

NEWS RELEASE

For Immediate Release

Green HVAC products continue to sell in China during downturn – *Market driven by short term cost savings.*

BEIJING- March 17, 2009 – GCiS China Strategic Research has published a study of the China market for energy efficient and environmentally friendly HVAC (Heating Ventilation and Air-Conditioning) equipment. A basket of five green HVAC products, which represent a cross-section of applications, budgets and thermal zones in the domestic market, was surveyed between Q3 2008 and Q1 2009. The study finds that China's surging construction industry is driving double digit growth rates in the multibillion dollar market for green HVAC beyond the pale of global recession. However, uneven demand, regulation, and public awareness are limiting penetration in a market where HVAC energy consumption is estimated to be as much as 60% of a building's total. Nor is the downturn completely without impact: most green HVAC suppliers expect prices to decline by around 5% in 2009.

The commercial sector is the industry's biggest customer, and a majority of sales are made to new construction projects in China's north, central and eastern provinces. "Customers prefer cheap, modular, green HVAC components and are turning away from big equipment with long payback periods," said Ed Barlow, senior analyst and author of the study.

"In this tightening real-estate market, developers' horizons are shortened from years to months, and immediate, low risk economic gain are the dominant purchasing criteria." Barlow added.

"Green tech sells in China, but this is due to 'green' the money connotation."

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About the GCiS China Green HVAC Study

This GCiS market study draws on a three month, in-depth primary survey of over 100 of the market's supply side and channel players. It is essential reading for any professional needing accurate and detailed strategic information of this market. Major areas covered include: market size and



shares, five-year projections, market structure, new vs. replacement sales, pricing trends, distribution, consumption, an assessment of key suppliers and more.

About GCiS China Strategic Research

GCiS (www.GCiS.com.cn) is a China-based market research and advisory firm focused on business to business markets. Since 1997, GCiS has been working with leading multinationals such as Siemens and GE in sectors ranging from technology to industrial markets, medical, chemicals, resources, and a few others.