



EXPERT NEWS # 4/2012

PART OF A
650
BILLION
KRONOR
SCHEME

Anna

– has most visitors at NIBE!

SWEDISH ENERGY AGENCY TEST PROVES:
**NIBE'S GROUND SOURCE HEAT
PUMPS ARE THE BEST CHOICE
FOR SWEDISH HOME OWNERS**

ASSURANCE FOR CUSTOMERS AND INSTALLERS

NIBE COMES TOP IN SWEDISH ENERGY AGENCY'S MAJOR HEAT PUMP TEST

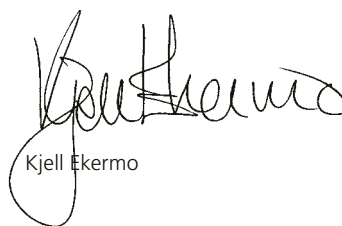
At the time of writing and just before Expert News goes to print, we receive some fantastic news. The Swedish Energy Agency's major test of ground source heat pumps has been published and the results of its extensive and impartial assessment are available for all to see. The test shows a clear victory for NIBE in all the critical areas. Once again, our unique design proves to be by far the best solution for the properties of our main customer group. Congratulations to everyone whose energy savings can hardly be greater than with a NIBE heat pump!

The Swedish market for heat pumps experienced a dramatic downturn in the early autumn. There has been a fall over the previous year in the number of installed heat pumps across all product types. Consumer willingness to invest has been low to date. Market conditions are considerably more challenging and it's therefore a favourable sign that our joint efforts have won us a greater market share in all product segments.

Not since the crisis years back in the early 1990s has the construction of small residences dropped to such a low level. The figures are 4000 to 5000 new single-family residences a year. Although our Nordic neighbours, Norway and Finland, have a lower population than Sweden, they have a far higher level of new home construction. The widely-held opinion is that the introduction of a new mortgage cap coupled with global economic uncertainty are the chief reasons why construction has contracted in Sweden.

The Swedish economy is strong, interest rates are falling, we have test-winning performance products, a highly experienced team of installation engineers, so the conditions ought to be right for a good end to the year. This should enable many Swedish families to enjoy environmentally-responsible indoor comfort.

Now endorsed as providing the greatest energy savings.



Kjell Ekermo



Added assurance for consumers. EVEN GREATER ASSURANCE FOR INSTALLATION ENGINEERS.

Guarantee insurance, warranty, Consumer Sales Act, home insurance...

There are many concepts related to protection for consumers when purchasing heat pumps. But what is covered by what? And, as an installation professional, where do you stand in all of this? Expert News helps you make sense of these concepts...

All capital goods that are sold to private individuals in Sweden are covered by the Consumer Sales Act. Under this Act, if a product proves to be defective within three years of the sale, the person or shop that sold the product is responsible for rectifying the defect. In the case of heat pumps, this is usually the installation company. Normally, this is not a problem during the warranty period, because the installation company passes the matter on to the manufacturer or importer who is liable for the product with regard to warranties. However, if a warranty expires before the time limit of the Consumer Sales Act has passed, there may be some dispute about who is liable. Was the product defective or was it not installed correctly? Discussion may ensue if there is uncertainty about whether the product was defective at the time of delivery or if the defect has been caused by circumstances beyond the control of the manufacturer or installation company. External factors, for example incorrect handling, electrical or water-related problems. This is where home insurance comes into play and, on top of that, the heat pump's guarantee insurance.

Björn Brunkvist works for the insurance company Arctic Försäkringar, specialising in cover for heat pumps. In his opinion, the end customer who chooses NIBE is very well covered. And so is the installation company.

"When it comes to warranty terms and the Consumer Sales Act, the difference is that, under the warranty, the manufacturer has to prove that the product was NOT defective from the start. It is then the responsibility of the installation company, manufacturer or importer to rectify the defect."

"If you want to make a claim under the Consumer Sales Act, you must contact the place of purchase. The consumer is really also responsible for proving that the product was defective at the time of sale. However, the consumer usually doesn't need to do this in the case of technologically advanced products because exceptions are made for these. This is no longer a problem with NIBE heat pumps and water heaters since they carry a three-year warranty."

"The warranty means that the installation company doesn't have to deal with the problem. Any problems are handled directly by NIBE. I think this is a greater improvement than many have realised."

But what happens when the three years have passed?

Or if it turns out that the manufacturer is not responsible for the defect? That's when you need to use your home insurance.

Björn explains, "Home insurance often has an excess of about SEK 1500."

"However, when a heat pump becomes three years old, 10% is also normally deducted for age each year. So if your heat pump is five years old, that means a 30% deduction. If damage repairs cost SEK 10,000, SEK 3000 are deducted for age plus an excess of SEK 1500. That means the customer pays SEK 4500 out of his own pocket."

That's the reason why NIBE has decided to sell its heat pumps with a six-year guarantee insurance (only applies in Sweden).

"You might say that the guarantee insurance is machine damage insurance with excess waiver. It covers the costs not covered by home insurance. So in the case above, it covers both the deduction for age and the

excess (SEK 4500). As a result, the customer doesn't have to pay a thing."

Björn says, "When the six-year period is up, customers can extend the insurance a year at a time if they wish, thereby giving them the most comprehensive cover possible."

"I promise!"



CONSUMER PROTECTION'S DIFFERENT PARTS

GUARANTEE

Responsibility of the manufacturer/importer. Covers all technical faults during the period. Different periods for different manufacturers. NIBE has three years.

CONSUMER SALES ACT

The responsibility is with the trader who sold the product. This applies for three years under the Act.

HOME INSURANCE

Often has an excess of about SEK 1500. After two years, 10% is deducted for age each year, e.g. for heat pumps

GUARANTEE INSURANCE (only applies in Sweden)

NIBE offers six years with an extension option. Machine insurance that covers almost everything not compensated by home insurance.

Anna

– has most visitors at NIBE!

It's perhaps not so strange that NIBE gets lots of visitors. However, not many people know that 2500 customers from Sweden and other countries visit NIBE each year. The lady in charge of organising all these visits is Anna Hogenfält.

IN A TIME WHEN MANUFACTURING IS DECLINING IN SWEDEN, there is a growing interest in the companies that develop and make their products here. NIBE is one such company and there is considerable interest in visiting the company at its home base in Markaryd.

"We find that lots of installers and wholesalers like to come and see what goes on behind the scenes here," explains Anna Hogenfält, who is the Visitor Coordinator at NIBE. District and country managers contact Anna when they want to show visitors around the company.

"I book rooms, organise internal staff, arrange guided tours of the factory, accommodation, meals, activities and prepare an agenda for each visit."

A VISIT TO A MANUFACTURING COMPANY is similar to a factory tour and almost everyone who visits NIBE for the first time gets to see how a heat pump is manufactured. From steel coils and the heavy production of the tanks to the intricate work that goes on at the Heat Pump Centre. Yet a visit to NIBE is far more than this.

"A key part of a visit is getting to know the product. We have a unique Marketing Centre with a product training laboratory where all our products are installed and ready, so that visitors can gain theoretical and practical knowledge about specific products. They also get the chance to meet product specialists and experts."

"When I talk to a district manager, it's essential to establish



what he or she and the customer want to gain from the visit. If it's a new customer, the visit focuses on getting a feel for the company, who we are and how we work. It creates a bond so the customer feels we are close at hand in every way."

"When it's a customer with whom we've been working for some time, the visit has a more detailed focus on specific areas. Our development team may be on hand to provide answers to our visitors' questions about specific products."

ANNA POINTS OUT that although visits shouldn't be seen as training, there is still an educational aspect to them.

She explains, "We're an engineering company."

"We believe that the more our customers know about our products, the better able they will be to answer questions and explain things to their own customers. One of the main aims of the visits is to present several people from a company with the same information about our products so they are confident in their knowledge of the products."

"Another important aim is to establish points of contact between customers and our staff here in Markaryd. That's important for us at NIBE too. NIBE is a company with fast decision-making processes."

"Sometimes Gerteric Lindquist walks past and says hello to a group of visitors. I then have to explain that he's our Chief Executive Officer and Managing Director."

Anna says that many of the visits last two days with dinner at the marketing centre on the first evening. Our chef, Michael Pettersson, makes sure that our guests are treated to a meal to be savoured.

"We usually invite one or more of our senior technicians to join the guests for these evening meals. Our customers often find they are able to talk more openly then. The room is usually



buzzing with questions and our guests give us feedback in a way that can be difficult in other contexts. It's of tremendous value to us!" says Anna, before jogging off to make sure that everything is in order for the next group of visitors.

The third this week ...

SWEDISH ENERGY AGENCY TEST PROVES:

NIBE's ground source heat pumps are the best choice for Swedish home owners

The Swedish Energy Agency has just published the results of its comprehensive test of the heat pumps on the market. They are extremely positive results for everyone who works with NIBE. The test does not single out a winner. Instead, it presents the results for several different types of buildings with various types of heating and energy consumption. The results clearly show that Swedish NIBE is the optimal choice for most Swedish home owners.

IN SWEDEN, GROUND SOURCE HEAT PUMPS are most commonly purchased by households with high hot water and energy use and that are heated by radiators, or radiators in combination with under-floor heating. The test results show that NIBE's ground source heat pumps provide the greatest savings of all the brands tested for these houses. Overall, NIBE has the best performance of all the pumps in 14 out of 25 properties tested.

"The NIBE F1245 is the only heat pump in the test whose coefficient of performance is greater than COP 5.0 in these buildings," says Per. At 0/35, the COP is an impressive 5.2, which is unique! NIBE also has

the highest values for hot-water temperature and for hot-water capacity at 258 litres.

Per explains, "Ground source heat pumps are most commonly purchased by home owners who use lots of hot water and have radiators.

They are the ones who gain the most benefit from ground source heating. We're absolutely delighted. The results endorse that we have the best product for most Swedish home owners! "And the NIBE F1245 is one of the top products for properties with underfloor heating.

The test in its entirety can be viewed at: www.energimyndigheten.se



Interested in finding out more about heat pumps in the Million Programme?

Please contact Per Törnkvist on +46 (0)433-73 000 or email him at per.tornkvist@nibe.se

DISTRICT HEATING OR HEAT PUMP?

DISTRICT HEATING *and* HEAT PUMP!

The Million Programme encompasses much more than the high-rise estates in city outskirts. Did you know that the 1 million residences built between 1965 and 1975 are home to 25 % of Swedes? It's now high time for all these high-rise and low-rise apartment blocks and houses to be renovated.

It is estimated that, over the next decade, 650,000 homes will be renovated at a cost of about SEK 650 billion. A substantial amount of this will be spent on energy efficiency measures, as buildings account for a large proportion of energy consumption.

Per Törnkvist at NIBE tells us, "There has been, and still is, a bit of a battle between different heating methods."

"We have the district heating companies in one corner and heat pump technology in the other. In particular, the method of using heat pumps to extract heat from the exhaust air."

Consequently, the district heating companies have increased their tariffs for the use of district heating in combination with, for instance, ground source heating. The reason cited was that

these customers only need district heating during the coldest periods which makes it unprofitable for the district heating companies.

However, they are now burying the hatchet. It emerges that the new regulations in effect make it difficult for district heating companies to deliver the desired energy saving targets on their own. District heating and heat pumps together, on the other hand, form an almost unbeatable combination!

Per comments, "It seems that this knowledge is reaching more and more people."

"If we can work towards common goals, everyone will reap the benefits. Especially our customers!"

NIBE Uplink is up and running!

This spring, we presented NIBE Uplink. The system that allows the new NIBE F1345 to connect to the Internet and offers remote control and monitoring of the heat pump by property managers and installers from their office computers, Smartphones and tablets.

NIBE Uplink is now fully operational and the response has been immediate.

Per Törnkvist at NIBE comments, "This is a huge step forward for users. It makes a noticeable difference in the daily routine."

"If you have several properties to manage, it means you can control all heat pumps without having to be on the spot. Alarms, operation messages and other information are transmitted directly and the current status is always displayed in real time. People have expressed real enthusiasm for Uplink!" NIBE Uplink also includes features for other NIBE heat pumps. Current software and upgrades can be downloaded here and then transferred to all heat pumps with a USB port.



Come and discover for yourself what NIBE Uplink is all about.

www.nibeuplink.se (login: demo@nibeuplink.com
lösen: Demo2012)

THE FIRST COOLING COURSE HAS BEEN COMPLETED!

EARLIER THIS YEAR, we reported on NIBE's brand new cooling course for heating installers. The first group has completed the week-long course and nine of the ten participants are now certified cooling system installers. Sebastian Nilsson from Vansbro is one of them.

He tells us, "There aren't that many cooling system installers in our region."

"It will be much easier for us to provide our customers with service now that we have cooling expertise in our company. It's very likely we'll also be working with NIBE Split, for example,

now that we're able to carry out the whole installation."

"The course lasted a week and it was very intensive."

"My advice to those who are going on the course is: Read the book that NIBE sends you before you get to Markaryd! There is a lot of information to absorb but it's not impossible and it's interesting."

THE NEXT COOLING COURSE is scheduled for 25 Feb-1 March 2013 (preliminary date).

Please contact Staffan Fritiofsson at staffan.fritiofsson@nibe.se for more information.



THERE'S SO MUCH HEAT OUT THERE...

– Just waiting to be collected

Some 30 years ago the Swedish company NIBE started to manufacture ground source heat pumps. What was then seen as a novelty is today the primary source of heating in new houses in large parts of Scandinavia. Heat pumps has also played a major part in Sweden reducing its dependency of fossil fuels for heating by close to 80%.

And as someone said – if it can heat a house in Scandinavia, it can heat a house anywhere!

TODAY NIBE IS A MAJOR player in the heating industry with an annual turnover of some € 900 million and more than 6,000 employees on three continents.

A large part of this is the result of the success of ground source heat pumps. With the aid of a ground source heat pump, solar energy stored in the ground can be collected and used to heat homes and commercial buildings.

Warmth builds up underground from

the first days of spring when the surface of the earth starts to thaw, to high summer, when the rays of the midday sun penetrate deep down into the ground. By the time the autumn leaves are falling, there's enough energy stored in the ground to heat up any house throughout the coldest winter. A heat pump collects and upgrades this naturally occurring warmth.

Even a wet and cool summer can still provide enough energy to maintain a

comfortable indoor temperature in the coming winter.

If at any point it gets too hot inside the house, the same system can be used for cooling.

Drawing on the lower temperature underground (between 4 and 12 C°) passive cooling also exploits nature's own resources – simply for cooling instead of heating.

It's amazing, but true.

THREE KINDS OF HEAT PUMPS

Heat pumps is a word with many different meanings. Today NIBE produces three kinds of heat pumps.

Exhaust air heat pumps

An exhaust air heat pump ventilates the building and recovers the energy in the warm air, reusing it to warm up your sanitary water and fuel a central heating system. Ideal for heating domestic premises and tap water.

Ground source heat pumps.

Drawing heat from surface soil, bedrock or the water in a nearby lake, this is a great option for heating houses, multiple-unit properties and other larger buildings. Available with or without an integrated water heater.

Air/water heat pumps

These pumps extract heat from the ambient outside air. In contrast to simpler types of air-to-air heat pumps, they are connected to the building's heating system and are able to produce both heat and hot water.

HEAT PUMPS MEAN RENEWABLE ENERGY!

The 20/20/20 European directive imposes compulsory targets on the EU's 27 member states, specifying that 20% of energy consumption must be met by renewable sources by 2020. Since ground source heat pumps are now classified as a renewable energy source their installation will help member states reach this ambitious target. And in many cases, local or regional authorities are offering home owners subsidies to switch their existing.



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