

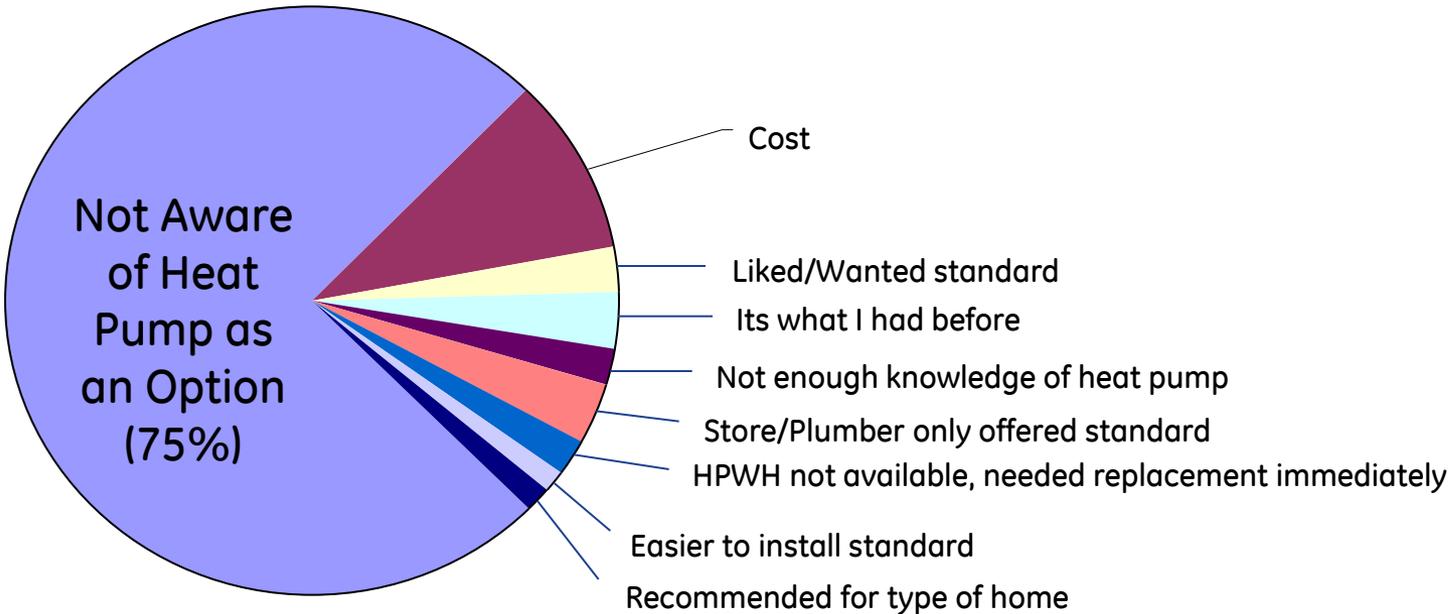
Consumer is Key: Increasing Awareness

October 6, 2010



Its not Price, its Awareness

Out of 202 water heater customers surveyed, 156 bought a standard water heater...Here's why...



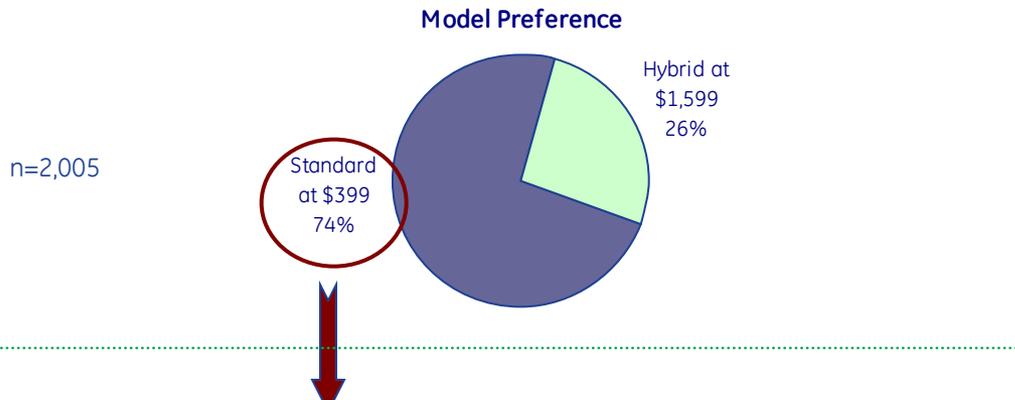
Building Awareness represents the single biggest opportunity to grow sales

Likelihood to Consider Purchasing Hybrid ~ When Need Replacement

n=2,005

At First Evaluation
(Introduction to Concept Without Pricing)

	Raw Intention to Purchase Today	Discount Factor	Weighted Intention to Purchase Today
Extremely likely	33.1%	0.8	26.5%
Very likely	35.8%	0.4	14.3%
Total			40.8%



n=1,484

At Final Evaluation
(Introduction to Federal Tax Credit)

	Raw Intention to Purchase Today	Discount Factor	Weighted Intention to Purchase Today
Extremely likely	11.5%	0.8	9.2%
Very likely	33.8%	0.4	13.5%
Total			22.7%

- To account for overstatement in purchase intentions, a weighting scheme was adopted. Unpriced, 41% of respondents are very likely to purchase a hybrid water heater when their current one needs to be replaced.
- When priced, nearly ¾ elect to purchase a standard water heater. Given the federal tax credit, almost ¼ of those preferring the standard water heater at \$399 move back to a hybrid.

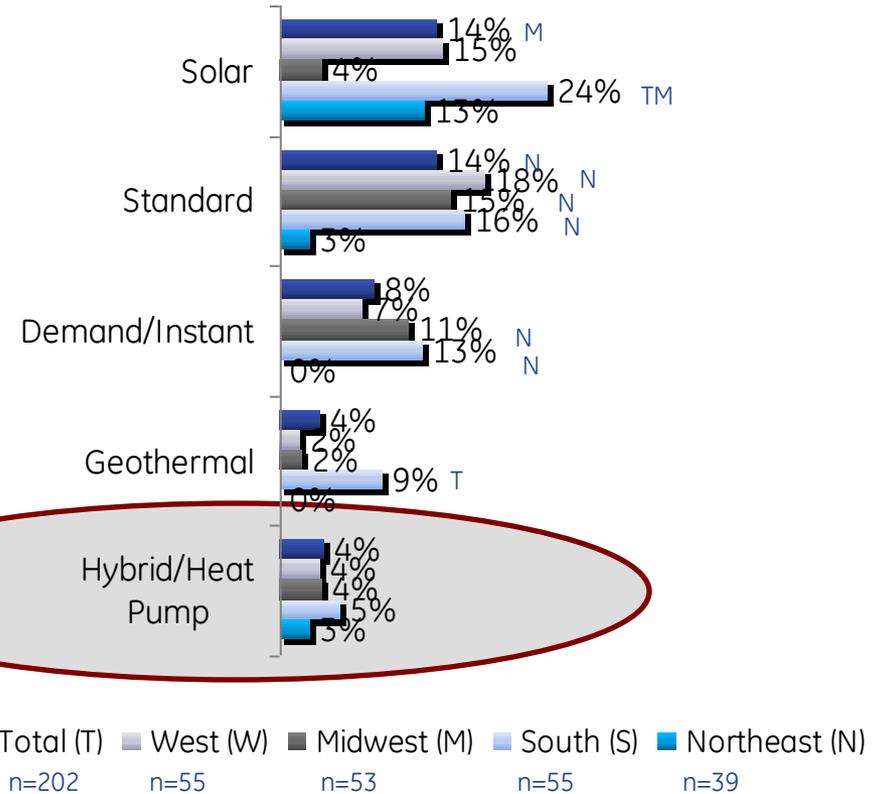
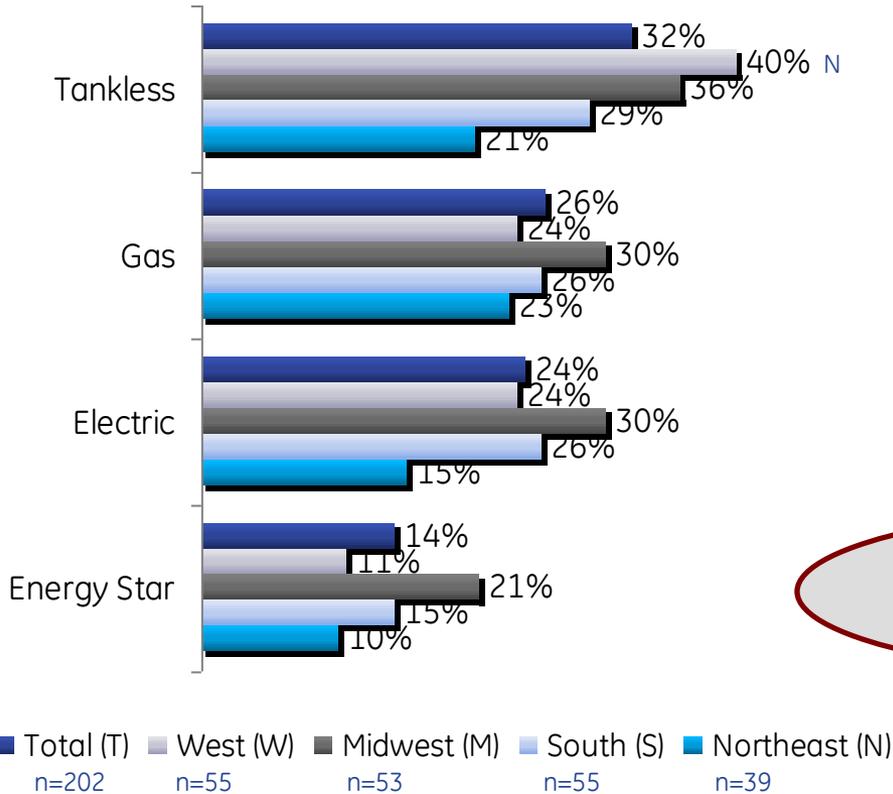
43% of consumers would likely purchase Hybrid when completely knowledgeable of Price, Benefit, and Incentives

Q. Based on this description of a hybrid water heater, how likely are you to consider purchasing a hybrid water heater when it comes time to replace your current water heater?
 Q. If you were in the market for a new water heater and these were the only two choices, which one would you choose?
 Q. Now that you know about this \$480 tax credit, how likely are you to consider purchasing a hybrid water heater when it comes time to replace your current water heater?

Unaided Technology Awareness

The tankless water heater technology received the highest awareness on an unaided basis. Heat Pump water heaters are at the bottom of the list.

What water heater technologies are you aware of?



CAPITAL Letters denotes significant difference at a 95% confidence level

Ad Media - Tallahassee



Want savings that are bigger than the price tag?

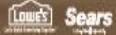
City of Tallahassee Electric customers can get up to \$1,680 back on the GeoSpring™ Water Heater through September 30.



With a special \$1,200 rebate for City of Tallahassee Electric customers and a Federal tax credit of up to \$480*, you could end up saving more than the estimated retail price of \$1,599 for a new GeoSpring™ Water Heater. Its hybrid technology cuts energy usage up to 62% without sacrificing a single drop of hot water. Twice the technology. Half the bill.

For more information, visit geappliances.com/geospring

Find it at your local plumber, plumbing distributor, or these retailers:



City of Tallahassee Electric customers only. Rebate is based on a 60-gallon per day and comparison to a 50-gallon standard electric tank water heater using 6000 kWh per year. The GE GeoSpring hybrid water heater using 2266 kWh per year. See the GE Energy website for more details. ©2010 GE. All rights reserved. GE, the GE logo and imagination at work are trademarks of GE. All other marks are the property of their respective owners.

TV
Print
Direct Mail



Twice the technology. Half the bill.

The GeoSpring™ hybrid water heater provides up to 62% energy savings without sacrificing a single drop of hot water.

imagination at work

PROJECT CITY
ULTRA-HIGH EFFICIENCY
HYBRID WATER HEATER
REBATE

For a limited time!

Receive up to
\$1,680 in buying incentives in Tallahassee*



GeoSpring™
hybrid water heater

*Based on 60% rebate on the unit and \$1,200 City of Tallahassee utility rebate.



Take advantage of the benefits while you still can

Hurry! The GeoSpring hybrid water heater is only available with tax credits and rebates for a limited time. Purchase one today to take advantage of these incentives, and see the benefits the GeoSpring has to offer.

Purchase your GeoSpring hybrid water heater today! Available at:

LOWE'S **Sears**
Home Services

Keith Lawson Plumbing, 850.562.2600
Bobby Dollar Appliances, 229.228.5112
E & E Wholesale Plumbing, 850.222.0750

For federal rebate information, visit dsirs.usa.org

For utility rebate information, for new homes visit: talgov.com/you/energy/pdf/es_hvac_new.pdf for existing homes visit: talgov.com/you/energy/pdf/es_hvac_exist.pdf

For more GeoSpring information, visit: geappliances.com/GeoSpring



The GeoSpring™ hybrid water heater gives back more than it costs

Once you deduct the tax credits and utility rebates from the retail price, you'll actually end up saving more than the cost of the water heater. And you'll keep on saving in energy costs year after year.

City of Tallahassee utilities customers are also eligible to receive a special **\$1,200 rebate until 9-30-10**, just for purchasing an ENERGY STAR® qualified electric heat pump water heater. Plus, a Federal tax credit of up to **\$480*** adds up to a total purchase incentive of **\$1,680!**

*Home electric energy. See www.irs.gov for more information on tax credits.

Savings breakdown

Estimated Retail Price*	\$1,599
Federal tax credits	-\$ 480
Utility rebate	-\$1,200
After \$1,680 in incentives	\$ 81 (your gain)

That's right! After purchasing the GeoSpring hybrid water heater you'll find the incentives are greater than what you pay for the water heater itself.

*Rebate depends on your location. The calculator is intended only for general information and educational purposes, not intended for financial or legal advice. Rebate rates and rules are subject to change. Consumers should verify the availability and their eligibility for the federal and utility incentives listed before making purchase decisions. Thank you!

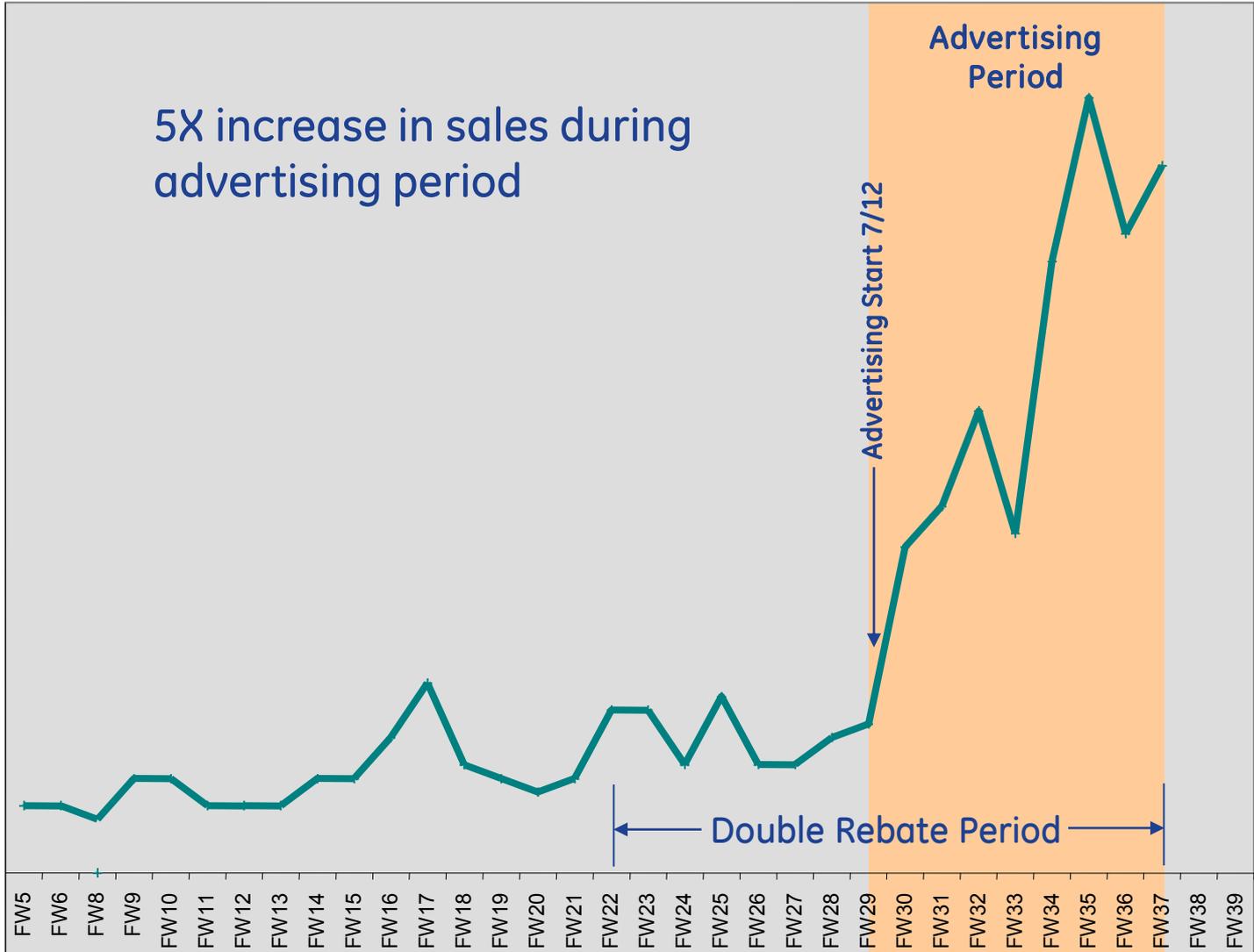
City of Tallahassee
Your Own Utilities



Case Study - Tallahassee

GeoSpring Unit Sales

5X increase in sales during advertising period



More Advertising Planned

Example: Lexington Herald Advertisement

Save up to \$1,130 on the GeoSpring™ Water Heater

Kentucky residents can save up to \$1,130 on the GeoSpring™ Water Heater while funds last.



With a special \$400 Kentucky state rebate, a state tax rebate of \$250 and a federal tax credit of \$480,* you could end up saving more than half of the estimated retail price of \$1,599 for a new GeoSpring™ Water Heater. Its hybrid technology cuts energy usage by up to 62%† without sacrificing a single drop of hot water, and can reduce your energy bill by \$320 a year. Twice the technology. Half the bill.

*Some restrictions may apply.

For savings information, visit www.kyappliances.com

For more information, visit geappliances.com/geospring
Find it at your local plumber, plumbing distributor, or these retailers:

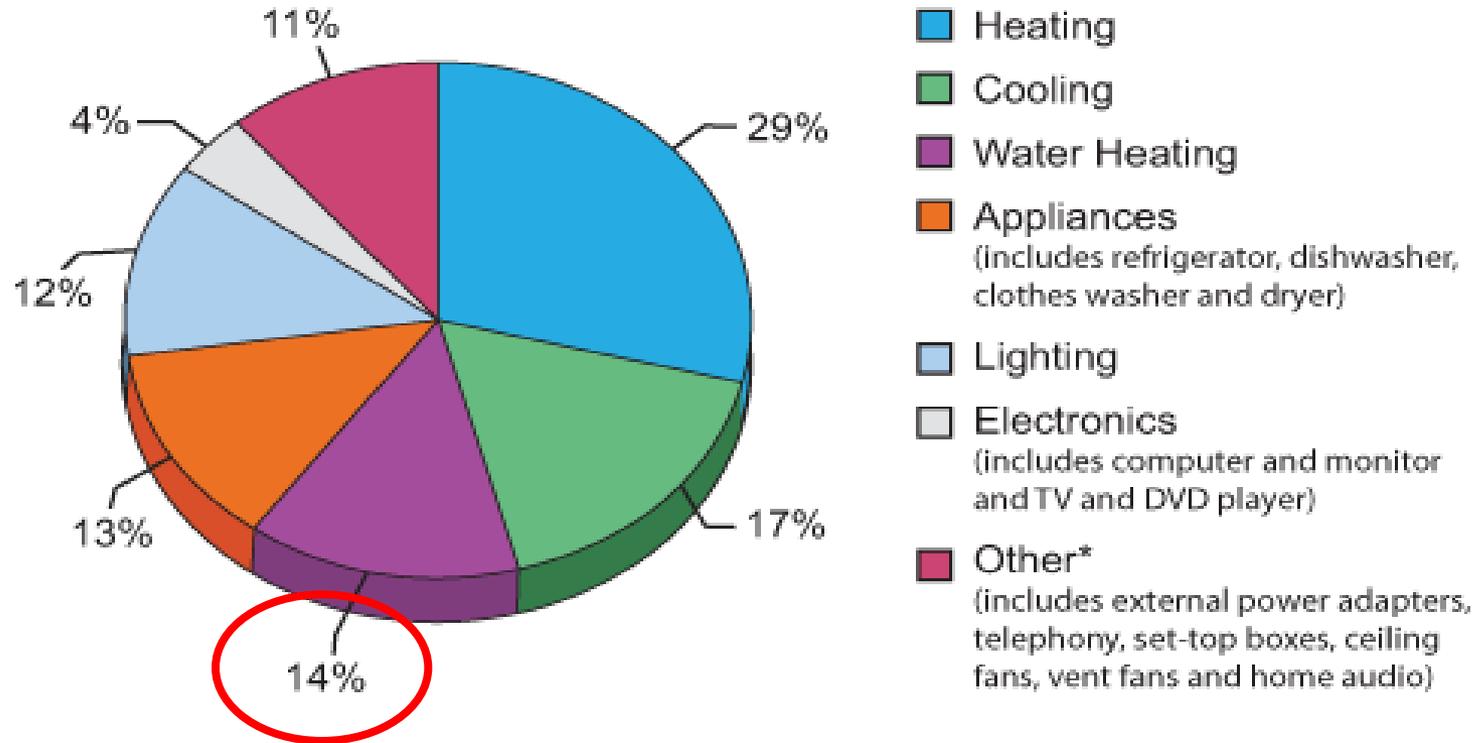


imagination at work

† Based on DOE test procedure and comparison to a 50-gallon standard electric tank water heater using 4679 kWh per year vs. the GE GeoSpring hybrid water heater using 1856 kWh per year. Lowe's, the globe design, and Let's Build Something Together are trademarks of LF, LLC, all are used with permission.

The Home Energy Landscape

Energy consumption of the typical single family home

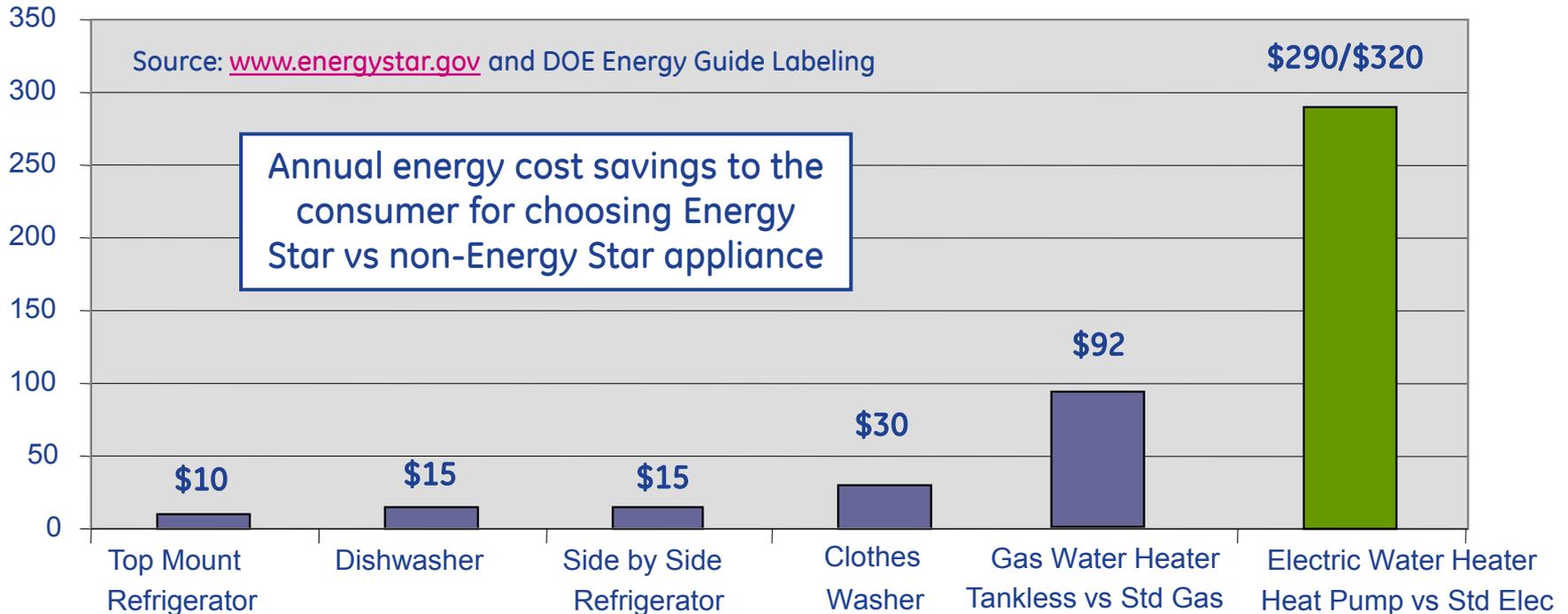


Source: http://www.energystar.gov/index.cfm?c=products.pr_pie

The water heater is the 2nd largest energy consuming appliance in the home

Potential savings by product type

Annual Savings Energy Star vs Non-Energy Star



Heat Pump Water Heaters provide a tremendous energy and cost savings opportunity vs other appliance replacement options

Total Life Cycle Cost Comparison

Table 1
ACEEE Comparison of installed costs and energy costs for various water heating technologies. [20]

Note: There have been recent changes in energy costs which are not reflected here. As of publication, costs of 11 cents per kwh for electric, \$2.80 per gallon for fuel oil may be more representative. However, the relative cost advantage of HPWH remains.

Water Heater Type	Efficiency (EF/COP)	Installed Cost ¹	Yearly Energy Cost ²	Life (years)	Total Cost (Over 13 Years) ³
Conventional gas storage	0.60	\$850	\$350	13	\$5,394
High-efficiency gas storage	0.65	\$1,025	\$323	13	\$5,220
Condensing gas storage	0.86	\$2,000	\$244	13	\$5,170
Conventional oil-fired storage	0.55	\$1,400	\$654	8	\$11,299
Minimum Efficiency electric storage	0.90	\$750	\$463	13	\$6,769
High-eff. electric storage	0.95	\$820	\$439	13	\$6,528
Demand gas (no pilot)	0.80	\$1,600	\$262	13	\$5,008
Electric heat pump water heater	2.20	\$1,660	\$190	13	\$4,125
Solar with electric back-up	1.20	\$4,800	\$175	13	\$7,072

1. Purchase costs include our best estimates of installation labor and do not include financial incentives.

2. Operating cost based on hot water needs for typical family of four and energy costs of 9.5¢/kWh for electricity, \$1.40/therm for gas, \$2.40/gallon for oil.

3. Future operating costs are neither discounted nor adjusted for inflation.

Heat Pump Water Heaters have the lowest Life Cycle Cost of any water heater category...even lower than Solar

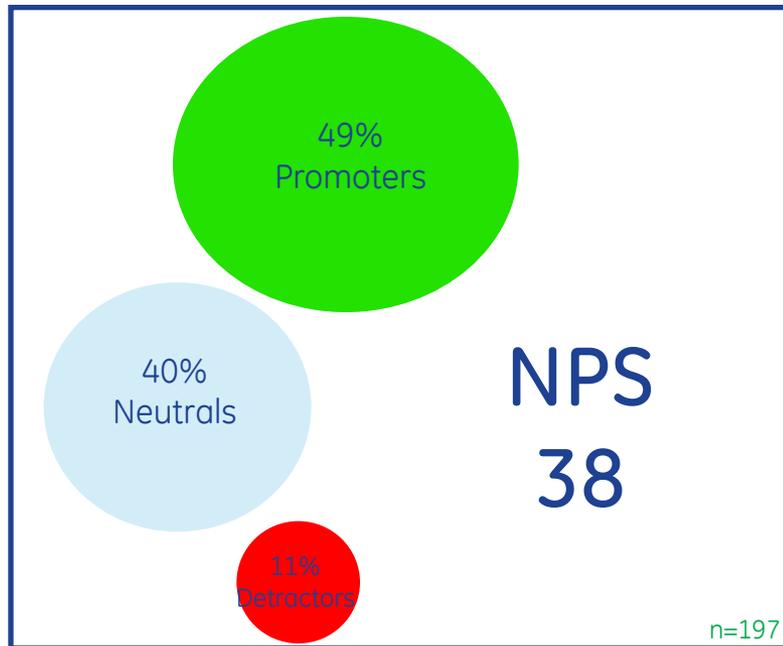


NPS Score

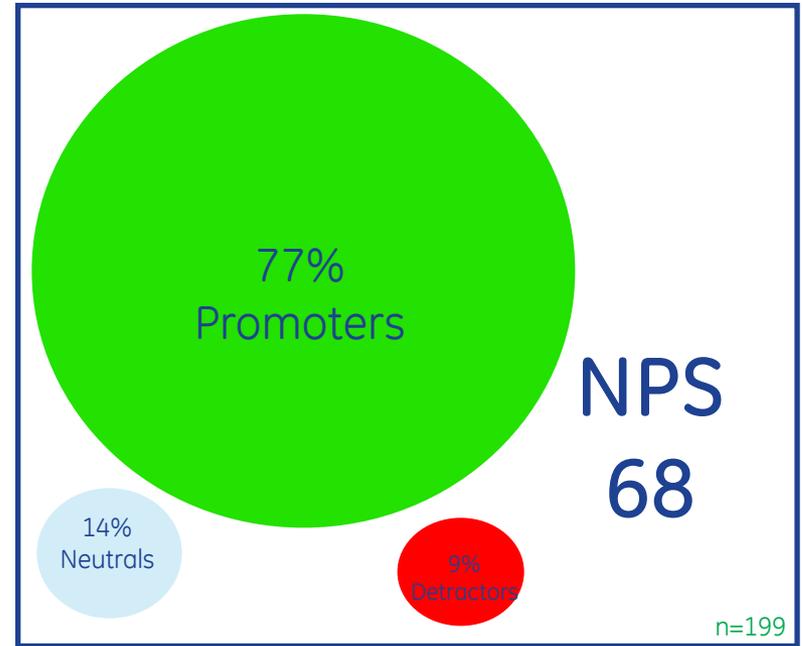
The GeoSpring NPS score is 30 points higher than for Water Heater purchasers.

Using a scale from 0 to 10, where "10" means extremely likely and "0" means not at all likely, how likely would you be to recommend your recently purchased water heater to a friend/family or colleague?

Water Heater Purchasers



GeoSpring Purchasers



Word of Mouth = Increased Sales

Key Takeaways

- Current consumer awareness of hpwh is extremely low
- Biggest opportunity for increasing sales is by growing awareness... advertising is the solution
- Cost is an issue, but rebates are an effective counter
- Rebates and advertising is a terrific combination
- Consumers are very pleased with their GeoSpring water heaters