



PRESS RELEASE:

For more information, contact:
John O'Reilly
LNC Communications LLC
815.469.9100; John@LNCmail.com

Heat Transfer:

Pioneers and Specialists in Leading-Edge, High-Efficiency Boiler and Water Heating Technologies

ORLANDO, FLORIDA (FEBRUARY 7, 2007) — If you specify or install high-efficiency boilers and water heaters, you probably know about Munchkin condensing boilers, with their fully modulating and load-matching, ultra-low-NOx burners that deliver AFUE ratings well in excess of 90%.

If you specify or install indirect water heaters for domestic hot water applications, no doubt you've come across the SuperStor, especially our stainless steel Ultra model that carries a lifetime warranty.

But while you may know about and even routinely specify or purchase the Munchkin and the SuperStor, chances are you're not up to speed on the company behind these and other product innovations that have been setting the technological pace for the boiler and water heater industry for more than a decade. That company's name is Heat Transfer.

Truly a Pioneer: Established 1974 as a designer and fabricator of heat exchangers for the boiler and solar industries, Heat Transfer today is a full-fledged manufacturer on the cutting edge of energy-efficient water heating technology. Although the

HEAT TRANSFER

120 Braley Road, East Freetown, MA 02717-0429
Telephone 800-323-9651 or 508-763-8071 Fax 508-763-4909
Visit us on line at www.htproducts.com

Heat Transfer, add one

company makes a wide assortment of water heating products and system components, it is best-known for its indirect-fired water heaters, first introduced in 1980; and, more recently, for its state-of-the-art lineup of condensing, modulating (“ModCon”) boilers.

“Much of what we do is to scout more advanced European hydronic technologies and then Americanize them to increase their accessibility to the broader marketplace,” says Heat Transfer president Dave Martin, who joined the company in July 2006, after a successful 16-year tenure with another industry manufacturer, a large water heater company.

Heat Transfer was the first U.S.-based manufacturer to bring a condensing gas water heater to the domestic market, unveiling the Voyager in 1994. Its condensing technology not only delivered a thermal efficiency of up to 98% (versus 80% for most conventional commercial gas water heaters), but also reduced flue-gas temperatures enough to permit venting with less expensive, easier-to-install PVC pipe. Two years later, Heat Transfer delivered yet another breakthrough with the launch of the Munchkin. This highly compact boiler coupled condensing technology with a modulating burner to further trim energy costs by aligning the burner’s firing action to present demand.

As products like these demonstrate, what clearly distinguishes Heat Transfer is its singular focus on *advanced* water heating systems. “We are specialists in high efficiency,” says CEO Dave Davis, son of company founder Raymond B. Davis. “We don’t make conventional products, so our time and energies are not spread over a broad range of unrelated items. High efficiency is all we do and all we care about. That, in turn, better enables us to help our customers climb the learning curve and endure the growing pains these products inevitably demand.”

Truly Committed: Heat Transfer’s commitment to high-efficiency boiler and water heater products expresses itself in several ways:

- *New-product development:* Heat Transfer is unveiling two major additions to its high-efficiency lineup:

Heat Transfer, add two

— The Munchkin Contender is a compact and lightweight, wall-hung version of the Munchkin boiler, featuring a corrosion-resistant, stainless-steel heat exchanger, as well as a dent-resistant plastic cabinet that is removable for easy serviceability. Featuring an AFUE rating of up to 93%, the Energy Star Rated Contender can also be coupled with the SuperStor to provide domestic hot water. The waterway and the combustion system of the Contender are completely enclosed within the heat exchanger, eliminating numerous individual components and the cost of welding them together. “That permits a significantly lower price point than other condensing boilers,” says Martin.

— The Phoenix Modulating Condensing Water Heater delivers both space heating and domestic hot water in a single package with a combustion efficiency rating of 96%. Side tapplings in the rustproof water heater jacket allow ready piping connections to air coils for space-heating applications. Designed especially for multi-family and commercial applications, the Phoenix can be vented up to 85 feet (intake and exhaust piping combined) with 2-inch or 3-inch Schedule 40 PVC piping, depending upon to the model. It also requires zero clearance to combustibles, further enhancing installation flexibility. “With two high-efficiency systems in one, the Phoenix should more than pay for itself over time,” says Davis.

Coming soon from Heat Transfer: A line of indirect-fired water heaters, designed specifically for solar applications. The new offering will contain two types of backup heating sources for when solar power is unavailable: an electrical element to heat the water directly and an additional coil for boiler hookup.

“The solar market remains fragmented, but it is gaining momentum, thanks to federal and state incentives and the general demand for higher energy efficiency at a lower cost,” says Davis. “Even a milder-than-usual winter turns people’s thoughts to global warming and the emissions causing this problem. Like everything else we’re doing, our new solar line addresses those issues head-on.”

- *Capital improvements:* As its offerings have grown and diversified, so have Heat Transfer’s manufacturing facilities in East Freetown, Massachusetts. Total operations now under roof measure 200,000 square feet, but recent enhancements go beyond

Heat Transfer, add three

physical size. For example, in 2006, the company invested \$1 million in a new welding cell on its indirect water heater production line.

“By welding the tanks automatically with robotics, rather than by hand, we will be able to boost output by more than 50%, while also holding the line on labor costs,” says Davis, who adds that the company budgets between \$2 million and \$3 million annually for automation and other capital improvements.

Three years ago, Heat Transfer erected a separate building to house a laboratory with multiple stations where Department of Energy tests and life-cycle analyses can be performed more quickly and cost effectively than at outside labs. Special on-site trailers, kept at very high or very low temperatures, are used gauge product durability under a variety of extreme conditions.

- *Training and field support:* Another type of capital improvement currently under consideration is the addition of a new training center, devoted solely to continuing the technical educations of Heat Transfer sales agents and their customers. The new facility would – literally – be a homegrown extension of Heat Transfer’s ongoing commitment to customer support.

The bulk of this support necessarily takes place in the field. Martin points to the company’s 20 independent stocking sales representatives who serve Heat Transfer’s nationwide network of distributors and their contractor customers. “The local inventories of our stocking reps help the wholesaler have the right Heat Transfer product right at hand,” Martin explains. “In addition, our reps are factory-trained to work closely with professional specifiers and installers on system design, installation, troubleshooting, repair and servicing.”

This commitment to customer support is essential to what Heat Transfer perceives as its overarching market mission. There’s nothing especially unusual in a manufacturing company positioning itself as an “innovator” among its competitors. But to be a true innovator within the still-emerging ModCon space heating and water heating markets entails special responsibilities and obligations.

Heat Transfer, add four

“Whenever a contractor decides to pursue a new technology, he is understandably apprehensive,” Davis remarks. “He needs time to climb the learning curve even as the technology is evolving, but without losing money or standing with his own customers because of problems. So he depends upon a manufacturer like us to help him up the curve, provide all the support he needs to get the job done right the first time, and then to back him to the hilt should things not turn out exactly as planned.

“At Heat Transfer, we absolutely embrace those high customer expectations, and we are doing everything we can to meet them,” he continues. “Contractors don’t always grasp what goes into ModCon products, both on their end and Heat Transfer’s. But once they understand the full ramifications of our specialization in this market and how that is intended to help support their own success at the local level, they inevitably feel a lot better about our company – as well as the special opportunity that awaits them in this market.”

HEAT TRANSFER: Founded in 1974 by Raymond B. Davis, Heat Transfer is a designer and manufacturer of advanced heating and hot water systems. Product categories include high efficiency boilers and advanced boiler control systems, high efficiency gas-fired water heaters, oil-fired and electric water heaters, indirect water heaters, and marine and pool heaters.

For more information, visit Heat Transfer at www.htproducts.com. Or call toll-free: 800-323-9651 (508-763-8071 if calling from Massachusetts).

For editorial assistance, contact John O’Reilly c/o LNC Communications: 815-469-9100 or John@LNCmail.com