing above target in Europe and demand for large scale air conditioning was strong in the United States.

Source: www.datastarweb.com/news

Romania: Incentives for Solar Thermal

As of January 2009, the Romanian Environmental Ministry will start a programme of financing 90% of the value of solar thermal applications, called 'Casa Verde' (Green House). The initial flaw of the programme is the fact that, even prior to the official announcement, there are already long waiting lists at the involved installer companies.

In the case of an average family house, the cost of a solar thermal installation is around €3,000-3,500, leading to a saving of 60-70% on energy bills in the case of hot water production and 30% savings for heating).

The programme targets around 15,000-20,000 households in 2009, but the demand proves to be so high that interested customers have even offered to raise the share of their own investment to 30-40% just to make sure that their application will be successful.

The Environmental Ministry will publish the list of installer companies, which made successful applications on 20th December 2008. Private individuals can apply starting from 5th January 2009.

Source: www.3szek.ro



Romania: DIY Sector Growing

The French DIY store-chain BRICOSTORE estimates to end the current year with 13 stores, up from 8 at the end of 2007.

The company will soon open a store in Era Shopping Center retail park in Oradea, following an investment of around €10 million. Recently, the retailer opened its 12th Romanian store in European Retail Park in Sibiu. In 2008, Bricostore only opened stores in rented locations in retail parks.

In the Romanian DIY market, PRAKTIKER has made the largest investments in expansion in 2008, with its network expanding by five stores since the beginning of the year, followed by BAUMAX, with two new stores, and by HORNBACH, which has invested €38 million in its second store.

Source: www.zf.ro

Slovakia: Government Plans to Increase Renewable Energy Production

The Slovak government plans to encourage increased use of renewable energy for electricity and heat production, according to its recent policy statement. Renewable energy sources comprise of water, solar, wind and geothermal power, as well as biomass, bio gas and other bio energy sources.

The government is targeting an increase of 4% (31,000 GWh) in electricity production from renewable energy sources by 2010 and 7% (32,900 GWh) by 2015. This does not include energy generated from large hydroelectric power stations.

A draft Bill promoting renewable energy and combined heat and power production is already on its way through the legislative process and is expected to come into force at the beginning of 2009 or 2010 (Energy Act no. 656/2004 Coll).

Source: www.pravda.sk



Slovenia: GORENJE Reports 14% Net Profit Increase

Slovenian appliance company GORENJE posted €992 million in consolidated sales revenues in the first nine months of 2008, 4.5% more than in the same period last year. Net profit increased 14% year-on-year to €15.4 million (\$19.8 million).

Source: www.appliancemagazine.com

Sweden: IMETECH Targets Further Growth in Scandinavia

Swedish HVAC and technical services specialist NVS has been bought by IMETECH for €235 million.

NVS has a strong position in the heating, ventilation and air conditioning market in Scandinavia, particularly in Sweden and Norway, while preventive and corrective servicing and maintenance also accounts for 30% of total revenues. It employs 2,300 staff across more than 90 sites and is expecting to secure revenues of €350 million (£281mill) in the current financial year.

IMETECH claims that the acquisition is part of its strategic plan to achieve annual revenues of €5 billion in 2012 and establish a basis for further growth in Scandinavia, both organically and through additional acquisitions.

NVS focuses on a wide range of fast-growing and diversified activities within the fields of energy, air conditioning and climate technology, with an excellent spread across service, maintenance, management, renovation and new technology implementations. In the fragmented Scandinavian market, this focus will enable further short-term growth by additional acquisitions in electrical engineering and long-term growth by additional acquisitions in ICT.

Source: www.hvnplus.com



United Kingdom: HRP Announces Redundancies

Air conditioning and refrigeration wholesaler HRP has announced redundancies as part of a reorganisation plan.

The company is restructuring operations as a result of the downturn and will make redundancies. HRP added there would be some changes in job function and a few relocations but that front line services would not be affected.

HRP said there would be no reduction in its 15 trading locations and that one new location (Fareham, Hampshire) would open in January 2009.

Source: H&V News

Monthly Special: BRG CONSULT Publishes ECO Developments Study

BRG CONSULT is proud to announce the publication of the latest edition of its study which focuses on ECO Developments of heating technologies in 30 European countries. The study was published at the end of November 2008.

The study contains detailed country information about the latest up-to-date developments regarding mainstream, as well as new heating technologies. The study looks at the development of individual, collective and district heating arrangements, taking into account events in the air conditioning, underfloor heating and heating controls sectors. The latest information on legislation and government incentives/subsidies is also presented.

For more information on this report please contact BRG CONSULT:

Tel.: +44 20 8832 7860

Email: brg@brgconsult.com